

7 July 2017

Clear Leisure Plc
("Clear Leisure", "the Company" or "the Group")

FINAL RESULTS

For the Year Ended 31 December 2016

Clear Leisure (AIM: CLP), the AIM listed investment company focusing on the leisure and real estate sectors in Italy is pleased to announce its final results for the year ended 31 December 2017.

HIGHLIGHTS:

- Loss before Tax reduced to €397,000 (2015: €20,246,000)
- Operational Loss reduced to €156,000 (2015: €654,000)
- Net Asset Value of the Group increased to €1.6 million (2015: €1.34 million)

Francesco Gardin, CEO and Chairman of Clear Leisure, commented, "The Board remains committed to improving the financial health of Clear Leisure through court-led recoveries of misappropriated assets, asset sales and the buy-back of the debts of its subsidiaries at significant discounts. Whilst we have achieved success with more than one of these areas, there remain a number of challenges to overcome before shareholders are rewarded for their patience. We are confident that by continuing with our process, this ultimate goal will be achieved."

The Company advises that the 2016 Report and Accounts has been posted out to shareholders.

-ends-

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About Clear Leisure Plc

Clear Leisure plc (AIM: CLP) is an AIM listed investment company with a portfolio of companies primarily encompassing the leisure and real estate sectors mainly in Italy. The focus of management is to pursue the monetisation of all of the Company's existing assets, through selected realisations, court-led recoveries of misappropriated assets and substantial debt-recovery processes. For further information, please visit, www.clearleisure.com

CHAIRMAN'S STATEMENT

I am pleased to present below the Company's Final Results for the year ended 31 December 2016.

Overview

The Company continued to execute its well-founded strategy during 2016 and, along with the first six months of 2017, has begun to make positive steps with the creditors of its Italian subsidiaries, ownership rights of its assets and funding requirements.

As at 31 December 2016, we had bought back consolidated Group debt to the value of €1.3 million at a discount of 76 per cent. Subsequently, in May of this year we purchased a further €3.14 million of loans owing by Mediapolis Srl to a syndicate of three Italian banks, also at a 76 per cent discount. That debt, now owing by Mediapolis Srl to Clear Leisure, is secured by a first charge on valuable land owned by Mediapolis Srl.

These discounted debt purchases improve Clear Leisure's consolidated balance sheet, reduce the Group's interest burden and save the management time consumed in dealing with the relevant creditors. The Board intends to remain alert to further such opportunities to improve the Company's financial position.

Funding for the May 2017 debt buy back was facilitated by a €1.2 million loan from Eufingest, the Lugano based investment manager and our largest shareholder. This loan, together with all other loans due by Clear Leisure to Eufingest, and in total then amounting to €2.475 million, has been consolidated into a single loan repayable by 28 April 2020 and carrying an annual interest rate of just 1 per cent. Clear Leisure can repay the loan (plus interest) at any time before the maturity date whilst Eufingest has the right to convert all or part of the loan at 0.89 pence per share.

Through these transactions, Eufingest has demonstrated its support for the Board of Clear Leisure and we are confident that Eufingest will continue to give careful consideration to any financial restructuring or business opportunity uncovered by Clear Leisure.

As a further part of the debt restructuring initiated by the Board, a bondholders meeting held on 30 December 2016 approved the extension of the final maturity of the Zero Rate Convertible Bond 2015 to 15 December 2018. It further agreed to reduce the redemption amount to be paid at final maturity on the nominal amount of the bonds, from 114.49 per cent to 103.03 per cent, thereby reducing the effective annual interest from 7.0 per cent to 1.0 per cent. This new arrangement will produce an interest saving for the Company of €792,000 (£682,000). Eufingest is responsible for €3 million of the bonds and voted in favour of the resolutions at the bondholders meeting.

In addition to the financial support provided by Eufingest during the 2016 year, the Company made two share issues to provide working capital; primarily to assist with the legal costs associated with contesting asset ownership. On 4 August, the Company raised £150,000 via a placing at 0.5p per share. On 14 September 2016, the Company made a further placing for £200,000 at 0.9p per share, with one warrant for every placing share to be exercised at 1.5p up to 20 March 2017. None of the warrants were exercised by 20 March 2017.

An additional £50,000 was contributed to working capital in June 2016 by the sale of the Company's 9.9 per cent portfolio shareholding in Ascend Capital, a London based broker.

In the 2015 Chairman's Statement I announced that we intended to report future results in Sterling. However, we have now decided to continue to report in Euros as this currency best represents our current activities and funding.

Financial Review

The Group reported a loss before tax of €397,000 for the year ended 31 December 2016 (December 2015: loss before tax €20,246,000); operating losses for the period were €156,000 (December 2015: €654,000).

The undiluted Net Asset Value (NAV) of the Group as of 31 December 2016 was €1.601 million, compared to €1.340 million at 31 December 2015. The increase in value is due to the buyback of the bond in Mediapolis.

Operational Review

During the year under review, we entered into new loan arrangements with Eufingest totaling €0.46 million and £0.3 million. By year-end, the total amount of loans outstanding to Eufingest was €1.1 million and, as mentioned earlier in my statement, by May 2017 amounted to €2.475 million, consolidated into a single loan.

A favourable ruling in February 2016 by the Turin Court, Companies Section, meant that Clear Leisure was finally confirmed the legitimate controlling owner of 50.17 per cent of SIPIEM which, in turn, is a minority shareholder in T.L.T S.p.A., owner of the profitable Ondaland Waterpark, the largest such park in Northern Italy. Importantly, this court ruling entitled SIPIEM to have representation at shareholder meetings and appoint the legal representative of the company, fundamental towards obtaining title to the T.L.T. S.p.A. shares owing to the Company, and gaining access to the revenue and profits of Ondaland. In July 2016, the Company presented at a SEPIEM shareholders meeting, a resolution to recover damages from former management and internal audit committee members. This action has prompted the Ondaland controlling shareholders to enter into negotiations with SIPIEM, which we expect will lead to a positive resolution of outstanding issues to the benefit of Clear Leisure.

On 26 February 2016, the Company entered into a settlement agreement for a secured loan, which had been arranged by the previous board. The original loan was for £250,000 (€292,992) plus interest of £80,000 (€93,758). Under the settlement, the loan principal has been repaid whilst the remaining £85,000 (€99,617) will be settled this year.

On 24 March 2016, the previous Board negotiated settlement in principle with Digital Magics S.p.A. to close all outstanding disputes arising from past transactions involving a number of deals between Clear Leisure and Digital Magics S.p.A. The agreement involved the issue of further €400,000, Zero Rate Convertible Bond 2015 and a cash payment for €17,500. The new Board renegotiated this settlement, agreeing instead to issue €300,000 of the existing Zero Rate Convertible Bond 2015 maturing in December 2017 and to pay €17,500 in cash, as before. The Zero Rate Convertible Bond 2015 was subsequently renegotiated as set out below.

At a meeting on 30 December 2016 of bond holders for the Company's Zero Rate Convertible Bond 2015, agreed new repayment terms, with the maturity date extended to 15 December 2018 and the interest payable on the bonds reduced from 7 per cent to 1 per cent.

In March 2016, the Company drew down a £200,000 (€234,394) convertible loan agreed with Eufingest, bearing a 2.5 per cent interest, with a conversion price of 0.75 pence per Clear Leisure share and repayable on 30 September 2016. This loan, along with all other Eufingest loans, has now been consolidated into the one €2.475 million loan referred to earlier in my review.

In May 2016, Eufingest provided a convertible facility of £100,000 (€117,197) with an annual interest rate of 2.5 per cent and convertible into Clear Leisure shares at 0.75 per share. The facility was repayable on 30 September 2016. A further €50,000 loan was made available at the end of May and on the same terms as the earlier facility. Between September and December 2016, Eufingest provided four convertible facilities of total €460,000 with an annual interest rate of 2.50 per cent. These facilities have subsequently been absorbed into the one single loan referred to above.

At the end of July 2016, Clear Leisure allotted 1,428,571 ordinary Clear Leisure shares to Francesco Gardin in settlement of £12,500 (€14,650) of his salary due for the period August 2015 to December

2015. The allotment of shares was in accordance with his contract and the effective issue price of the shares was 0.875 pence.

Portfolio Companies

An update on the Group's portfolio companies on 31 December 2016 is as follows (percentage of equity held is shown in parenthesis):

Mediapolis Srl (84.04%): owns a strategically located, development site, covering 497,884 sqm, in north-west Italy on the A4/A5 motorway between Milan and Turin. Planning was approved in 2007 for a theme park, with additional guest facilities, shops and offices but the necessary building permits have not been forthcoming. In January 2015, Mediapolis launched a €39.65 million claim against the regional government of Piedmont for failing to honour its commitment to approve the construction of the park. Mediapolis continues to pursue this claim and to seek an acceptable development plan. Mediapolis also owns 10 holiday villas in the Porto Cervo area, the most exclusive holiday location in Sardinia, some of which are currently let to an adjacent hotel.

SIPIEM SpA (50.17%): is a minority shareholder in T.L.T. S.p.A. which owns a number of real estate assets including the operating Ondaland Waterpark located in north-west Italy. In July 2016, the Company voted at a SIPIEM shareholders meeting, presenting a resolution to recover damages from former management and internal audit committee members. The Board is confident that its legal procedures will result in a successful outcome for the Company and that the holding in SIPIEM will become a significant realisable asset.

GeoSim Systems Ltd (www.geosim.co.il) (4.53%): is an Israeli company seeking to establish itself as the world leader in building complete and photorealistic 3D "virtual" cities and in delivering them through the Internet for use in local searches, real estate and city planning, homeland security, tourism and entertainment. Autonomous car projects and other new applications will inevitably require very detailed 3D models of cities and in this regard, the release of GeoSim's Vancouver 3D model represents an important milestone for the company. GeoSim technology remains one of the best options worldwide. GeoSim is not a core asset and will be sold at the right opportunity.

ORH SpA (73.43%): owned a chain of hotels in Italy and East Africa under the Ora Hotels brand. It was put into administration in February 2014, allegedly due to gross financial misconduct by the certain individuals associated with the company, prior to the sale to Clear Leisure. The Company continues to pursue a claim against these entities, with the objective of recovering all the funds historically invested, of nearly €6 million in cash and shares.

There are also other claims and issues that the company continues to deal with, that may yield some return to the Group.

Post-Balance Sheet Events

On 10 May 2017, the Company consolidated its outstanding loans with Eufingest into one convertible loan of €2.475 million with a repayment date of 28 April 2020 and an interest rate of 1 per cent. Eufingest can convert the loan into shares at any time up to the repayment date at a price of 0.89p per share, being the weighted average conversion price of the loans then converted into the new facility.

The new loan facilitated the completion of the €3.14 million debt buy-back at 76 per cent discount of Mediapolis bank debt with a first charge on a strategic 497,884 sqm site in north-west Italy on the A4/A5 motorway between Milan and Turin. A Clear Leisure wholly owned vehicle is now the beneficiary of the debt, any unpaid interest on the debt and a first charge on the land up to €5 million on the debt.

On 15 May, Clear Leisure was informed that the Court Prosecutor of Ivrea, Metropolitan City of Turin, had filed a winding up request on Mediapolis Srl. The petition arose from an initiative of the Ivrea Court following a claim which has now been settled by the Company. Nonetheless under Italian Law,

once the request from the Court has been passed to the prosecutor, the winding up petition may proceed in consideration of other outstanding debts, notwithstanding that the original debt has been settled.

A hearing of the court was held on 9 June, at which Mediapolis Srl provided evidence of its continuing discussion with its creditors. A second hearing took place on 23 June, where Mediapolis Srl submitted additional documentation for the consideration of the court. A decision of the court, with respect to the winding up petition of the Court Prosecutor, is now not expected before early July.

Meanwhile Mediapolis Srl called a shareholder meeting (“AGM”) for 21 June 2017 both to approve the accounts for the year ending December 2016 and to discuss the winding-up petition and possible further funding by its shareholders. At the AGM Mediapolis shareholders approved the 2016 financial accounts, reporting a profit of €335,000. The shareholders present indicated their support for Mediapolis to raise funds to satisfy creditors, subject to Mediapolis Srl not being wound up by the court and provided that the development land remains under the ownership of Mediapolis Srl.

Outlook

The Board remains committed to improving the financial health of Clear Leisure through court-led recoveries of misappropriated assets, asset sales and the buy-back of the debts of its subsidiaries at significant discounts. Whilst we have achieved success with more than one of these directives, there remain a number of challenges to overcome before shareholders are rewarded for their patience. We are confident that by continuing with our process, this ultimate goal will be achieved.

Francesco Gardin
Chairman
6 July 2017

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		€'000	€'000
Revenue		63	-
Cost of sales		-	-
		63	-
Other operating income		943	-
Administration expenses		(1,162)	(654)
Operating loss		(156)	(654)
Other gains and losses	8	24	(18,569)
Finance charges	9	(251)	(1,023)
Loss before tax		(383)	(20,246)

Tax	12	(14)	-
Loss for the year		(397)	(20,246)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(397)	(20,246)
Loss for the year attributable to:			
Owners of the parent		(450)	(17,016)
Non-controlling interests		53	(3,230)
Earnings per share:			
Basic and fully diluted loss from continuing operations	13	(€0.00)	(€0.08)
Basic and fully diluted loss from discontinued operations		-	-
Basic and fully diluted loss per share		(€0.00)	(€0.08)

The accounting policies and notes form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2016

	Notes	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Non-current assets					
Goodwill	14	-	-	-	-
Other intangible assets	15	20	50	-	-
Property, plant and equipment	16	18,014	18,114	-	-
Available for sale investments	18	-	60	-	-
Investments in subsidiaries	17	-	-	9,548	8,537
Other receivables	20	62	-	-	-
Total non-current assets		18,096	18,224	9,548	8,537
Current assets					
Investments held for trading	19	634	614	-	-

Trade and other receivables	20	7,136	6,847	75	35
Cash and cash equivalents	21	1,370	1,842	2	475
Total current assets		9,140	9,303	77	510
Current liabilities					
Trade and other payables	22	(4,245)	(4,948)	(844)	(1,058)
Borrowings	23	(19,880)	(20,832)	(6,641)	(6,680)
Total current liabilities		(24,125)	(25,780)	(7,485)	(7,738)
Net current (liabilities)		(14,985)	(16,477)	(7,408)	(7,228)
Total assets less current liabilities		3,111	1,747	2,140	1,309
Non-current liabilities					
Borrowings	23	(1,103)	-	(1,103)	-
Provisions	24	(407)	(407)	-	-
Total non-current liabilities		(1,510)	(407)	(1,103)	-
Net assets		1,601	1,340	1,037	1,309
Equity					
Share capital	26	6,344	6,112	6,344	6,112
Share premium account	26	43,351	42,954	43,351	42,954
Other reserves	28	11,441	11,412	585	556
Retained losses		(59,843)	(59,393)	(49,243)	(48,313)
Equity attributable to owners of the Company		1,293	1,085	1,037	1,309
Non-controlling interests	30	308	255	-	-
Total equity		1,601	1,340	1,037	1,309

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

Group	Share capital	Share premium account	Other reserves	Retained losses	Total	Non-controlling interests	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2016	6,112	42,954	11,412	(59,393)	1,085	255	1,340
Total comprehensive loss for the year	-	-	-	(450)	(450)	53	(397)
Issue of shares	232	397	-	-	629	-	629
Share option charge	-	-	29	-	29	-	29
At 31 December 2016	6,344	43,351	11,441	(59,843)	1,293	308	1,601

Company

At 1 January 2016	6,112	42,954	556	(48,313)	1,309	-	1,309
Loss and total comprehensive income for the year	-	-	-	(930)	(930)	-	(930)
Issue of shares	232	397	-	-	629	-	629
Share option charge	-	-	29	-	29	-	29
At 31 December 2016	6,344	43,351	585	(49,243)	1,037	-	1,037

The accounting policies and notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Share capital	Share premium account	Other reserves	Retained losses	Total	Non-controlling interests	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2015	6,074	42,856	11,390	(42,377)	17,943	3,485	21,428
Total comprehensive loss for the year	-	-	-	(17,016)	(17,016)	(3,230)	(20,246)
Issue of shares	38	98	-	-	136	-	136
Share option charge	-	-	22	-	22	-	22

At 31 December 2015	6,112	42,954	11,412	(59,393)	1,085	255	1,340
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Company

At 1 January 2015	6,074	42,856	534	(32,724)	16,740		16,740
Total comprehensive loss for the year	-	-	-	(15,589)	(15,589)	-	(15,589)
Issue of shares	38	98	-	-	136	-	136
Share option charge	-	-	22	-	22	-	22
At 31 December 2015	6,112	42,954	556	(48,313)	1,309	-	1,309

The accounting policies and notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Net cash outflow from operating activities	29	(1,352)	(835)	(1,290)	(835)
Cash flows from investing activities					
(Increase)/decrease in loan to subsidiary undertakings		-	-	-	-
Sale of available for sale assets		63	-	-	-
Purchase of available for sale investments		-	900	-	900
Net cash (outflow) from investing activities		63	900	-	900
Cash flows from financing activities					
Proceeds of issue of shares		629	136	629	136
Repayment of long term debt		(195)	(272)	(195)	(272)
Proceeds from borrowing		383	540	383	540
Net cash inflow from financing activities		817	404	817	404

Net (decrease) /increase in cash for the year	(472)	469	(473)	470
Cash and cash equivalents at beginning of year	1,842	1,373	475	5
Exchange differences	-	-	-	-
Cash and cash equivalents at end of year	21	1,370	1,842	2
				475

The accounting policies and notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2016

1.General Information

Clear Leisure plc is a company incorporated in the United Kingdom under the Companies Act 2006. The Company's ordinary shares are traded on AIM of the London Stock Exchange. The address of the registered office is given on the Company information page. The nature of the Group's operations and its principal activities are set out in the Directors' report on page 10.

Standards and amendments which became effective during the year have not had a material impact on the financial statements.

Statement of compliance

The financial statements comply with IFRS as adopted by the European Union. A number of new and revised Standards and Interpretations have been adopted in the current period by the Group for the first time and do not have a material impact on the group.

The following new standards and amendments to standards and interpretations have been issued but are not yet effective and not early adopted. None of these are expected to have a significant effect on the financial statements of the Group.

IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2017
IAS 7	Statement of cash flows	1 January 2017
IAS 12	Income taxes	1 January 2017
IFRIC 22	Foreign currency transactions and advance consideration	

2.Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period covered by these consolidated financial statements.

Basis of preparation

The consolidated Financial Statements of Clear Leisure plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the parts of Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention except in respect of revalued properties (as permitted by IFRS 1), and for certain available for sale investments that are stated at their fair values and land and buildings that have been revalued to their fair value.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements are disclosed in Note 3.

The Consolidated Financial Statements are presented in Euros (€), the presentational and functional currency, rounded to the nearest €'000.

Going Concern

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. The ability of the Group to carry out its planned business objectives is dependent on its continuing ability to raise adequate financing from equity investors and/or the achievement of profitable operations.

Nevertheless, at the time of approving these financial statements and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis of preparing the Group's financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to 31 December each year. Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value

of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities are disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the costs on initial recognition of an investment in an associate or jointly controlled entity.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Acquired intangible assets

Intangible assets acquired separately or as part of a business combination are capitalised at cost and fair value as at the date of acquisition, respectively. Intangible assets are subsequently amortised on a straight-line basis over the expected period that benefits will accrue to the Group:

Patents and trade marks over 10 years

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Intangible assets

Internally generated development expenditure is capitalised as an intangible asset only if all the following criteria are met:

- the asset can be identified;
- it is probable that the asset will generate future economic benefits;

- the fair value of the asset can be measured reliably.

Capitalised development expenditure is amortised on a straight-line basis over the period of expected future sales of the resulting products, which has been assessed as between 5 and 10 years.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to income. On the subsequent sale or scrap of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Plant and equipment and fixtures and fittings are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible assets to write down the cost less estimated residual value of each asset over its expected useful economic life on a straight line basis at the following annual rates:

Land and buildings	Nil
Leasehold improvements	Straight line over the remaining period of the lease
Plant and machinery	15% straight line
Fixtures and fittings	20% straight line

Asset residual values and useful economic lives are reviewed and adjusted if appropriate at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprise all direct expenditure and an appropriate proportion of fixed and variable overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

Foreign currency

The functional currency is Euro. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other Exchange gains and losses are presented in the income statement within 'other (losses)/gains – net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

Current taxes are based on the results of the Group companies and are calculated according to local tax rules, using the tax rates that have been enacted or substantially enacted by the period-end date.

Deferred tax is provided in full using the financial position liability method for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured using currently enacted or substantially enacted tax rates. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are recognised to the extent the temporary difference will reverse in the foreseeable future and that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax is recognised for all deductible temporary differences arising from investments in subsidiaries and associates, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for the services rendered net of Value Added Tax, represents the value of. Consultancy fees are recognised as earned on unconditional supply of services.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group's financial assets are classified into the following specific categories: "available for sale investments", "trade and other receivables", and "cash and cash equivalents". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available for sale investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments classified as available for sale are measured at subsequent reporting dates at fair value. Fair value is defined as the price at which an orderly transaction would take place between market participants at the reporting date and is therefore an estimate and as such requires the use of judgement. Where possible fair value is based upon observable market prices, such as listed equity markets or reported merger and acquisition transactions. Alternative bases of valuation may include contracted proceeds or best estimate thereof, implied valuation from further investment and long-term cash flows discounted at a rate which is tested against market data. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the net profit or loss for the period. Impairment losses recognised in the income statement for equity investments classified as available-for-sale are not subsequently reversed through the income statement.

The Group determines the fair value of its Investments based on the following hierarchy:

LEVEL 1 – Where financial instruments are traded in active financial markets, fair value is determined by reference to the appropriate quoted market price at the reporting date. Active markets are those in which transactions occur in significant frequency and volume to provide pricing information on an ongoing basis.

LEVEL 2 – If there is no active market, fair value is established using valuation techniques, including discounted cash flow models. The inputs to these models are taken from observable market data including recent arm's length market transactions, and comparisons to the current fair value of similar instruments; but where this is not feasible, inputs such as liquidity risk, credit risk and volatility are used.

LEVEL 3 – Valuations in this level are those with inputs that are not based on observable market data.

Investments held for trading

All investments determined upon initial recognition as held at fair value through profit or loss were designated as investments held for trading. Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Assets are sold at their fair value, which comprises the proceeds of sale less any transaction cost. The fair value of the financial instruments in the balance sheet is based on the quoted bid price at the balance sheet date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the consolidated statement of comprehensive income as "Net gains on investments". Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IAS 39. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and 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. The amount of any provision is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio; or
- for assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost.

Assets carried at amortised cost

The amount of impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the statement of comprehensive income. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

The Group's financial liabilities comprise convertible bonds, borrowings and trade payables. Financial liabilities are obligations to pay cash or other financial liabilities and are recognised when the Group becomes a party to the contractual provisions of the instruments.

Convertible bonds

Convertible bonds are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity.

Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowings costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Segmental reporting

In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements. The disclosure is based on the information that is presented to the chief operating decision maker, which is considered to be the board of Clear Leisure plc.

Equity instruments

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 Group are recorded at the proceeds received net of direct issue costs.

Share capital account represents the nominal value of the shares issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained losses include all current and prior period results as disclosed in the statement of comprehensive income.

Other reserves consists of the merger reserve, revaluation reserve, exchange translation reserve and loan equity reserve.

- the merger reserve represents the premium on the shares issued less the nominal value of the shares, being the difference between the fair value of the consideration and the nominal value of the shares.
- the revaluation reserve represents the difference between the purchase costs of the available for sale investments less any impairment charge and the market or fair value of those investments at the accounting date.
- the exchange translation reserve represents the movement of items on the statement of financial position that were denominated in foreign before translation
- the loan equity reserve represents the value of the equity component of the nominal value of the loan notes issued.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the year-end date, taking into account the risks and uncertainties surrounding the obligation.

3.Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

Impairment of goodwill

Goodwill has a carrying value of €nil (2015: €nil). The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

In order to arrive at the fair value of investments a significant amount of judgement and estimation has been adopted by the Directors as detailed in the investments accounting policy. Where these investments are un-listed and there is no readily available market for sale the carrying value is based upon future cash flows and current earnings multiples for which similar entities have been sold.

Going Concern

The Group's activities generated a loss of €397,000 (2015: €20,246,000) and had net current liabilities of €14,985,000 as at 31 December 2016. The Group's operational existence is still dependant on the ability to raise further funding either through an equity placing on AIM, or through other external sources, to support the on-going working capital requirements.

After making due enquiries, the Directors have formed a judgement that there is a reasonable expectation that the Group can secure further adequate resources to continue in operational existence for the foreseeable future and that adequate arrangements will be in place to enable the settlement of their financial commitments, as and when they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the Directors consider that, based upon financial projections and dependant on the success of their efforts to complete these activities, the Group will be a going concern for the next twelve months. If it is not possible for the Directors to realise their plans, over which there is significant uncertainty, the carrying value of the assets of the Group is likely to be impaired.

Valuation of Land in Mediapolis

The range of the fair values of the land varies significantly depending on the use.

As IFRS requires that the land be valued at the best possible use, the directors' valuation is based on the assumption that the land will be used for the construction of the future Care Homes project. Should the land be used for a different purpose, this value may not be recovered.

4. Segment information

IFRS 8 requires reporting segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker.

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the geographical segments within the Group.

Information regarding the Group's reportable segments is presented below:

2016			2015		
UK	Italy	Total	UK	Italy	Total

Continuing operations	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	-	63	63	-	-	-
Cost of sales	-	-	-	-	-	-
Gross Profit	-	63	63	-	-	-
Other Income	-	943	943	-	-	-
Finance charges	(212)	(39)	(251)	(684)	(339)	(1,023)
Other operating expenses	(956)	(206)	(1,162)	(354)	(300)	(654)
Other gains and losses	24	-	24	860	(19,429)	(18,569)
Profit/(Loss) for the financial year	(963)	(1,182)	(383)	(178)	(20,068)	(20,246)

	2016				2015			
	<i>Segment assets</i>	<i>Segment liabilities</i>	<i>Net additions to non-current Assets</i>	<i>Net assets/ (liabilities)</i>	<i>Segment assets</i>	<i>Segment liabilities</i>	<i>Net Additions to non-current assets</i>	<i>Net assets/ (liabilities)</i>
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
UK	9,625	(8,588)	-	1,037	8,284	(8,702)	-	(418)
Italy	17,611	(17,047)	-	564	19,243	(17,485)	-	1,758
	27,236	(25,605)	-	1,601	27,527	(26,187)	-	1,340

5. Employee numbers

2016 2015
Number Number

The average number of Company's employees during the period was as follows:

Management and administration 2 2

6. Staff costs

2016 2015
€'000 €'000

Staff costs during the period including directors comprise:

Wages and salaries	142	228
	142	228

7.Directors' Emoluments

	2016	2015
	€'000	€'000
Aggregate emoluments	142	228
Share based payment	30	35
	172	263

There are no retirement benefits accruing to the Directors. Details of directors' remuneration are included in the Directors' Report.

8.Other gains and losses

	2016	2015
	€'000	€'000
Impairment of property investments	-	(20,583)
Decrease in provisions	-	650
Writeback of VAT tax credit	-	300
Revaluation of investments	21	614
Profit on disposal of Ascend Capital	1	-
Profit on disposal of H&L fund	2	450
	24	(18,569)

9.Finance charges

	2016	2015
	€'000	€'000
Interest on convertible bonds	94	684
Interest on bank loans and overdrafts	157	339
	251	1,023

10.Auditor's remuneration

2016 2015
€'000 €'000

Group Auditor's remuneration:

Fees payable to the Group's auditor for the audit of the Company and consolidated financial statements:	33	28
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Non audit services:

Other services (tax)	3	6
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Subsidiary Auditor's remuneration

Other services pursuant to legislation	6	6
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11. Company income statement

An income statement for Clear Leisure plc is not presented in accordance with the exemption allowed by Section 408 of the Companies Act 2006. The parent company's comprehensive loss for the financial year amounted to €1,976,000 (2015: €15,589,000).

12. Tax

	2016	2015
	€'000	€'000
Current taxation	14	-
Deferred taxation	-	-
Tax charge for the year	14	-

The Group has a potential deferred tax asset arising from unutilised management expenses available for carry forward and relief against future taxable profits. The deferred tax asset has not been recognised in the financial statements in accordance with the Group's accounting policy for deferred tax.

The Group's unutilised management expenses and capital losses carried forward at 31 December 2016 amount to approximately €25 million (2015: €24 million) and €36 million (2015: €35 million) respectively.

The standard rate of tax for the current year, based on the UK effective rate of corporation tax is 20.25% (2015: 20.25%). The actual tax for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation:

Continuing operations	2016	2015
	€'000	€'000
Loss for the year before tax	(397)	(20,246)
Tax on ordinary activities at standard rate	(14)	(4,100)

Effects of:

Expenses not deductible for tax purposes	-	280
Foreign taxes	14	-
Tax losses available for carry forward against future profits	3,820	3,820
Total tax	-	-

13. Earnings per share

The basic earnings per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is computed using the weighted average number of shares during the period adjusted for the dilutive effect of share options and convertible loans outstanding during the period.

The loss and weighted average number of shares used in the calculation are set out below:

	2016			2015		
	Loss €'000	Weighted average no. of shares 000's	Per share Amount Euro	Loss €'000	Weighted average no. of shares 000's	Per share Amount Euro
Basic and fully diluted earnings per share						
Continuing operations	(450)	238,824	(€0.00)	(17,016)	208,378	(€0.08)
Total operations	(450)	238,824	(€0.00)	(17,016)	208,378	(€0.08)

The share options in issue are anti-dilutive in respect of the loss per share calculation and have therefore not been included.

IAS 33 requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease earnings per share. In respect of 2015 and 2016 the diluted loss per share is the same as the basic loss per share as the loss for each year has an anti-dilutive effect.

14. Goodwill

	2016 €'000	2015 €'000
Cost		
At 1 January	1,312	1,312
At 31 December	1,312	1,312

Accumulated impairment losses

At 1 January	1,312	1,303
Impairment loss for the year	-	9
At 31 December	1,312	1,312
Net book value	-	-

Goodwill is allocated to cash generating units. The recoverable amount of each unit is determined based on value-in-use calculations. The key assumptions for the value-in-use calculation are those regarding discount rates and growth rates as well as expected changes to costs and selling prices. Management have estimated the discount rate based on the weighted average cost of capital. Changes in selling prices and direct costs are based on past experience and expectations of future change in the markets. These calculations use cash flow projections based on financial budgets approved by management looking forward up to five years. Cash flows are extrapolated using estimated growth rates beyond the budget period. The key assumptions for the value-in-use calculations are:

- a real growth rate of 2% which has been used to extrapolate cash flows beyond the budget period; and
- a WACC rate of 15% applied to the cash flow projection.

The Group tests annually for impairment, or more frequently if there are indications that goodwill might be impaired.

15. Other intangible fixed assets

	Development	
	costs	Total
	€'000	€'000
Cost		
At 1 January 2015	169	169
At 31 December 2015	169	169
At 31 December 2016	169	169
Amortisation		
At 1 January 2015	18	18
Amortisation charge for the year	-	-
Closure of operations	101	101
At 31 December 2015	119	119

Closure of operations	30	30
At 31 December 2016	149	149
Carrying value		
At 31 December 2015	50	50
At 31 December 2016	20	20

16. Property, plant and equipment

Group	Land & buildings	Total
	€'000	€'000
Cost		
At 1 January 2015	38,697	38,697
Impairment of property	(20,583)	(20,583)
At 31 December 2015	18,114	18,114
Impairment of property	(100)	(100)
At 31 December 2016	18,014	18,014
Carrying value		
At 31 December 2015	18,114	18,114
At 31 December 2016	18,014	18,014

Included in Land & Buildings above is the interest in a 497,884 sqm plot of land located near the town of Albiano D'Ivrea. An independent appraisal of freehold land owned by the Group was carried out by a chartered architect in June 2016. The carrying value of the land at the date of the appraisal was €13 million. Loans with a carrying value of €3.1million are secured by land with a carrying amount of €13million.

17. Investment in subsidiaries

Company	2016	2015
	€'000	€'000
As at 1 January:		
Loans to subsidiary undertakings	8,537	23,538

Net advances/(repayments) during the year	1,011	(1)
Impairment in investment	-	(15,000)
As at 31 December	9,548	8,537

The significant subsidiary undertakings held by the Group at 31 December 2016 were as follows:

Subsidiaries	Country of incorporation	% Owned	Nature of business
Brainspark Associates Limited	England	100.00	Investment holding company
*Mediapolis Investments SA	Luxembourg	71.72	Investment holding company
*Mediapolis S.p.A.	Italy	**74.67	Lesiure/Real Estate
SoSushi Company S.r.l.	Italy	100.00	Brand Management
Clear Holiday S.r.l.	Italy	100.00	Dormant company

* Indirectly held.

** Brainspark Associates Limited owns 71.72% and Mediapolis Investments SA owns 13.07% of Mediapolis Spa, bringing the total indirect holding to 84,04%.

18. Available for sale investments

Group	2016	2015
	€'000	€'000
Fair value		
At 1 January	60	6,560
Impairment recognised in the income statement	-	-
Transfer to trade and other receivables	-	(6,500)
Disposals	(60)	-
Carrying value at 31 December	-	60
Non-current assets	-	60
Current assets	-	-
	-	60

Details of each of the Group's material associates at the end of the reporting period are as follows:

Name of associate	Place of incorporation and principal place of business	Proportion of ownership held by the Group (%)	Principal activity
Sipiem S.p.A**	Italy	50.17	Real Estate and Holding

**Investments in associates where the proportion of ownership held by the Group was greater than 50%, but it was determined that the Group did not have control of the company and that the Group was not exposed to variable returns from its involvement with the company and did not have the ability to affect those returns through power of the company.

The available for sale investments are valued in accordance with IFRS 7 and Level 3 of the fair value hierarchy. Their fair value and the methodology adopted is determined on the basis of their net assets or, where a sale is imminent, the best estimate of the eventual proceeds. Given the methodology adopted, it is not envisaged that the adoption of alternative assumptions/methodologies, sensitivity analysis, would have a material impact upon the investments.

19. Investments held for trading

Group and Company	2016 €'000	2015 €'000
Fair value		
At 1 January	614	450
Movement in fair value of investments	20	614
Disposals	-	(450)
Carrying value at 31 December	634	614

The amount of €634,000 shown above is a level 3 investment and represents the fair value of 533,990 shares in Geosim Systems Ltd.

20. Trade and other receivables

	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Other receivables	7,068	6,847	71	35
Trade receivables	6		4	
Amount falling due after one year				
Amounts owed by subsidiaries	-		9,548	8,537
Other receivables	62		-	
Current assets	7,136	6,847	75	35
Non-current assets	62		9,548	8,537

Other receivables include €6,500,000 due from Sipiem, the amount is unsecured, interest free and does not have fixed terms of repayment.

The directors consider that the carrying value of trade and other receivables approximates to their fair value.

21. Cash and cash equivalents

Group	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Cash at bank and in hand	1,370	1,842	2	475
	1,370	1,842	2	475

The Directors consider the carrying amounts of cash and cash equivalents approximates to their fair value.

The Unicredit bank account in Mediapolis S.p.A is currently frozen and therefore the subsidiary has no right to the balance of €1,368,414).

22. Trade and other payables

	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Trade payables	870	504	530	128
Other taxes payable	75	70	-	15
Other payables	29	1,160	29	288
Amounts due to subsidiary undertakings	-	-	-	85
Accruals	3,271	3,214	285	542
Trade and other payables	4,245	4,948	844	1,058

The directors consider that the carrying value of trade and other payables approximates to their fair value.

23. Borrowings

	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Bank loans and overdrafts	8,127	8,127	-	-
7% Convertible bond 2014 Mediapolis bond	88 750	88 950	88	88
Zero rate convertible bond 2015	6,453	5,340	6,453	5,853

Shareholder loans	4,362	4,379	-	-
Other borrowings	1,203	1,948	1,203	739
	20,983	20,832	7,744	6,680
Disclosed as:	19,880	20,832	6,641	6,680
Current borrowings				
Non-current borrowings	1,103	-	1,103	-
	20,983	20,832	7,744	6,680

7% Convertible Bond 2014

On 31 March 2010 the company launched an issue of £10 million (€12 million), before issue costs, 7% convertible bonds due 2014. The Bonds are denominated in sterling and are convertible into new ordinary shares of 2.5 pence each in the company at a conversion rate of 400 New Ordinary Shares per Bond up until 15 March 2014. The nominal value of each Bond is £1,000 (€1,200). The redemption date of the bonds is 31 March 2014 the coupon of 7% is payable at the end of each year. The Company, between 1 and 7 April 2012, was able to repurchase and serve notice on any or all of the bondholders to sell their Bond in whole or in part at 110% of the nominal value. The bondholders, at any time prior to redemption, may serve a conversion notice to the company in respect of all or any integral multiple of £1,000 (€1,200) nominal value of bonds held by them.

During 2011, a bond holder converted £2.64 million (€3.17 million) into equity shares for which 8,035,856 ordinary shares of 2.5p each were issued in exchange for the bond and cumulative interest due thereon.

During 2012, bonds were converted for a total amount of €8.2 million. The conversion was settled as follows:

€4.9 million (£3.9 million) including cumulative interest was converted into equity shares (11,000,000 Ordinary 2.5p shares at 36p each.) €3.3 million (£2.7 million) including cumulative interest was settled in cash for €1.9 million, with approximately 40% discount realising €1.3 million (£1.1 million) profit for the Group.

In March 2014 €1,885,400 zero rate convertible bonds 2015 were issued in settlement of £1,563,000 7% bonds including all un paid and accrued interest up to the date of settlement. This settlement has resulted in a credit to the income statement of €439,000 for the year ended 31 December 2014.

Zero Rate Convertible Bond 2015

On 25 March 2013 the Company issued €3,000,000 nominal value of zero rate convertible bonds at a discount of 22%. The bonds are convertible at 15p per share and have a redemption date of 15 December 2015.

During 2014 the Company issued €1,885,400 zero bonds in settlement of £1,563,000 7% bonds (see above). Also €600,000 zero bonds were issued in settlement of a debt of €518,000 and €450,000 bonds were issued for cash realising €412,000 before expenses.

On 15 December 2015 the bondholders meeting approved the amendments on the Zero Rate Convertible Bond 2015, originally due on 15 December 2015; Under new terms the final maturity date of the Bond is 15 December 2017 and the interest has been reduced from 9.5% to 7%.

On 15 December 2016 the bondholders meeting approved the amendments on the Zero Rate Convertible Bond 2015, originally due on 15 December 2017; Under new terms the final maturity date of the Bond is 15 December 2018 and the interest has been reduced from 7% to 1%.

23. Borrowings (continued)

	2016	2015
	€'000	€'000
Liability component at 1 January	5,853	5,428
Adjustment from renegotiation of convertible bonds	522	
Interest charge for the year	78	425
Liability component at 31 December	6,453	5,853
Disclosed as:		
Non-Current Liabilities	-	-
Current Liabilities	6,453	5,853

Interest on the bonds is payable annually on 31 March each year. No interest payment was made on 31 March 2014 or on 31 March 2015. The liability component of the bonds at 31 December 2016 includes all interest accrued to that date. The unpaid interest together with accrued interest to 31 December 2016 is included within current liabilities.

Shareholder Loans

Included in the shareholder loans is an amount owing to Olivetti Multiservices S.p.A. ("OMS") from Mediapolis S.p.A. for €4,362,032 including cumulative interest. This loan carries interest at Euribor +1% and is secured with a second charge over the Land within Mediapolis S.p.A.

Under IAS 32 the bonds contain two components, liability and equity elements. The equity element is presented in equity under the heading of "equity component of convertible instrument". The effective interest rate of the liability element on initial recognition is 12.5% per annum.

24. Provisions

	2016	2015
Group	€'000	€'000
Provisions for costs within Mediapolis Spa	407	407
	407	407

Provision for costs within Mediapolis Spa are for litigation costs and loan repayments.

25. Financial instruments

The Group's financial instruments comprise cash, available for sale investments, trade receivables, trade payables that arise from its operations and borrowings. The main purpose of these financial

instruments is to provide finance for the Group's future investments and day to day operational needs. The Group does not enter into any derivative transactions such as interest rate swaps or forward foreign exchange contracts, as the Group's exposure to movements in foreign exchange rates is not considered significant (see Foreign currency risk management) . The main risks faced by the Group are limited to interest rate risk on surplus cash deposits and liquidity risk associated with raising sufficient funding to meet the operational needs of the business. The Board reviews and agrees policies for managing these risks and they are summarised below.

FINANCIAL ASSETS BY CATEGORY

The IAS 39 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	2016	2015
	€'000	€'000
Financial assets:		
Available for sale investments	60	60
Investments held for trading	634	614
Loans and receivables	7,136	6,847
Cash and cash equivalents	1,370	1,842
	9,140	9,363

FINANCIAL LIABILITIES BY CATEGORY

The IAS 39 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

	2016	2015
	€'000	€'000
Financial liabilities at amortised cost:		
Trade and other payables	974	2,535
Borrowings	19,880	20,832
	20,854	23,367

Financial instruments measured at fair value:

Level 1	Level 2	Level 3
€'000	€'000	€'000

As at 31 December 2016

Available for sale investments	-	-	-
Investments held for trading	-	-	634
	-	-	634

As at 31 December 2015

Available for sale investments	-	-	60
Investments held for trading	-	-	614
	-	-	674

The Company has adopted fair value measurements using the IFRS 7 fair value hierarchy.

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 - valued using quoted prices in active markets for identical assets;

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1;

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable markets criteria.

The Level 3 investment refers to an investment in GeoSim Systems Ltd.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through optimisation of the debt and equity balance. The capital structure of the Group consists of debt attributable to convertible bondholders, borrowings, cash and cash equivalents, and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings, all as disclosed in the Statement of Financial Position.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument disclosed in Note 2 to the financial statements.

Financial risk management objectives

The company is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the board of directors, and focuses on actively securing the Company's short and medium term cash flows by raising liquid capital to meet current liability obligations.

Market price risk

The Company's exposure to market price risk mainly arises from movements in the fair value of its land and buildings as well as investments. The values of the Land & Buildings are the key drivers in the Net asset value of the Group, and so the political stability and macro economic factors of Italy all have a large effect on the market price risk. Therefore other than ensuring acquisitions are carefully profiled and selected and the Directors ensuring are in close contact with local government and property industry analysts the exposure is open to both positive and negative swings. The Group manages its property price risk actively reviewing market trends in the determined geographic locations. The Group manages the investment price risk within its long-term investment strategy to manage a diversified exposure to the market. The Group's price risk is sensitive to fluctuations to property market. If the investments were to experience a rise or fall of 15% in their fair value, this would result in the Group's net asset value and statement of comprehensive income increasing or decreasing by €68,000 (2015: €66,000).

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which monitors the Group's short, medium and long-term funding and liquidity management requirements on an appropriate basis. The Group has very little cash balance at the balance sheet date (refer to Note 2 – Basis of preparation of financial statements and going concern). The Group continues to secure future funding and cash resources from disposals as and when required in order to meet its cash requirements. This is an on-going process and the directors are confident with their cash flow models.

The following are the undiscounted contractual maturities of financial liabilities:

	Carrying Amount	Less than 1 year	Between 1 and 5 years	Total
	€'000	€'000	€'000	€'000
As at 31 December 2016				
Trade and other payables	974	974	-	974
Borrowings	19,880	-	19,880	19,880
	20,854	974	19,880	20,854
As at 31 December 2015				
Trade and other payables	2,535	2,535	-	2,535
Borrowings	20,832	20,832	-	20,832
	23,367	23,367	-	23,367

Management believes that based on the information provided in Notes 2 and 3 – in the '*Basis of preparation*' and '*Going concern*', that future cash flows from operations will be adequate to support these financial liabilities.

Interest rate risk

The Group and Company manage the interest rate risk associated with the Group cash assets by ensuring that interest rates are as favourable as possible, whilst managing the access the Group requires to the funds for working capital purposes.

The Group's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk. The borrowings are at both fixed and floating interest rates. Floating interest rates are based on respective EURIBOR and other bank prime interest rates.

	Group		Company	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Fixed rate instruments				
Financial assets	9,140	9,303	77	510
Financial liabilities	20,854	22,566	7,200	7,196

Change in interest rates will affect the Group's income statement as follows:

Group

	Gain / (loss)	
	2016	2015
	€'000	€'000
Euribor +0.5% / -0.5%	(62) / 62	(69) / 69

The analysis was applied to financial liabilities based on the assumption that the amount of liability outstanding as at the reporting date was outstanding for the whole year.

Foreign currency risk management

The Group undertakes certain transactions denominated in currencies other than Euro, hence exposures to exchange rate fluctuations arise. Amounts due to fulfil contractual obligations of £69,000 (€88,000) are denominated in sterling. An adverse movement in the exchange rate will impact the ultimate amount payable, a 10% increase or decrease in the rate would result in a profit or loss of €9,000. The Group's functional and presentational currency is the Euro as it is the currency of its main trading environment, and most of the Group's assets and liabilities are denominated in Euro. The parent company is located in the sterling area.

Credit risk management

The Group's financial instruments, which are subject to credit risk, are considered to be trade and other receivables. There is a risk that the amount to be received becomes impaired. The Group's maximum exposure to credit risk is €7,136,000 (2015: €6,847,000) comprising receivables during the period. About 90% of total receivables are due from a single company. The ageing profile of trade receivables was:

Group	2016		2015	
	Total book value	Allowance for impairment	Total book value	Allowance for impairment
	€'000	€'000	€'000	€'000
Current	7,074	-	312	-
Overdue more than one year	62	-	7,135	600
	7,136	-	6,847	600

Company	2016		2015	
	Total book value	Allowance for impairment	Total book value	Allowance for impairment
	€'000	€'000	€'000	€'000
Current	75	-	-	-
Overdue more than one year		-	35	-
	75	-	35	-

26. Share capital and share premium

ISSUED AND FULLY PAID:	Number of ordinary shares	Number of deferred shares	Ordinary share capital €'000	Deferred Share capital €'000	Share premium €'000	Total €'000
At 1 January 2015	199,409,377	-	6,074	-	42,586	48,390
Share reorganisation						
Ordinary shares of 0.25p each	199,409,377	-	607	-	-	607
Deferred shares of 2.25p each	-	199,409,377	-	5,467	-	5,467
Issue of shares	11,000,000	-	38	-	98	136
At 31 December 2015	210,409,377	199,409,377	645	5,467	42,954	49,066
Issue of shares	1,428,571	-	15	-	10	25

Issue of shares	30,000,000	-	88	-	88	176
Conversion of loan stock to shares	21,982,947	-	64	-	129	193
Issue of shares	22,222,222	-	65	-	170	235
At 31 December 2016	286,043,117	199,409,377	877	5,467	43,351	49,695

On 26 July 2016, the Company allotted 1,428,571 ordinary shares of 0.25 pence to Francesco Gardin in accordance with his contract at a price of 0.875 pence per share.

On 4 August 2016, the Company raised a total of £150,000 through a placing of 30,000,000 ordinary shares of 0.25 pence at a price of 0.5 pence per share. Convertible loans of £164,872.10 was also converted to 21,982,947 ordinary shares of 0.25 pence at a price of 0.75 pence per share.

On 14 September 2016, the Company raised a total of £200,000 gross of expenses through a placing of 22,222,222 ordinary shares of 0.25 pence at a price of 0.9 pence per share.

27.Share based payments

Equity settled share option scheme

The Company operates share-based payment arrangements to remunerate directors and key employees in the form of a share option scheme. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 31 July 2015, Francesco Gardin and Reginal Eccles were granted options to subscribe for 10,000,000 and 3,000,000 new ordinary shares in the Company at an exercise price of 1.25 pence per share. The options are exercisable for a period of five years from the date of grant.

The significant inputs to the model in respect of the options granted in 2015 were as follows:

	2015
Grant date share price	0.74 pence
Exercise share price	1.25 pence
No. of share options	13,000,000
Risk free rate	1.5%
Expected volatility	50%
Option life	5 years
Calculated fair value per share	0.2 pence

The total share-based payment expense recognised in the income statement for the year ended 31 December 2016 in respect of the share options granted was €29,000 (2015: €22,000).

Number of options at 1 Jan 2016	Granted in the year	Exercised in the year	Cancelled in the year	Number of options at 31 Dec 2016	Exercise Price, pence	Vesting Date	Expiry date
10,000,000	-	-	-	10,000,000	1.25		31.07.2020
3,000,000	-	-	-	3,000,000	1.25		31.07.2020
13,000,000	-	-		13,000,000			

The remaining contractual life at 31 December 2016 is 3.5 years (31 December 2015 – 4.5 years).

28. Other reserves

The Group considers its capital to comprise ordinary share capital, share premium, retained losses and its convertible bonds. In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Group considers not only their short-term position but also their long-term operational and strategic objectives.

Group	Merger reserve €'000	Revaluation reserve €'000	Exchange translation reserve €'000	Loan note equity reserve €'000	Share option reserve €'000	Total other Reserves €'000
At 1 January 2015	8,325	2,531	-	534	-	11,390
Issue of convertible loan notes	-	-	-	-	22	22
At 31 December 2015	8,325	2,531	-	534	22	11,412
Share option charge	-	-	-	-	29	29
At 31 December 2016	8,325	2,531	-	534	29	11,441

29. Cash used in operations

	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Loss before tax	(383)	(20,246)	(936)	(15,589)
Renegotiation of zero coupon bond	(522)	-	-	-

Amounts written off investments	(20)	-		15,000
Share based payment charge	29	22	29	22
Movement in fair value of investments held for trading	-	(614)	-	
Foreign exchange effect	-22		-22	
Impairment of property plant and equipment	100	20,583	-	-
Impairment of intangibles	30	-	-	-
Gain on disposal of investment	(3)	(450)	-	(450)
Writeback of receivables		(300)		-
Finance charges	773	1,023	(107)	684
Decrease in provisions	-	(650)	-	-
Increase in other reserves		-	-	-
Decrease/(increase) in receivables	(351)	(398)	(40)	(35)
(Decrease)/increase in payables	(703)	195	(214)	(467)
Interest paid	(266)			
Profit tax paid	(14)			
Cash (used in)/generated by operations	(1,352)	(835)	(1,290)	(835)

30. Non-controlling interests

The following is a summary of the Group's non-controlling interests.

	Mediapolis Spa	Total
	€'000	€'000
At 1 January 2015	3,485	3,485
Total comprehensive loss attributable to non-controlling interests	(3,230)	(3,230)
At 31 December 2015	255	255
Total comprehensive income attributable to non-controlling interests	53	53
At 31 December 2016	308	308

Summarised financial information in respect of the Group's current subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Mediapolis Spa	
	2016	2015
	€'000	€'000
Current assets	1,983	2,709
Non-current assets	18,096	15,163
Total assets	20,079	17,872
Current liabilities	6,415	7,444
Non-current liabilities	9,284	9,484
Total assets less total liabilities	4,380	944
Equity attributable to owners of the parent	3,610	929
Non-controlling interests	308	15
Total equity	4,072	944
Total comprehensive loss attributable to the owners of the parent	(450)	(18,732)
Total comprehensive income attributable to the non-controlling interests	53	(3,470)
Total comprehensive loss for the year	(397)	(22,202)

31. Operating lease commitments

There were no operating lease commitments at 31 December 2015 and 31 December 2016.

32. Ultimate controlling party

The Group considers that there is no ultimate controlling party.

33. Related party transactions

Transactions between the company and its subsidiaries, which are related parties have been eliminated on consolidation and are not disclosed in this note. Transactions between the company and its subsidiaries are disclosed in the company's separate financial statements.

During the year, Metals Analysis Limited, a company in which R Eccles is a Director, charged consultancy fees of €19,661. The amount owed to Metals Analysis Limited at year end is €10,876.

The shareholder loan as disclosed in Note 24 'Borrowings' is a loan provided by Olivetti Multiservices S.p.A., who also holds 5.1% of the ordinary shares of Mediapolis S.p.A. In addition Eufingest which has a 26.9% shareholding also has an outstanding loan for €1,028,684.

Francesco Gardin is a shareholder in Infusion (2009) Limited, where management fees were charged for the amount of £3,577 during the year.

Remuneration of key management personnel

The remuneration of the directors, who are the key personnel of the group, is included in the Directors Report. Under “IAS 24: Related party disclosures”, all their remuneration is in relation to short-term employee benefits.

34.Events after the reporting date

The following events have taken place after the end of the reporting period:

In January 2017 the Company allotted 3,658,536 ordinary shares of 0.25 pence to Francesco Gardin in accordance with his contract, at a price of 0.82 pence per share.

In February 2017 the Company entered into an unsecured convertible loan facility agreement (“the Facility”) with Eufingest S.A (“Eufingest”), a Swiss investor and major shareholder in the Company. Under the Facility, Eufingest provided a facility of €60,000 at an interest rate of 2.5 per cent per annum. The Facility is repayable on 31 March 2017. The Facility has been drawn down. The Company may repay the Facility early at any time without penalty. At any time before 31 March 2017, Eufingest may convert the outstanding balance of the Facility into Shares at the rate of 0.85 pence per Share.

In March 2017 the Company entered into an unsecured convertible loan facility agreement (“the Facility”) with Eufingest S.A (“Eufingest”), a Swiss investor and major shareholder in the Company. Under the Facility, Eufingest provided a facility of €100,000 at an interest rate of 2.5 per cent per annum. The Facility is repayable on 31 March 2017. The Facility has been drawn down. The Company may repay the Facility early at any time without penalty. At any time before 31 March 2017, Eufingest may convert the outstanding balance of the Facility into Shares at the rate of 0.80 pence per Share.

In March 2017 the Company has reached an agreement with Eufingest S.A. (“Eufingest”), whereby the repayment dates of EU 1,271,999 outstanding loans including interests matured to date, have been rescheduled. The facilities are now repayable by 31 December 2017 and carry an interest of 2.5%. At any time before 31 December 2017, Eufingest may convert the outstanding balance at the conversion rates previously agreed.

In May 2017 the Company bought back €3.14 million of the debt of one of its subsidiaries previously owed to three Italian banks at a 76.15 per cent discount. This an improvement in the Company’s consolidated balance sheet of €2.394 million, equivalent to 0.70p per share. The Company was provided with a new convertible loan of €1.2 million from Eufingest S.A. (“Eufingest”) to complete the debt buy-back. Including the new loan, the total of loans drawn and outstanding with Eufingest is now €2.475 million including accrued interest.

The board has agreed with Eufingest to bring together all the outstanding balances into one loan of €2.475 million repayable by 28 April 2080 (the “Consolidated Loan”). The Consolidated Loan will carry an interest of 1 per cent and will be secured on the Group’s assets. At any time before 28 April 2020, the Company may repay the Consolidated loan without penalty and Eufingest may convert the Consolidated Loan into shares at the rate of 0.89 per share.

In June 2017 the Company has been informed that the Court Prosecutor of Ivrea, Metropolitan City of Turin, has filed a winding up request on Mediapolis srl, the Group’s 74.67% directly owned subsidiary. In May, and before Mediapolis srl was notified of the court hearing, Clear Leisure acquired, at a discount from Mediapolis’s banks, a debt of €3.14m and the corresponding first charge mortgage on the Mediapolis site. Clear Leisure also calculates that unpaid interest on the mortgage, currently amounting to approximately €4m, is due to it from Mediapolis srl. Under the terms of the charge, the total amount that could be received by Clear Leisure following the disposal of the land, is capped at €5m and, accordingly, any recovery above €5m would first be assigned to other creditors which hold a second charge over the property. Clear Leisure will receive an update on the Mediapolis situation at the end of June.

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