Company Registration No. 03926192

Clear Leisure plc

Annual Report and Financial Statements for the year ended 31 December 2018

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COMPANY INFORMATION

Directors	Reginald Eccles Francesco Gardin
Company Secretary	James Gordon
Company number	03926192 (England and Wales)
Registered office	22 Great James Street London WC1N 3ES
Auditor	MHA Macintyre Hudson Statutory Auditor Chartered Accountants New Bridge Street House, 30-35 New Bridge Street London EC4V 6BJ
Italian Solicitors	Ferrari Pedeferri Boni Studio Legale Associato Via Fatebenefratelli, 22 20121 Milan Italy
UK Solicitors	Gordons Partnership LLP 22 Great James Street London WC1N 3ES
Nominated Adviser & Broker	SP Angel Corporate Finance LLP Prince Frederick House 35 Maddox Street London W1S 2PP
Financial Manager	Haines Watts Group Limited 69-73 Theobalds Road London WC1X 8TA
Registrar	Share Registrars Ltd The Courtyard 17 West Street Farnham GU9 7DR

CHAIRMAN'S STATEMENT

I am pleased to present the Company's Final Results for the year ended 31 December 2018.

Overview

Since its appointment, in July 2015, the Board has worked diligently to unravel an inherited, complex and often disputed ownership of a number of assets whilst simultaneously looking to reduce and reschedule the Group's debt burden.

During 2018, the Company achieved sufficient progress in this task to allow it to begin seeking new investment opportunities, primarily within the technology sector, in which the Chairman has considerable experience.

During the year, the debt of the Company reduced by €2,256,722; improving the Company's balance sheet, reducing the Group's interest burden and freeing the Board and its relevant advisers from the substantial time consumed in dealing with debt holders.

Between March and May 2018, the Company issued 30,584,679 new ordinary shares of 0.25 pence each ("New Ordinary Shares") in order to convert £341,722 in outstanding loans and in October, it issued a further 1,625,000 New Ordinary Shares to convert the remaining amount (£65,000) of its 2010 7% bond.

In December, Clear Leisure converted €2.1 million at face value plus accrued interest, of its €9.9 million Zero Rate Convertible Bond into 50,992,826 New Ordinary Shares, representing an 80% discount on the Bond's face value.

Whilst managing to reduce debt, Clear Leisure also secured access to additional funds. Eufingest SA ("Eufingest"), a substantial shareholder in the Company, continued supporting the Company through the provision of loan facilities amounting to €250,000 in 2018. Additionally, £1.25 million (before expenses) was raised via three equity placings between January and May 2018.

In addition to the debt reduction initiatives, the Company continued its strategy of monetising its assets, most notably being the successful recovery of £1.15 million (before expenses) in January 2019 of the Company's interest in an IT and media company, relating to an investment the Company disposed of in 2007.

This successful outcome underlines why the Company will not hesitate to initiate legal action to protect shareholders interests. Two examples of this are:

- Firstly, the Company firmly opposed the decision of the Ivrea Court to deny the assignment of land belonging to Mediapolis srl ("Mediapolis") to a Clear Leisure subsidiary (Clear Leisure 2017 Limited – "Clear Leisure 2017"), the Court preferring to sell the land through an auction process for €1.96 million (which is covered by a prior charge granted to a Clear Leisure subsidiary)

- Secondly, the Company counter-claimed for damages in the UK High Court against former shareholders and management of its subsidiary, Sosushi Company Srl, ("Sosushi").

Moreover, the Company has been fully supportive of its Italian subsidiary, Sipiem Spa ("Sipiem"), which, in March 2019, filed a €10.8m claim against the previous management and audit committee, whilst, with regard to Mediapolis, the Company retains the unchallengeable legal rights to receive the proceeds of the sale (net of auction fees).

In addition to the above, in December 2018, Sosushi, has filed a claim to the Bologna Court against the previous management for an amount of €1.03 million, whilst reopening the criminal case in the Bologna Court against the former director and largest shareholder of the subsidiary.

The Company, with the support of its lawyers, remains very confident on the successful outcome of these legal actions.

During the first half of the year, Clear Leisure completed its €200,000 investment (of which €100,000 of the consideration due was paid in cash and €100,000 in New Ordinary Shares) in a cryptocurrencies mining datacentre, located in Serbia, through a joint venture partnership with a specialist IT company 64Bit Ltd.

In December 2018, Clear Leisure invested £278,750 for a 10% interest in PBV Monitor Srl, ("PBV Monitor"), an Italian company specialising in the acquisition and dissemination of data for the legal services industry, utilising proprietary market intelligence tools and dedicated search software.

It is the Board's intention to remain alert to further opportunities to improve the Company's and Group's financial position, should they arise.

Financial Review

The Group reported a total comprehensive loss of €4,331,000 for the year ended 31 December 2018 (2017: total comprehensive loss €1,884,000) and a loss before tax of €3,939,000 (2017: loss before tax €63,000). Operating losses for the period were €3,866,000 (2017: €324,000).

The increase of the loss is primarily due to the decrease of value assigned to Mediapolis as result of the non-assignment of the land to the Company and its subsequent sale via an auction process (see Operational Review). Clear Leisure 2017, the wholly owned subsidiary of the Company, retains the unchallengeable rights on the proceeds of the auction. Additionally, the Company has prudently reduced the amount it believes it could potentially recover from Sosushi and Sipiem. These prudent provisions, together with an increase in legal expenses, are reflected in the increase in administrative expenses.

The undiluted Net Asset Value ("NAV") of the Group as of 31 December 2018 increased to €1.9 million, compared to €1.2 million at 31 December 2017.

The increase is mainly due to three events: the conversion at a discount of the Zero Rate Convertible Bond for the amount of €2.1 million; the £1.25 million capital increase during the year; and the £1.15 million legal settlement (before costs) with the IT and media company. The increase of the NAV has been partially offset by the decrease of value assigned to by Mediapolis, Sipiem and Sosuhi.

The Group had Net Current Assets of €7,538,000 as at 31 December 2018 (2017: net current assets of €2,141,000) as result of the reschedule of the Zero Rate Convertible Bond's maturity from 2018 to 2022 and its partial conversion, together with the conversion of short term outstanding loans and the increase of the current investments.

Operational Review

As already mentioned, the Company began 2018 by making its first investment under the new Board's control; in a cryptocurrency datamining joint venture. Its partner in this operation is 64 Bit Ltd, a Maltese based specialist in data mining. Clear Leisure's 50% stake in the joint venture was satisfied by the issue of 7,878,130 Clear Leisure New Ordinary Shares and a payment of €100,000 cash. The data centre commenced operations in July 2018 and by 20 September 2018 had mined 0.454 Bitcoins and 17 Litecoins.

Responding to the significant downturn in the price of Bitcoin towards the end of 2018, the Board elected, on March 2019, to place the data centre on "care and maintenance" until such time that the value of cryptocurrencies rose to a level sufficient to make the operation profitable. In this regard, the dramatic recovery in the Bitcoin price from just over $3,000 in December to above $12,000 at the time of writing, offers encouragement for a resumption of cryptocurrency "mining."

The Company's long-term investment in Mediapolis Srl ("Mediapolis") was concluded in 2018, with the Court appointed administrators ruling against Clear Leisure's appeal to assign the land owned by Mediapolis to a subsidiary of the Company, over which it held the first charge mortgage of €2.68 million. Subsequently, on 25 July, the land was auctioned off to a third party for €1.96 million. The Company's wholly owned subsidiary, Clear Leisure 2017, retains the unchallengeable rights on the proceeds of the auctions.

The board was successful in its prosecution against a UK IT and media company, where it recovered funds of £1.15 million (before legal expenses), relating to a full and final settlement from an investment the Company disposed of in 2007.

On 28 December, the Company announced the acquisition of a 10 per cent interest in PBV Monitor, an Italian company specialising in the acquisition and dissemination of data for the legal services industry, utilising proprietary market intelligence tools and dedicated search software. PBV addresses the strategic needs of a global market for legal services estimated at $849 billion in 2017 and projected to exceed $1 trillion in 2021. Current competitors, (such as "Legal 500," and "Chambers,") cover only a fraction of facilities available and under development by PBV.

Portfolio Companies

An update on the Group's portfolio companies as at 31 December 2018 is as follows (percentage of equity held is shown in parenthesis):

SIPIEM SpA (50.17%): is a minority shareholder in T.L.T. Sas which owns a number of real estate assets including the operating Ondaland Waterpark located in north-west Italy.

The waterpark is a popular summer destination for Italians living in north-west Italy and there are plans to create an all year family-oriented theme park facility, using the existing 7500 sqm empty building, erected in 2012.

GeoSim Systems Ltd, ("GeoSim") (www.geosim.co.il) (4.46%): is an Israeli company that develops 3D modelling software. Clear Leisure was advised that the most recent round of fundraising by GeoSim took place at a pre-money valuation in excess of US$11 million, corresponding to a valuation for Clear Leisure's stake of US$667,487 (or approximately €583,319). This value has been incorporated in the balance sheet.

GeosSim, after having concluded the mapping of Vancouver and its 'Proof of Concept" phase, has been awarded, on a "sole source" basis, two important contracts in recognition of the uniqueness of its 3D modelling technology. The first contract, for Hong Kong International Airport ("HKIA"), the world's busiest cargo airport gateway (primarily to China and rest of Asia) and one of the world's busiest passenger airports, entails the production of a high definition reality model of HKIA's Terminal 1.

The second contract, awarded by the Los Angeles Metropolitan Transportation Authority, is to produce a high-definition "Reality Model" of a segment of downtown LA (including 7th Street Metro Center Station), that will serve as a simulator for training First Responders in a variety of emergency situations.

Mediapolis Srl (84.04%): in October 2017 and despite strenuous legal challenges by Clear Leisure, the Ivrea Court declared the company bankrupt. At that time, Mediapolis owned a strategically located development site, covering 497,884 sqm, in north-west Italy on the A4/A5 motorway between Milan and Turin and 10 holiday villas near Porto Cervo, the most exclusive holiday location in Sardinia. Following the Ivrea Court ruling in favour of the winding-up petition, the Company requested the assignment of the land, on which Clear Leisure, through its wholly owned subsidiary Clear Leisure 2017, holds a first charge. During 2018 the Ivrea Court denied the assignment of the land to Clear Leisure and sold the land via auction for a consideration of €1.96 million. Clear Leisure 2017, the wholly owned subsidiary of the Company, retains the unchallengeable rights on the proceeds of the auctions.

PBV Monitor Srl (pbvmonitor.com) (10%): in December 2018 Clear Leisure acquired a 10 per cent interest in PBV Monitor, an Italian company specialising in the acquisition and dissemination of data for the legal services industry, utilising proprietary market intelligence tools and dedicated search software, for a consideration of £278,750 paid in New Ordinary Shares.

Over the past four years, PBV Monitor has assembled and analysed the activity of over 8,600 law firms worldwide and over 100,000 business lawyers in 100 jurisdictions, producing approximately 43,000 articles that have regularly been published on the Global Legal Chronicle (globallegalchronicle.com), a trusted news source for lawyers and businesses, available in English, Italian and French. Currently, PBV Monitor processes approximately 12 thousand corporate transactions per year, In addition, PBV Monitor has secured important media partnerships with leading publishers to market online and printed directories to Italian and South American law firms consulting on real estate, banking & finance and private equity deals. Furthermore, agreements have been signed with other important Italian and international partners, for the organization of legal award events based on PBV rankings.

Post-Balance Sheet Events

The focus of 2019 will be to take the Company forward by assessing new investment opportunities, while concluding, where possible, existing legal actions against its historical investee companies.

In June, Eufingest SA provided the Company with a new loan facility that the Company used to fully settle the outstanding debt towards an UK private company, whilst also extending the maturity of its €500,000 loan facilities to 31 December 2019.

On 2 April, the website of PBV Monitor (www.pbvmonitor.com) became commercially operational.

With regards to the ongoing legal cases the Board is pursuing, as announced by the Company on 21 March 2019, the liquidator of the Company's subsidiary Sipiem filed a claim in the Italian Courts for €10.8 million, against previous board members of Sipiem, for fraud and mismanagement, following complex legal and accounting investigations.

On the same day, the Company's subsidiary, Sosushi reactivated a criminal legal case against the former management of the company, which had been erroneously dismissed by the Bologna Court.

Outlook

The Board remains committed to improving the financial health of Clear Leisure through court-led recoveries of misappropriated assets, further reduction of the debt position and investment in high growth businesses with a technological bias.

In addition, the Board remains focused on the negotiations for the recovery of value from Mediapolis, Sipiem and Sosushi.

After a disappointing year for cryptocurrencies, the recent strong rally in the Bitcoin price and announcements by an increasing number of major companies that they are exploring how best to utilise blockchain technology heralds the potential for better times for the Company's investment in this sector.

PBV Monitor and Geosim are generating considerable interest in their products and services and the Board is confident that they will eventually make a meaningful contribution to Clear Leisure's balance sheet.

Much has been achieved since the appointment of the new Board in July 2015, but other challenges still need to be overcome before the Board achieves its goal of realising meaningful value for the Company shareholders.

We are confident that by continuing with our processes and strategies, this goal will be achieved.

Francesco Gardin
Chairman
27 June 2019

DIRECTORS' PROFILES

Francesco Gardin
Chief Executive Officer & Chairman

Francesco Gardin, 64, born in Rovigo, Italy, graduated in Theoretical Physics at Padova University in 1979, before undertaking a UK Government research project at Exeter University (UK) from 1980 to 1982. In 1983, Francesco founded AISoftw@re SpA to develop and distribute Artificial Intelligence systems within Italy, which he took public on NASDAQ Europe in 1999 and the Milan Stock Exchange in 2000. He sold the company in 2005 but agreed to remain as non-executive Chairman until March 2008. When he left, the company employed more than 1,400 people and had revenues in excess of £70m. In December 2008, he was appointed executive Director of London Asia Capital plc, a UK company investing in Asia, He resigned in July 2013. In October 2013 he was appointed to the board of Pan European Terminals PLC, listed on AIM of the London Stock Exchange. He resigned in July 2014 following the sale of the company. In December 2014, he co-founded First IPO Capital Ltd, a UK company aiming at financing IPO costs to companies listing on the London AIM market. During the last twenty years, he has been Director of almost fifty companies in Italy, UK, USA, Israel, Hong Kong, China, Singapore, Mauritius and Jersey. From 1984 to 2014, he was Research Associate Professor at Udine, Milano and Siena University lecturing Artificial Intelligence, Theory and Application of Computation, and Virtual Reality. His academic papers include more than 50 individual and joint publications and three books on the subject of Artificial Intelligence as editor.

Reginald Eccles
Non-executive Director

Reginald George Eccles, 73, has sat on the boards of a number of public and private companies over the past four decades, including, most recently, Toledo Mining Corporation plc where he acted as Chairman and Pan European Terminals plc as Senior Independent Director. He began his career as a business and financial analyst, working in both the UK and South Africa. In 1979, he co-founded a consultancy and publishing company, with offices in the UK and Australia, which was sold in 1988. Subsequently, he held senior positions at a number of investment banks including establishing a global network of mining analysts and sale staff to support the ABN AMRO and Rothschild Bank joint venture.

STRATEGIC REPORT

The Directors present their Strategic Report on Clear Leisure plc and its subsidiary undertakings ("the Group") for the year ended 31 December 2018.

The Strategic Report is a new statutory requirement under section 414A of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair, balanced and understandable information that enables the Directors to be satisfied that they have complied with section 172 of the Companies Act 2006, which sets out the Directors' duty to promote the success of the Group and Company.

Review of the business and developments during the year

During 2018 the Company entered into a number of debt facilities and equity fundraisings in order mainly to finance the ongoing legal actions, the costs of the team of experts that are being used to investigate each of the assets acquired by the Company under the previous management team and the Company's current costs.

The debt facilities were as follows:

- In January, €250,000 from Eufingest, bearing 2.5% annual interest, repayable anytime before 31 March 2018. During the year, the maturity was deferred to 30 September 2018 then to 31 December 2018. In 2019, the maturity was initially postponed to 30 March 2019, then to 30 June 2019 and ultimately to 31 December 2019.

- In October, €200,000 from Eufingest, bearing 2.5% annual interest, repayable anytime before 31 December 2018. During the year, the maturity was deferred to 30 September 2018 then to 31 December 2018.
  In June 2019, the maturity was deferred to 31 December 2019.

During 2018, the Company carried out the following placings of new ordinary shares on the market:

- In January, a placing of £350,000 (gross of expenses) through the issue and allotment of 58,333,334 New Ordinary Shares at a price of 0.6p per share.

- In March, a placing of £300,000 (before expenses) through the issue and allotment of 42,857,143 New Ordinary Shares at a price of 0.7p per share.

- In May, a placing of £600,000 (before expenses) through the issue and allotment of 63,157,890 New Ordinary Shares at a price of 0.95p per share.

The Company has been heavily involved in the attempt to extract as much value as possible from its long-standing subsidiaries.

With regard to Mediapolis:

- In February, the Company notified that the joint appeal against the Mediapolis Srl winding up petition had been rejected by the Turin Appeal Court. Simultaneously, Clear Leisure also received a 'creditor ranking' from the appointed receiver of Mediapolis containing an initial confirmation of the first charge right on the land plot held by the Company's wholly owned subsidiary, Clear Leisure 2017. A further confirmation arrived later the same month as Clear Leisure 2017's first charge had been approved by the Ivrea Court in the amount of €2,678,357. Moreover, on such occasion the Court also formally recognised unsecured debts amounting to €8,211,897 which comprised €2,715,475 of accrued interest due to CL2017 and €5,496,421 acquired by the Company from Olivetti Multiservices SpA in September 2017.

- In June, Clear Leisure received final confirmation regarding the figures above.

- At the beginning of July, the Company formally commenced the process for the direct assignment of the land to Clear Leisure 2017, by presenting the request to the Ivrea Court. However, later the same month, at the auction held at the Ivrea Court, the auctioneer assigned the 497,884 sqm land owned by

Mediapolis to a bidder for an amount of €1,958,374, rejecting the Company's request for the assignment of the Land.

- In August, the Company filed an appeal against the result of the auction and the decision of the auctioneer to reject the Company's request to have the land assigned.

- In October, the Judge of the Ivrea Court ruled against the Company's appeal against the result of Mediapolis' land auction and the decision of the auctioneer to reject the Company's request of assignment. Later the same month, a second appeal, against the decision of the Ivrea Court to reject the request for the assignment of the Mediapolis land to Clear Leisure 2017 Ltd, had been filed by the Company.

- In December, the Ivrea Court ruled once again against the Company's second appeal.

With regard to Sosushi:

- In January, the Company announced its intention to file a €1.7m claim in Italy against Sosushi's previous directors and shareholders for alleged irregularity in the published accounts.

- Subsequently, in April, the Company was served with a claim in the English Courts for approximately €1.7m by the former shareholders of Sosushi, including the previous Chief Executive. The claim relates to an agreement entered into in December 2013 whereby the Company acquired shares in Sosushi.

- On 20 June, the Company filed the Defence and Counter Claim.

With regard to Sipiem:

- the Company continued the negotiation with the management of T.L.T. Sas, the owner of the Ondaland water park, to achieve a mutually beneficial solution which recognises the substantial investment made by Clear Leisure in T.L.T. and Sipiem.

A notable achievement of the Company during the year has been the improvement of the debt position, both monetary-wise and maturity-wise.

With regard to the €9.9m Zero Rated Convertible Bond

- In May the Company called a bondholder meeting for 5 June seeking Bondholders' approval to:

  - amend the final maturity of the Bonds from 15 December 2018 to 15 December 2022;
  - and permit the Company to convert Bonds into Clear Leisure New Ordinary Shares.

- In June, at the second bondholders meeting, held on 19 June (following an adjournment of the meeting held on 05 June due to insufficient bondholders being present to form a quorum), bondholders approved all the resolutions.

- In August, the Company called a further bondholder meeting for 29 August seeking Bondholders' approval to amend the conversion price of the Bonds as follows:

  the "Conversion Price" means an amount equal to not less than 125 per cent and not more than 500 per cent of the Company's reasonable assessment of the average closing mid-market price for the Shares on AIM in the ten working days immediately prior to the date upon which the Conversion Notice is dispatched converted from sterling into euros at the Company's reasonable assessment of the mid-market exchange rate on that date.

- In September, at the second bondholders meeting (following an adjournment of the meeting held on 29 August due to insufficient bondholders being present to form a quorum), bondholders approved the proposed resolution. Later the same month the Company issued a Conversion Notice to the holders of its Bonds. Under the terms of the Conversion Notice, the Company used its right to convert Bonds held by Bondholders who did not object to the proposed conversion into New Ordinary Shares of Clear Leisure. The proposed Conversion Price was 4.234 euro cents, which represented five times the average closing mid-market price for the Shares on AIM in the ten working days immediately prior to the date of the Conversion Notice. Bondholders could object to the Conversion Notice within 60 days from the issue date.

- At the beginning of December, the Company confirmed that it had received valid Objection Notices amounting to €4.8m (at face value) of the €6.9m of the Bonds in issue. Later the same month the Company issued 50,992,826 new ordinary shares in respect of the conversion of €2.1 million plus accrued interest of its €9.9m convertible bonds, at a conversion price of 4.234 euro cents per share.

With regard to the 2010 7% Bond:

- In October, the Company allotted and issued 1,625,000 New Ordinary Shares at a price of 4 pence per share on conversion by two bondholders of the 2010 7% Bonds, with a face value of £65,000. The issue of shares is pursuant to an agreement reached between the Company and Bondholders in 2014.

With regard to other debts of the Company:

- In March, the Company announced that it agreed with a €500,000 lender to settle €250,000 of the loan by issuing 22,321,429 New Ordinary Shares, at a price of 1 pence per share.

- In May, the Company reached settlement agreement with Mr Peter McBride in respect of an amount due by the Company to Mr McBride. The settlement is in regard to an amount of £91,722 relating to interest accrued on a loan of £250,000 made by Square One Limited to Clear Leisure in March 2015. The settlement of the £91,722 was satisfied through the issue and allotment of 8,263,250 New Ordinary Shares at a price of 1.11p per share

Another matter in which the Company has been involved is the legal claim against a previous IT & media portfolio's company and its founder:

- In May, the Company (in the name of the wholly owned subsidiary Brainspark Associates Limited "Brainspark") issued a claim in the High Court against an IT & media company incorporated in England and Wales and its founder (together "the Defendants") arising from a breach of a share purchase agreement entered into in 2012.

- In November, the High Court held a case management conference regarding Brainspark's claim against a former IT & media portfolio's company and its founder, in which the founder's application for a preliminary issue hearing was dismissed and he was ordered to pay Brainspark's costs of the application.

- In December, the Company reached a full and final settlement with the defendants for the sum of £1.15 million payable in cash to Clear Leisure, €500,000 of which was received later the same month.

During 2018, Clear Leisure finalised the investment in a cryptocurrencies mining datacentre (formalized during the 2017), and invested into PBV Monitor.

With regard to the cryptocurrencies mining datacentre:

- In January the Company acquired, through its Joint venture ("JV") partner, the first batch of miners and the mobile housing unit; placed orders for additional miners and commenced negotiations with an established power supply provider in Serbia.

- In March, the JV, whilst waiting for the latest order of "miners" to be delivered, successfully concluded the testing phase and confirmed that Mining Unit was ready to be shipped in Serbia.

- In May, Clear Leisure issued 7,868,130 new shares at a price of 1.11p per share to it JV partner (64 bit Limited), in order to cover the Company's share of capital and operating expenditure, amounting to €100,000, which had been advanced by 64Bit.

- In June, the Mining Unit was shipped to Serbia.

With regard to PBV Monitor S.r.l.:

- In December, the Company acquired a 10 per cent interest in PBV Monitor Srl, an Italian company specialising in the acquisition and dissemination of data for the legal services industry, utilising proprietary market intelligence tools and dedicated search software. The consideration of £278,750, was settled with the issue of 35,365,389 Clear Leisure new ordinary shares of 0.25p each, at a price per share of 0.7882p.

Sale of investments

The Company did not dispose of any asset during 2018.

Board changes

On 25 July 2018, Mr Francesco Gardin was re-elected as Director of the Company.

Events after the reporting date

During the first 6 months of 2019, the Company has been involved in the following:

With regard to Eufingest Loan facilities:

- In January, the Company agreed with Eufingest to extend the maturity of certain loan facilities, amounting to €500,000, from December 2018 to 31 March 2019.

- In March, the Company agreed with Eufingest to extend the maturity of certain loan facilities, amounting to €500,000, from 31 March 2019 to 30 June 2019.

With regard to Mediapolis:

- In March, the Ivrea Court proceeded to complete the auction procedure and assign the 497,884 sqm land of Mediapolis to the winning bidder for the amount of €1,958,374.

With reference to Sosushi

- A claim for damages in the Italian Courts for approximately €1.03m against Sosushi's previous management has been filed.

- A criminal legal case against the former management of Sosushi, previously erroneously dismissed by the Bologna Court, has been re-activated.

Regarding Sipiem:

- In March, following complex legal and accounting investigations, Sipiem's liquidator filed a claim in the Italian Courts for damages of approximately €10.8 million arising from fraud and mismanagement against Sipiem's previous board members and the former internal audit committee.

With regard to the cryptocurrencies mining datacente:

- As a result of the substantial decline in the market price of cryptocurrencies, the 50% held Mining Datacentre, located in Serbia, has been placed on care and maintenance.

With reference to PBV Monitor:

- During the first months of 2019, PBV signed important media partnerships with leading Italian publishers, including “Re Quadro”, “Azienda Banca” and “BeBeez,” to market online and printed directories to Italian law firms consulting on real estate, banking & finance and private equity deals. In the same period, PBV also targeted law firms based in South America, where it has tracked the activity of 400 law firms and 2,000 lawyers, and signed further agreements with other important Italian and international partners, for the organisation of legal award events based on PBV rankings.

- In March, PBV Monitor’s website became commercially operational. The standard commercial service, via an annual subscription, costs €427 for an individual lawyer, while law firms will be charged €1,464.

Regarding the settlement agreement reached in December 2018 with a Company’s previous IT & media portfolio’s company and its founder:

- In January, the Company received the second and final tranche amounting to £650,000.

Risks and Uncertainties
The Group's investments as at 31 December 2018 were all unlisted. As a result, there is no readily available market for sale in order to arrive at a fair value. The valuation of each investment is appraised on a regular basis and requires a significant amount of judgment together with reviewing the cash flows and budgets of the investee company in order to arrive at a fair value.

The Group has raised funds during the period, but the Directors consider that the amounts will unlikely be sufficient to meet operating expenditure over the next 12 months. Further funds will likely be required to implement the Company strategy and meet the day-to-day operations of the Group.

Key performance indicators (“kpi’s”)

The key performance indicators are set out below:

	31 December 2018	31 December 2017	Change %
Net asset value	€1,943,000	€1,200,000	+62%
Closing share price	0.770p	0.975p	-21%
Market capitalisation	€3,963,000	€3,405,000	+16%

Assessment of business risk

The Board regularly reviews operating and strategic risks. The Group's operating procedures include a system for reporting financial and non-financial information to the Board including:

- reports from management with a review of the business at each Board meeting, focusing on any new decisions/risks arising;
- reports on the performance of investments;
- reports on selection criteria of new investments;
- discussion with senior personnel; and
- consideration of reports prepared by third parties.

Financial risk management

Details of the Group's financial instruments and its policies with regard to financial risk management are contained in note 25 to the financial statements.

Results for the year and dividends

The loss for the year was €4,331,000 (2017: loss of €1,884,000). Since the Group does not have any distributable reserves, the Directors are unable to recommend the payment of a dividend.

Going concern

The Group's activities generated a loss of €4,331,000 (2017: loss of €1,884,000) and had net current assets of €7,538,000 as at 31 December 2018 (2017: net current assets of €2,141,000) as explained in the Financial Review section. The Group's operational existence is still dependent 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 judgment that there is a reasonable expectation that the Group can secure adequate funding to continue its operations for the foreseeable future and that adequate arrangements will be in place to settle 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.

By order of the Board.

Francesco Gardin
Director
27 June 2019

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2018.

Principal Activity
The principal activity of the Group is that of an investment company with a portfolio of companies primarily encompassing the leisure and real estate sectors mainly in Italy and, more recently, technology sectors. 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. The Company has also realigned its strategic focus to technology related investments, with special regard to interactive media, blockchain and AI sectors.

Directors
The present members of the Board of Directors together with brief biographies are shown on page 6.

The board comprised the following directors who served throughout the year and up to the date of this report save where disclosed otherwise beside their name:

- Francesco Gardin
- Reginald Eccles

Directors' interests

No Director had a material interest in any contract of significance to the Company or any of its subsidiaries during the period. No Director of the Company have any beneficial interests in the shares of its subsidiary companies.

The interests of the directors who served at the end of the year in the share capital of the Company at 31 December 2018 and 31 December 2017 were as follows:

Directors	31 December 2018 (0.25p ordinary shares)	Holding %	31 December 2017 (0.25p ordinary shares)
Francesco Gardin	8,437,078	1.4%	5,360,155

The closing market price of the Clear Leisure new ordinary shares of 0.25p each at 31 December 2018 was 0.77p and the highest and lowest closing prices during the year were 1.320p and 0.560p respectively.

In December 2018, Francesco Gardin was issued and allotted 3,076,923 New Ordinary Shares at a price per share of 0.975p in settlement of that part of his 2017 remuneration. Other than this, there have been no changes in the Directors' interests between the year-end and 30 June 2018.

Remuneration

Remuneration receivable by each Director during the year was as follows:

	2018 Board fees €'000	2018 Remuneration €'000	2018 Total €'000	2017 Total €'000
Executive Directors				
Reginald Eccles	-	45	45	37
Francesco Gardin	-	294*	294	161
Total	0	339	339	198

*Of which £30,000 was paid in shares.

None of the Directors had any pension entitlement.

Directors' interests in share options and warrants

At 31 December 2018 the Directors had the following interest in share options or warrants in the Company:

- On 31 July 2015 Francesco Gardin was awarded 10,000,000 stock options at a strike price of 1.25p to be exercised within ten years.
- On 31 July 2015 Reginald Eccles was awarded 3,000,000 stock options at a strike price of 1.25p to be exercised within ten years.

All former share option plans had lapsed and no options were exercised in any of the last three financial years.

Significant shareholders

As at 20 June 2018, the parties who are directly or indirectly interested in 3 percent or more of the nominal value of the Company's share capital are as follows:

	Number of Ordinary Shares	%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	86,478,450	14.31%
EUFINGEST	86,279,102	14.28%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	84,735,907	14.03%
VIDACOS NOMINEES LIMITED	44,203,818	7.32%
HSDL NOMINEES LIMITED	33,411,873	5.53%
ROY NOMINEES LIMITED	28,285,129	4.68%
LUKE JOHNSON	25,000,000	4.14%
REDMAYNE (NOMINEES) LIMITED	22,820,800	3.78%
AN IDEA LIVES ON LTD	22,321,429	3.69%
JIM NOMINEES LIMITED	21,174,613	3.50%
LAWSHARE NOMINEES LIMITED	20,020,346	3.31%
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	18,476,653	3.06%

Corporate Governance

The Board of Directors is accountable to the Company's shareholders for ensuring good corporate governance and the Directors have agreed (on 27 September 2017) to report against the UK Quoted Companies Alliance ("QCA") Governance Code.

	QCA Code Recommendation	*Application by the Company*
1.	**Principle 1** **Establish a strategy and business model which promote long-term value for shareholders** • The board must be able to express a shared view of the company's purpose, business model and strategy. • It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. • It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	*Clear Leisure plc 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 the 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. In addition, the Company has launched a joint venture initiative in the cryptocurrency mining sector and recently invested a data base company.* *A more detailed explanation of the Company's strategy is set out in the preface of the Company's Annual Reports and business updates released to the market which are available on the Company's website in the Regulatory News section.*
2.	**Principle 2** **Seek to understand and meet shareholder needs and expectations** • Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. • The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	*The Company endeavours to maintain a dialogue and keep both private and institutional shareholders informed through its public announcements and its corporate website.* *Shareholders are sent Annual Reports and all shareholders receive a Notice of the Meeting and are encouraged to attend the Annual General Meeting.* *Members of the Board are in attendance at the Annual General Meeting and are available to meet shareholders formally after the meeting to discuss information that is in the public domain. The Company will advise shareholders attending the AGM of the number of proxy votes lodged for and against each resolution after each resolution has been dealt with by a show of hands.* *In addition, shareholder communication may also be answered, where possible or appropriate, by the Company's Financial PR advisor, Leander PR or the Company's broker, SP Angel Corporate Finance LLP.* *Leander PR is responsible for the public relations of the Company, which includes*

		assistance in the preparation of public announcements and liaison with the press. *The Board is responsible for the Company's public announcements to the market and where appropriate takes advice from the Company's advisors in respect of their preparation and the Company's regulatory requirements.*
3.	**Principle 3** **Take into account wider stakeholder and social responsibilities and their implications for long-term success** • Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations. • Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model. • Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	*The Directors are aware of the impact the business activities have on the communities in which the Group's businesses operate and are very cognisant of the importance of stakeholders, including but not limited to shareholders, employees, advisors, business partners, regulators and the wider society.* *The Company holds formal and informal meetings, to identify both internal and external stakeholders' needs, interests and expectations.* *The Board, on a case-by-case basis, will take the decision to act on feedback from stakeholders.* *The Company does not have a policy towards charity, given the current size of the Company, but the Board may from time to time decide to make charitable donations.* *The Company works closely with its advisors to ensure it meets its listing obligations as well as the social, legal, religious and cultural requirements of the countries in which it operates*.
4.	**Principle 4** **Embed effective risk management, considering both opportunities and threats, throughout the organisation** • The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer. • Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).	*The Company is exposed to a variety of risks that result from its investing activities. A detailed explanation of the Board's management of each risk is outlined in the Annual Reports. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that each and every risk, present and future, has been addressed.* *The Board is responsible for the identification, assessment and management of such risks. In assessing the*

		risks, the Board is assisted by the Company's advisors.
5.	**Principle 5** **Maintain the board as a well-functioning, balanced team led by the chair** • The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board. • The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. • The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. • The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. • Directors must commit the time necessary to fulfill their roles.	*Clear Leisure plc's Board of Directors is comprises Prof Francesco Gardin as Chairman and Chief Executive Officer ("CEO"). Mr Reginald Eccles is the independent Non-executive Director of the Company, while Mr. James Douglas Gordon acts as Company Secretary.* *Both Directors allocate sufficient time to the Company to discharge their duties.* *Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the Board.* *The Board is aware that the QCA Corporate Governance Code advises that, save in exceptional circumstances, the Chairman should not also fulfil the role of Executive Director. Given the current size and stage of the Company, alongside Prof Gardin's knowledge of past and present complex legal matters impacting on the Company, the Board believes that this combined role is currently appropriate. This, however, will be kept under review as the Company develops.* *The Company notes that the QCA Code also recommends that the Board include at least two Independent non-executive directors. The Board will consider the appointment of additional non-executive directors as the Group's scale and complexity grows.* *The shareholders are aware of these circumstances and have not opposed the re-election of the Board at the Annual General Meetings.* *In addition, there is a regular dialogue between the Directors and the Company Secretary to ensure every decision is correctly assessed and properly balanced.* *The Board is also supported by a number of committees including the Audit Committee and the Remuneration Committee.* *Additionally, as a holding company, Clear Leisure is supported by the Boards and*

		independent Directors of individual operating companies.
6.	**Principle 6** **Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities** • The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. • The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. • As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.	*Biographies and expertise of the Directors are available on both the Company's website (in the Board of Directors section) and the Annual Reports.* *In matters related to company law, the Company depends upon the legal expertise of its legal advisers.* *Where there are issues that exceed the expertise of the Directors, the Company utilises external advisors.* *The Company has engaged several law firms, in Italy and in the UK, to advise in respect of the legal matters related to the claims the Company has pursued since the appointment of the current Board in July 2015.* *The Directors' background and experience guarantee they can maintain their skillset up-to-date. Prof Francesco Gardin has maintained close connections with his former colleagues at Udine, Milan and Siena Universities, where he lectured for 30 years, regularly attends global technology and technology-related conferences and he is part of a network of advisors, CEOs and CFOs, of quoted and unquoted companies around the world, he meets regularly. Mr Reginald Eccles is a long-standing member of the Institute of Directors, through which he has access to outstanding advice and information. He is also a Freeman of a City Livery Company and a Freeman of the City of London, in which roles he continuously meets entrepreneurs and businessmen.*
7.	**Principle 7** **Evaluate board performance based on clear and relevant objectives, seeking continuous improvement** • The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. • The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual	*The Board considers the evaluation process is best carried out internally given the Company's current size, However, the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows.* *The Independent Non-executive Director chairs the Remuneration Committee and is responsible for assessing and for evaluating the effectiveness of the Executive Director (including determination*

	directors or the wider senior management team. • It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.	*of any annual bonus) by reference to the performance of the Company. This review takes place every six months.* *The Company does not consider it necessary at the current time to have a Nominations Committee and the Board as a whole is responsible for Board and senior management nominations. The merits of constituting a separate Nominations Committee will be kept under review. The Board continues to monitor and evolves the Company's corporate governance structures and processes, and maintains that these will evolve over time, in line with the Company's growth and development.* *There is currently no focus for the Board on succession planning although this will be kept under review.*
8.	**Principle 8** **Promote a corporate culture that is based on ethical values and behaviours** • The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. • The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company. • The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company. • The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.	*The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset and provides competitive advantages. The Company operates in different sectors and markets and is mindful that respect of individual cultures is critical to corporate success.* *The Company endeavours to conduct its business in an ethical, professional and responsible manner, treating its employees, business partners and wider stakeholders with equal courtesy and respect at all times.*

9.	**Principle 9**
	
	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board
	
	• The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:
	  o size and complexity; and
	  o capacity, appetite and tolerance for risk.
		The Board is responsible for maintaining the corporate governance structure that is appropriate to its corporate culture and business growth. In maintaining the governance structure, the Board works closely with its Nominated Advisor.
		
		The Executive Director is responsible for running the business and implementing the decisions and policies of the Board. The

	• The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.	*Board is also responsible for ensuring the Company's communication with shareholders is timely, informative and accurate with due regard to regulatory requirements.* *The Non-Executive Director was appointed not only to provide independent oversight and constructive challenge to the Executive Director but also chosen to provide strategic advice and guidance.* *The Board is supported by the Audit Committee, and the Remuneration Committee.* *The Audit Committee meets twice a year and is responsible for dealing with accounting matters, ensuring the independence of the external auditors, financial reporting and internal controls. The committee comprises the Non-executive Director and the Chairman of the Company and is chaired by the Non-executive Director.* *The Remuneration Committee, chaired by the Non-executive Director, is responsible for the approval of the remuneration for the executive Director. The Committee meets twice a year and is comprised of the Non-executive Director and the Chief Executive Officer. In determining the total remuneration (including bonuses, if any) of the Executive Director, the Non-Executive Director may consult advisors.* *The Executive Director also consults the Non-executive Director with respect to overall staff remuneration.*
10.	**Principle 10** **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders** • A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. • In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist: o the communication of shareholders' views to the board; and	*The Chairman is responsible for maintaining a dialogue with shareholders and the financial markets, including the financial press. The Company communicates with shareholders through the Annual Report and half-year accounts, announcements to the stock market and at its Annual General Meeting.* *The AIM Rule 26 section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful.*

	○ the shareholders' understanding of the unique circumstances and constraints faced by the company. • It should be clear where these communication practices are described (annual report or website).	*Historical company announcements, annual reports and circulars of Annual General Meeting are available on the Company's website in the Annual Report and Circulars and Regulatory News section.* *Results of shareholder meetings will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.* *Information on the work of the various Board Committees and other relevant information are included in the Company's Annual Report.*

Directors' liability insurance and indemnity

The Company is in the process of arranging insurance cover in respect of potential legal action against its Directors. To the extent permitted by UK law, the Company also intends to indemnify the Directors.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the AIM rules of the London Stock Exchange.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Group is compliant with AIM Rule 26 regarding the Group's website.

Disclosure of information to auditor

In the case of each person who was a Director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the Group's auditor is unaware; and

- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Events after the reporting period
Details of events after the reporting period have been disclosed in Note 31.

Independent auditor
MHA Macintyre Hudson, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

By order of the Board.

Francesco Gardin
Chairman
27 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAR LEISURE PLC

Qualified opinion on financial statements

We have audited the group financial statements of Clear Leisure Plc for the year ended 31 December 2018 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2018 and of the company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion on financial statements

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We were not provided the financial statements of Mediapolis Investment Sarl, Alnitak Sarl, Sipiem Spa or SoSushi Srl, where the Company is a major shareholder. These financial statements do not include any of the adjustments required to incorporate the results of these entities on consolidation. Furthermore, we are unable to substantiate the recoverability of balances outstanding at the year end from these entities which are owed to Clear Leisure PLC. Had this information been available to us we might have formed a different opinion on the financial statements of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters that we identified for the year ended 31 December 2018 are:

- Management override of controls;
- Going concern;
- Valuation of the Groups subsidiary undertakings and investments;
- Valuation of balances derived from ongoing legal matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAR LEISURE PLC (continued)

Our application of materiality
The materiality that we used for the consolidated financial statements was €239,000 (2017: €305,000). We determine materiality using 5% of the net assets of the Group (2017: 3% of the benchmark of Gross Assets), which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance.

We report to the director's all corrected and uncorrected misstatements we identified through our audit with a value in excess of €13,200 (2017: €16,300), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's statement, strategic report and Directors' report to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implication for our report.

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

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the group financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Except for the matters identified in the Basis for qualified opinion on financial statements paragraph , we have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAR LEISURE PLC (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the group financial statements

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

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

Use of our audit report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Atul Kariya FCCA (Senior statutory auditor)
for and on behalf of MHA Macintyre Hudson
Chartered Accountants and Registered Auditors
London, United Kingdom

27 June 2019

GROUP INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		€'000	€'000
Continuing operations			
Revenue		**12**	5
		12	5
Administration expenses	7	**(3,878)**	(329)
Operating loss		**(3,866)**	(324)
Other gains and (losses)	8	**(150)**	(77)
Exceptional items	9	**1,300**	-
Finance income		**-**	421
Finance charges	10	**(1,223)**	(83)
Loss before tax		**(3,939)**	(63)
Tax	14	**-**	-
Loss from continuing operations		**(3,939)**	(63)
Discontinued operations			
Loss from discontinued operations, net of tax	27	**-**	(1,821)
Loss for the year		**(3,939)**	(1,884)
Other comprehensive (loss)			
Loss on translation of overseas subsidiaries		**(392)**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(4,331)**	(1,884)
Loss for the year attributable to:			
Owners of the parent		**(4,331)**	(1,884)
Non-controlling interests		**-**	-
Earnings per share:			
Basic and fully diluted loss from continuing operations	15	**(€0.008)**	(€0.00)
Basic and fully diluted loss from discontinued operations	15	**(€0.000)**	(€0.01)
Basic and fully diluted loss per share		**(€0.008)**	(€0.01)

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

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2018

	Notes	Group 2018 €'000	Restated Group 2017 €'000	Company 2018 €'000	Company 2017 €'000
Non-current assets					
Investments	17,18	**447**	302	**9,667**	10,019
Total non-current assets		**447**	302	**9,667**	10,019
Current assets					
Investments	17	**1,118**	557	**535**	-
Trade and other receivables	18	**7,003**	9,329	**99**	454
Cash and cash equivalents	19	**267**	-	**267**	-
Total current assets		**8,388**	9,886	**901**	454
Current liabilities					
Trade and other payables	20	**(507)**	(716)	**(251)**	(711)
Borrowings	21	**(343)**	(7,029)	**(343)**	(7,029)
Total current liabilities		**(850)**	(7,745)	**(594)**	(7,740)
Net current assets/ (liabilities)		**7,538**	2,141	**307**	(7,286)
Total assets less current liabilities		**7,985**	2,443	**9,974**	2,733
Non-current liabilities					
Borrowings	21	**(6,042)**	(1,243)	**(6,042)**	(1,243)
Total non-current liabilities		**(6,042)**	(1,243)	**(6,042)**	(1,243)
Net assets		**1,943**	1,200	**3,932**	1,490
Equity					
Share capital	23	**7,227**	6,412	**7,227**	6,412
Share premium account	23	**47,038**	43,563	**47,038**	43,563
Other reserves	25	**10,504**	10,112	**1,861**	1,788
Retained losses		**(62,826)**	(58,887)	**(52,194)**	(50,273)
Equity attributable to owners of the Company		**1,943**	1,200	**3,932**	1,490
Non-controlling interests		**-**	-	**-**	-
Total equity		**1,943**	1,200	**3,932**	1,490

The financial statements were approved by the board of directors and authorised for issue on 27 June 2019, on its behalf by:

Francesco Gardin
Director

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

Company Number 03926192

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

Group	Share capital	Share premium account	Other reserves	Retained losses	Total equity
	€'000	€'000	€'000	€'000	€'000
At 1 January 2018	6,412	43,563	10,112	(58,887)	**1,200**
Total comprehensive loss for the year	-	-	-	(3,939)	**(3,939)**
Issue of shares	815	3,559	-	-	**4,374**
Share issue costs	-	(84)	-	-	**(84)**
Foreign currency translation	-	-	392	-	**392**
At 31 December 2018	**7,227**	**47,038**	**10,504**	**(62,826)**	**1,943**
Company					
At 1 January 2018	6,412	43,563	1,788	(50,273)	**1,490**
Total comprehensive loss for the year	-	-	-	(1,921)	**(1,921)**
Issue of shares	815	3,559	-	-	**4,374**
Share issue costs	-	(84)	-	-	**(84)**
Foreign currency translation	-	-	73	-	**73**
At 31 December 2018	**7,227**	**47,038**	**1,861**	**(52,194)**	**3,932**

The following describes the nature and purpose of each reserve:

Share Capital	represents the nominal value of equity shares
Share Premium	amount subscribed for share capital in excess of the nominal value
Retained losses	cumulative net gains and losses less distributions made
Other reserves	Consists of four reserves, see below:
Merger Reserve	relates to the difference in consideration and nominal value of shares issued during a merger and the fair value of assets transferred.
Loan note equity reserve	relates to the equity portion of the convertible loan notes
Share option reserve	fair value of the employee and key personnel equity settled share option scheme as accrued at the statement of financial position date
Foreign exchange reserve	cumulative net gains and losses from translation of foreign subsidiaries

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017	6,344	43,351	11,440	(59,842)	1,293	308	**1,601**
Total comprehensive loss for the year	-	-	-	(1,884)	(1,884)	-	**(1,884)**
Issue of shares	68	212	-	-	280	-	**280**
Issue of convertible loan notes	-	-	1,203	-	1,203	-	**1,203**
Transfer of reserves	-	-	(2,531)	2,531	-	-	**-**
Transfer of non-controlling interest to retained losses on disposal of Mediapolis	-	-	-	308	308	(308)	**-**
At 31 December 2017	**6,412**	**43,563**	**10,112**	**(58,887)**	**1,200**	**-**	**1,200**
Company							
At 1 January 2017	6,344	43,351	585	(49,243)	1,037	-	**1,037**
Total comprehensive income for the year	-	-	-	(1,030)	(1,030)	-	**(1,030)**
Issue of shares	68	212	-	-	280	-	280
Issue of convertible loan notes	-	-	1,203	-	1,203	-	1,203
At 31 December 2017	**6,412**	**43,563**	**1,788**	**(50,273)**	**1,490**	**-**	**1,490**

The following describes the nature and purpose of each reserve:

Share Capital	represents the nominal value of equity shares
Share Premium	amount subscribed for share capital in excess of the nominal value
Retained losses	cumulative net gains and losses less distributions made
Other reserves	Consists of four reserves, see below:
Merger Reserve	relates to the difference in consideration and nominal value of shares issued during a merger and the fair value of assets transferred.
Loan note equity reserve	relates to the equity portion of the convertible loan notes
Share option reserve	fair value of the employee and key personnel equity settled share option scheme as accrued at the statement of financial position date
Foreign exchange reserve	cumulative net gains and losses from translation of foreign subsidiaries

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Group 2018 €'000	Group 2017 €'000	Company 2018 €'000	Company 2017 €'000
Net cash outflow from operating activities	26	**(560)**	(2,816)	**(1,700)**	(977)
Cash flows from investing activities					
(Increase)/decrease in loan to subsidiary undertakings		**(145)**	-	**352**	(471)
Interest paid		**(290)**	-	**(284)**	-
Purchase of investments		**(95)**	-	**(504)**	-
Net cash outflow from investing activities		**(530)**	-	**(436)**	(471)
Cash flows from financing activities					
Proceeds of issue of shares	23	**1,357**	280	**2,403**	280
Repayment of long-term debt		**-**	(1,250)	**-**	(1,250)
Proceeds from borrowing		**-**	2,416	**-**	2,416
Net cash inflow from financing activities		**1,357**	1,446	**2,403**	1,446
Net increase/(decrease) in cash for the year		**267**	(1,370)	**267**	(2)
Cash and cash equivalents at beginning of year		**-**	1,370	**-**	2
Exchange differences		**-**	-	**-**	-
Cash and cash equivalents at end of year	19	**267**	-	**267**	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 12.

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 3, IFRS 11	Amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest)	1 January 2019
IFRS 9	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	1 January 2019
IFRS 16	Leases – new standard	1 January 2019
IAS 12	Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends)	1 January 2019
IAS 19	Amendments regarding plan amendments, curtailments or settlements	1 January 2019
IAS 23	Amendments resulting from Annual Improvements 2015–2017 Cycle (intended use or sale)	1 January 2019
IAS 28	Amendments regarding long-term interests in associates and joint ventures	1 January 2019

During the period, we applied the following standards.

IFRS 9

IFRS 9 establishes a framework of the recognition and measurement, impairment, derecognition and general hedge accounting. It replaces IAS 39 Financial Instruments: Recognition and Measurement. The Group has adopted IFRS 9 in full at the date of initial application (1 January 2018) and elected to apply the limited exemptions in IFRS 9 relating to classification, measurement and impairment requirements for financial instruments, and accordingly comparative periods have not been restated and remain in line with the previous standard IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the good or services. The Group has adopted IFRS 15 in full at the date of initial application (1 January 2018). Accordingly, comparative information presented for 2017 has not been restated and is presented, as previously reported under IAS 18, and related interpretations as there was no impact of adoption of IFRS 15 on opening balances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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 International Financial Reporting Interpretations Committee (IFRIC) 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 certain available for sale investments that are stated at their fair values.

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 as further disclosed in Note 3.

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 noncontrolling 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Accounting policies (continued)

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 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 lAS 12 *Income Taxes* and lAS 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Accounting policies (continued)

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 trademarks	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.

Investments in subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Accounting policies (continued)

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 statement of financial position 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

The Group provides consultancy services, which are invoiced at the point of the provision of the service. Revenue is recognised as earned at a point in time on the unconditional supply of these services, which are received and consumed simultaneously by the customer. The Group measures revenues at the fair value of the consideration received or receivable for the provision of consultancy services net of Value Added Tax.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Accounting policies (continued)

Financial instruments

The Company has elected to apply the limited exemption in IFRS 9 relating to classification, measurement and impairing requirements for financial instruments, and accordingly comparative periods have not been restated and remain in line with the previous standard IAS 39 "Financial Instruments: Recognition and Measurement";

Classification and measurement

The Company classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through the income statement (FVPL) and those to be held at amortised cost.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Management determines the classification of financial assets at initial recognition. The Company's policy with regard to financial risk management is set out in Note 22. Generally, the Company does not acquire financial assets for the purpose of selling in the short term.

The Company's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows). When the Company enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Financial Assets held at amortised cost

The classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the "solely payments of principal and interest" (SPPI) criteria.

At initial recognition, trade receivables that do not have a significant financing component, are recognised at their transaction price. Other financial assets are initially recognised at fair value plus related transaction costs, they are subsequently measured at amortised costs using the effective interest method. Any gain or loss on derecognition or modification of a financial asset held at amortised cost is recognised in the income statement.

Financial Assets held at fair value through other comprehensive income (FVOCI)

The classification applies to the following financial assets:

- Debt instruments that are held under a business model where they are held for the collection of contractual cash flows and also for sale ("collect and sale") and which have cash flows that meet the SPPI criteria. An example would be where trade receivable invoices for certain customers were factored from time to time. All movements in the fair value of these financial assets are taken through comprehensive income , except for the recognition of impairment gains and losses, interest revenue (including transaction costs by applying the effective interest method), gains or losses arising on derecognition and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative fair value gain or loss previously recognised in other comprehensive income is reclassified to the income statement.
- Equity investments where the Company has irrevocably elected to present fair value gains and losses on revaluation of such equity investments, including any foreign exchange component, are recognised in other comprehensive income. When equity investment is derecognised, there is no reclassification of fair value gains or losses previously recognised in other comprehensive income to the income statement. Dividends are recognised in the income statement when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Accounting policies (continued)

Financial Assets held at fair value through profit or loss (FVPL)

The classification applies to the following financial assets. In all cases, transaction costs are immediately expensed to the income statement.

- Debt instruments that do not meet the criteria of amortised costs or fair value through other comprehensive income. The Company has a significant proportion of trade receivables with embedded derivatives for professional pricing. These receivables are generally held to collect but do not meet the SPPI criteria and as a result must be held at FVPL. Subsequent fair value gains or losses are taken to the income statement.
- Equity investments which are held for trading or where the FVOCI election has not been applied. All fair value gains or losses and related dividend income are recognised in the income statement.
- Derivatives which are not designated as a hedging instrument. All subsequent fair value gains or losses are recognised in the income statement.

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

A forward looking expected credit loss (ECL) review is required for: debt instruments measured at amortised costs are held at fair value through other comprehensive income: loan commitments and financial guarantees not measured at fair value through profit or loss; lease receivables and trade receivables that give rise to an unconditional right to consideration.

As permitted by IFRS9, the Company applies the “simplified approach” to trade receivable balances and the “general approach” to all other financial assets. The general approach incorporates a review for any significant increase in counter party credit risk since inception. The ECL reviews including assumptions about the risk of default and expected loss rates. For trade receivables, the assessment takes into account the use of credit enhancements, for example, letters of credit. Impairments for undrawn loan commitments are reflected as a provision.

Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Accounting policies (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Accounting policies (continued)

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 consist 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 (2017: €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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

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 €3,939,000 (2017: €1,884,000) and had net current assets of €7,985,000 as at 31 December 2018. The Group's operational existence is still dependent 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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:

	2018			**2017**		
	UK €'000	**Italy €'000**	**Total €'000**	**UK €'000**	**Italy €'000**	**Total €'000**
Revenue - Consultancy	12	-	**12**	5	-	5
Cost of sales	-	-	-	-	-	-
Gross Profit	12	-	**12**	5	-	5
Finance Income	-	-	-	421	-	421
Finance charges	(1,223)	-	**(1,223)**	(83)	-	(83)
Other operating expenses	(3,878)	`	**(3,878)**	(329)	-	(329)
Exceptional items	1,300	-	**1,300**	-	-	-
Other gains and losses	(150)	-	**(150)**	(77)	-	(77)
(Loss) from discontinuing operations, net of tax	-	-	-	-	(1,821)	(1,821)
(Loss) for the financial year	**(3,939)**	**-**	**(3,939)**	(63)	1,821	(1,884)

	2018				**2017**			
	Segment assets €'000	***Segment liabilities €'000***	***Net additions to non-current Assets €'000***	***Net assets/ (liabilities) €'000***	***Segment assets €'000***	***Segment liabilities €'000***	***Net Additions to non-current assets €'000***	***Net assets/ (liabilities) €'000***
UK	8,835	(6,892)	-	**1,943**	10,188	(8,988)	-	1,200
Italy	-	-	-	-	-	-	-	-
	8,835	**(6,892)**	**-**	**1,943**	10,188	(8,988)	-	1,200

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

5. Staff costs

	2018	2017
	€'000	€'000
Staff costs during the period including directors comprise:		
Wages and salaries	**458**	266
Social security costs and pension contributions	**12**	
	470	266

6. Directors' Emoluments

	2018	2017
	€'000	€'000
Aggregate emoluments	339	162
Share based payment	-	33
	339	195

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

7. Expenses by nature

	2018	2017
	€'000	€'000
Directors emoluments	339	195
Employee emoluments	131	71
Legal and professional fees	705	(126)
Audit and accountancy fees	107	70
Administrative expenditure	236	114
Bad debts	2,673	5
Payables waived	(313)	-
	3,878	329

8. Other gains and losses

	2018	2017
	€'000	€'000
Revaluation of investments	-	(77)
Revaluation of Zero-Coupon Bond	**(150)**	-
	(150)	(77)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

9. Exceptional items

	2018 €'000	2017 €'000
Claim settlement	**1,300**	-

On 9 November 2018 a full and final settlement had been reached in relation to a legal claim for the sum of €1,300,000 payable in cash to Clear Leisure plc.

10. Finance charges

	2018 €'000	2017 €'000
Interest on convertible bonds	**196**	82
Interest on other loans	**87**	-
Interest on bank loans and overdrafts	**-**	1
Impairment of syndicated loans	**933**	-
Irrecoverable VAT	**7**	-
	1,223	83

11. Auditor's remuneration

	2018 €'000	2017 €'000
Group Auditor's remuneration:		
Fees payable to the Group's auditor for the audit of the Company and consolidated financial statements:	**35**	33
Non audit services:		
Other services (tax)	**3**	3
Subsidiary Auditor's remuneration		
Other services pursuant to legislation	**7**	6
	45	42

12. Employee numbers

	2018 Number	2017 Number
The average number of Company's employees, including directors during the period was as follows:		
Management and administration	**4**	4

13. 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 €1,921,000 (2017: €1,030,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

14. Tax

	2018 **€'000**	2017 €'000
Current taxation	**-**	-
Deferred taxation	**-**	-
Tax charge for the year	**-**	-

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 2018 amount to approximately €21 million (2017: €20 million) and €9 million (2017: €9 million) respectively.

The standard rate of tax for the current year, based on the UK effective rate of corporation tax is 19.00% (2017: 19.25%). 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	**2018** **€'000**	2017 €'000
Loss for the year before tax	**(3,939)**	(1,884)
Tax on ordinary activities at standard rate	**(748)**	(363)
Effects of:		
Expenses not deductible for tax purposes	**2**	15
Foreign taxes	**-**	-
Tax losses available for carry forward against future profits	**746**	348
Total tax	**-**	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

15. 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:

	2018			2017		
	Profit/ (Loss) €'000	Weighted average no. of shares 000's	Per share Amount Euro	Profit/ (Loss) €'000	Weighted average no. of shares 000's	Per share Amount Euro
Basic and fully diluted earnings per share						
Continuing operations	**(3,939)**	**468,986**	**(€0.008)**	(63)	295,429	(€0.00)
Discontinued operations	-	-	-	(1,821)	295,429	(€0.001)
Total operations	**(3,939)**	**468,986**	**(€0.008)**	(1,884)	295,429	(€0.001)

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 2017 and 2018 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

16. Goodwill

	2018 €'000	2017 €'000
Cost		
At 1 January	-	1,312
Disposal of subsidiary	-	(1,312)
At 31 December	-	-
Accumulated impairment losses		
At 1 January	-	1,312
Impairment loss for the year	-	-
Disposal of subsidiary	-	(1,312)
At 31 December	-	-
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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

17. Investments

Company	2018 €'000	2017 €'000
As at 1 January:		
Loans to subsidiary undertakings	**10,019**	9,548
Net advances/(repayments) during the year	**(352)**	471
Impairment in investment	**-**	-
As at 31 December	**9,667**	10,019

The significant subsidiary undertakings held by the Group at 31 December 2018 were as follows:

Subsidiaries	Country of incorporation	% Owned	Nature of business
Clear Leisure 2017 Limited	England	100.00	Investment holding company
Brainspark Associates Limited	England	100.00	Investment holding company
SoSushi Company S.r.l.	Italy	99.93	Brand Management
Clear Holiday S.r.l.	Italy	100.00	Dormant company

Group	Group 2018 €'000	Group 2017 €'000	Company 2018 €'000	Company 2017 €'000
Fair value				
At 1 January	**557**	634	**-**	-
Movement in fair value of investments	**57**	(77)	**31**	-
Additions	**504**	-	**504**	-
Carrying value at 31 December	**1,118**	557	**535**	-

An amount of €583,000 included within Group investments held for trading is a level 3 investment and represents the fair value of 533,990 shares in GeoSim Systems Ltd.

An amount of €340,000 included within Company investments held for trading is a level 3 investment and represents the fair value of a 10% interest in PBV Monitor Srl.

An amount of €195,000 included within Company investments held for trading is a level 3 investment and represents a 50% Joint Venture partnership interest in Miner One Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

18. Trade and other receivables

	Group 2018 €'000	Restated Group 2017 €'000	Company 2018 €'000	Company 2017 €'000
Other receivables	**7,003**	9,329	**99**	454
Trade receivables	**-**	-	**-**	-
Amount falling due after one year	**-**	-	**-**	-
Amounts owed by subsidiaries	**447**	302	**9,222**	10,019
Current assets	**7,003**	9,329	**99**	454
Non-current assets	**447**	302	**9,222**	10,019

Group other receivables include €4,440,000 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.

19. Cash and cash equivalents

Group	Group 2018 €'000	Group 2017 €'000	Company 2018 €'000	Company 2017 €'000
Cash at bank and in hand	**267**	-	**267**	-
	267	-	**267**	-

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

20. Trade and other payables

	Group 2018 €'000	Group 2017 €'000	Company 2018 €'000	Company 2017 €'000
Trade payables	**307**	632	**146**	632
Other payables	**150**	39	**60**	39
Accruals	**50**	45	**45**	40
Trade and other payables	**507**	716	**251**	711

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

21. Borrowings

	Group 2018 €'000	Group 2017 €'000	**Company 2018 €'000**	Company 2017 €'000
7% Convertible bond 2014	**-**	73	**-**	73
Zero rate convertible bond 2015	**4,522**	6,292	**4,522**	6,292
Convertible loan note	**1,520**	1,243	**1,520**	1,243
Other borrowings	**343**	664	**343**	664
	6,385	8,272	**6,385**	8,272
Disclosed as:				
Current borrowings	**343**	7,029	**343**	7,029
Non-current borrowings	**6,042**	1,243	**6,042**	1,243
	6,385	8,272	**6,385**	8,272

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 unpaid 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.

In October 2018, two bond holders converted £65,000 (€73,000) including cumulative interest into 1,625,000 new ordinary shares of 0.25 pence at a price of 4.00 pence per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

21. Borrowings (continued)

Zero Rate Convertible Bond 2015

	2018 **€'000**	2017 €'000
Liability component at 1 January	**6,292**	6,453
Adjustment from renegotiation of convertible bonds	**-**	(363)
Interest charge for the year	**192**	202
Adjustment from the conversion of bonds	**(1,962)**	-
Liability component at 31 December	**4,522**	6,292
Disclosed as:		
Non-Current Liabilities	**4,522**	-
Current Liabilities	**-**	6,292

Interest on the bonds was 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 2018 includes all interest accrued to that date. The unpaid interest together with accrued interest to 31 December 2018 is included within current liabilities.

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.

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 had 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 was 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%.

On 19 June 2018, the holders of its €9.9m Bonds agreed to extend the final maturity date of the Bonds from 15 December 2018 to 15 December 2022. The Company is now able to convert the Bonds into new ordinary shares of 0.25p each.

On 28 December 2018, bonds with a face value of €2,100,000 plus cumulative interest were converted into 50,992,826 new ordinary shares of 0.25 pence at a price of 3.76 pence per share.

Other Borrowings

In March 2018, the Company agreed with a lender to settle €250,000 of a loan by issuing 22,321,429 new ordinary shares of 0.25 pence at a price of 1.00 pence per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

22. 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 categories of financial assets included in the statement of financial position and the headings in which they are included are as follows:

	2018	2017
	€'000	€'000
Financial assets:		
Financial assets held at fair value through other comprehensive income	**1,118**	557
Loans and receivables	**7,450**	9,631
Cash and cash equivalents	**267**	-
	8,835	10,188

FINANCIAL LIABILITIES BY CATEGORY

The categories of financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2018	2017
	€'000	€'000
Financial liabilities at amortised cost:		
Trade and other payables	**507**	716
Borrowings	**6,385**	8,272
	6,892	8,988

Financial instruments measured at fair value:

	Level 1	**Level 2**	**Level 3**
	€'000	**€'000**	**€'000**
As at 31 December 2018			
Available for sale investments	-	-	-
Investments held for trading	-	-	**1,118**
	-	-	**1,118**
As at 31 December 2017			
Available for sale investments	-	-	-
Investments held for trading	-	-	557
	-	-	557

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

22. Financial instruments (continued)

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, PBV Monitor Srl and Miner One Limited.

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 investments held for trading. The Group manages the investment price risk within its long-term investment strategy to manage a diversified exposure to the market. If the investments held for trading 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 €168,000 (2017: €180,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

22. Financial instruments (continued)

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 minimal cash balances at the reporting 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 2018				
Trade and other payables	**507**	**507**	**-**	**507**
Borrowings	**6,385**	**343**	**6,042**	**6,385**
	6,892	**850**	**6,042**	**6,892**
As at 31 December 2017				
Trade and other payables	716	716	-	716
Borrowings	8,272	7,029	1,243	8,272
	8,988	7,745	1,243	8,988

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 fixed interest rates.

	Group		**Company**	
	2018	2017	**2018**	2017
	€'000	€'000	**€'000**	€'000
Fixed rate instruments				
Financial assets	**8,835**	10,188	**901**	454
Financial liabilities	**6,892**	8,988	**6,636**	8,983

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

22. Financial instruments (continued)

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

Group

	Gain / (loss)	
	2018	2017
	€'000	€'000
Euribor +0.5% / -0.5%	**- / -**	-/-

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 £Nil (2017: £Nil) 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 £Nil (2017: £Nil). 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 €7,450,000 (2017: €10,085,000) comprising receivables during the period. About 65% of total receivables are due from a single company. The ageing profile of trade receivables was:

	2018		2017	
	Total book value	**Allowance for impairment**	Total book value	Allowance for impairment
Group	**€'000**	**€'000**	€'000	€'000
Current	**7,450**	**-**	9,631	-
Overdue more than one year	**-**	**-**	-	-
	7,450	**-**	9,631	-

	2018		2017	
	Total book value	**Allowance for impairment**	Total book value	Allowance for impairment
Company	**€'000**	**€'000**	€'000	€'000
Current	**9,766**	**-**	10,473	**-**
Overdue more than one year	**-**	**-**	-	**-**
	9,766	**-**	10,473	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

23. 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 2017	**286,043,117**	**199,409,377**	**877**	**5,467**	**43,351**	**49,695**
Issue of shares	3,658,536	-	11	-	24	35
Issue of shares	13,043,478	-	37	-	134	171
Conversion of loan stock to shares	7,546,155	-	21	-	54	75
At 31 December 2017	**310,291,286**	**199,409,377**	**946**	**5,467**	**43,563**	**49,976**
Issue of shares	58,333,334	-	162	-	226	388
Settlement of other borrowings	22,321,429	-	62	-	186	248
Issue of shares	42,857,143	-	119	-	214	333
Issue of shares	63,157,890	-	175	-	490	665
Issue of shares	8,263,250	-	23	-	79	102
Issue of shares	7,868,130	-	22	-	75	97
Conversion of loan note to shares	1,625,000	-	5	-	68	72
Conversion of loan note to shares	50,992,826	-	141	-	1,985	2,126
Issue of shares	35,365,389	-	98	-	211	309
Issue of shares	3,076,923	-	9	-	25	33
Share issue costs	-	-	-	-	(84)	(84)
At 31 December 2018	**604,152,600**	**199,409,377**	**1,761**	**5,467**	**47,038**	**54,265**

The deferred shares have restricted rights such that they have no economic value.

On 24 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.

On 17 July 2017, the Company raised a total of £150,000 (€171,000) gross of expenses through a placing of 13,043,478 ordinary shares of 0.25 pence at a price of 1.15 pence per share.

On 25 July 2017, convertible loans of €74,830 were converted to 7,546,155 ordinary shares of 0.25 pence at a price of 0.89 pence per share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

23. Share capital and share premium (continued)

On 26 January 2018, the Company raised a total of £350,000 (€388,000) gross of expenses through a placing of 58,333,334 new ordinary shares of 0.25 pence at a price of 0.60 pence per share.

In March 2018, the Company agreed with a lender to settle €250,000 of a loan by issuing 22,321,429 new ordinary shares of 0.25 pence at a price of 1.00 pence per share.

On 16 March 2018, the Company raised a total of £300,000 (€333,000) gross of expenses through a placing of 42,857,143 new ordinary shares of 0.25 pence at a price of 0.70 pence per share.

On 23 May 2018, the Company raised a total of £600,000 (€665,000) gross of expenses through a placing of 63,157,890 new ordinary shares of 0.25 pence at a price of 0.95 pence per share.

On 30 May 2018, the Company agreed with a lender to settle a balance of £91,722 (€102,000) of accrued interest on a loan by issuing 8,263,250 new ordinary shares of 0.25 pence at a price of 1.11 pence per share.

On 30 May 2018, the Company issued 7,868,130 new ordinary shares of 0.25 pence amounting to €100,000 to its Joint Venture Partner in Miner One Limited at a price of 1.11 pence per share.

On 5 October 2018, the Company issued 1,625,000 new ordinary shares on conversion by two bondholders of the 2010 7% Bonds ("Bonds") with a face value of £65,000 (€72,000) at a price of 4.00 pence per share.

On 28 December 2018, convertible bonds with a face value of €2,100,000 plus accrued interest were converted into 50,992,826 new ordinary shares at a price of 3.76 pence per share.

On 28 December 2018, the Company issued 35,365,389 new ordinary shares as consideration of £278,750 (€309,000) to acquire a 10% interest in PBV Monitor Srl at a price of 0.788 pence per share.

On 31 December 2018, the Company allotted 3,076,923 new ordinary shares of 0.25 pence, £30,000 (€33,000) to Francesco Gardin in settlement of his 2017 remuneration package at a price of 0.975 pence per share.

Within the year ended 31 December 2018, invoices with a cumulative value of €127,000 were settled by the issue of new ordinary shares of 0.25 pence at an average price of 0.740 pence per share. €84,000 related directly to expenses incurred during the issue of new share capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

24. 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 Reginald 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 ten 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	10 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 2018 in respect of the share options granted was €Nil (2017: €Nil).

Number of options at 1 Jan 2018	Granted in the year	Exercised in the year	Cancelled in the year	Number of options at 31 Dec 2018	Exercise Price, pence	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**		

Number of options at 1 Jan 2017	Granted in the year	Exercised in the year	Cancelled in the year	Number of options at 31 Dec 2017	Exercise Price, pence	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 2018 is 1.5 years (31 December 2017 – 2.5 years).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

25. 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	Loan note equity reserve €'000	Share option reserve €'000	Foreign exchange reserve €'000	Total other reserves €'000
At 1 January 2017	8,325	2,531	533	51	-	11,440
Issue of convertible loan notes	-	-	1,203	-	-	1,203
Transfer of reserves	-	(2,531)	-	-	-	(2,531)
At 31 December 2017 and at 1 January 2018	**8,325**	**-**	**1,736**	**51**	**-**	**10,112**
Transfer of reserves	**-**	**-**	**(43)**	**-**	**435**	**392**
Movements within the year	**11**	**-**	**-**	**-**	**(11)**	**-**
At 31 December 2018	**8,336**	**-**	**1,693**	**51**	**424**	**10,504**

Company	Merger reserve €'000	Revaluation reserve €'000	Loan note equity reserve €'000	Share option reserve €'000	Foreign exchange reserve €'000	Total other reserves €'000
At 1 January 2017	-	-	533	51	-	584
Issue of convertible loan notes	-	-	1,203	-	-	1,203
Transfer of reserves	-	-	-	-	-	-
At 31 December 2017 and at 1 January 2018	**-**	**-**	**1,736**	**51**	**-**	**1,788**
Transfer of reserves	**-**	**-**	**(43)**	**-**	**116**	**73**
Movements within the year	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2018	**-**	**-**	**1,693**	**51**	**116**	**1,861**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

26. Cash used in operations

	Group 2018 €'000	Group 2017 €'000	**Company 2018 €'000**	Company 2017 €'000
Loss before tax	**(3,939)**	(1,884)	**(1,921)**	(1,030)
Renegotiation of zero-coupon bond	**-**	(421)	**-**	421
Movement in fair value of investments held for trading	**(57)**	77	**(31)**	-
Foreign exchange effect	**392**	-	**73**	-
Loss on disposal of discontinued operations	**-**	1,821	**-**	902
Finance charges	**1,223**	83	**284**	83
(Increase) in receivables	**2,030**	(2,081)	**355**	(378)
(Decrease) in payables	**(209)**	(411)	**(460)**	(133)
Cash used in operations	**(560)**	(2,816)	**(1,700)**	(977)

27. Discontinued operations

On 1 October 2017 a liquidator was appointed to Mediapolis Srl. This has been accounted for as a disposal of the Group's equity interest in Mediapolis.

	2017 €'000
Net assets of Mediapolis at the date of liquidation	1,798
Proceeds of disposal	-
Disposal proceeds less net assets	(1,798)
Secured debt assigned to Clear Leisure	2,678
Amounts paid for assignment of debt	(1,250)
Write down of unsecured debt	(402)
Loss on disposal of discontinued operations	(772)

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	2017 €'000
Revenue	63
Expenses	(1,112)
Loss before tax	(1,049)
Loss on disposal of discontinued operations	(772)
Net loss attributable to discontinued operations	**(1,821)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

28. Operating lease commitments

There were no operating lease commitments at 31 December 2017 and 31 December 2018.

29. Ultimate controlling party

The Group considers that there is no ultimate controlling party.

30. 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.

On 31 December 2018, the Company allotted 3,076,923 new ordinary shares of 0.25 pence to Francesco Gardin in settlement of his 2017 remuneration package at a price of 0.975 pence per share.

During the year, Metals Analysis Limited, a company in which R Eccles is a Director, charged Clear Leisure Plc €6,000 (2017: €48,000) for consultancy fees. The amount owed from Metals Analysis Limited at year end is €3,964 (2017: €14,943 owed to).

The shareholder loan as disclosed in Note 22 'Borrowings' is a loan provided by Eufingest which has a 14.28% shareholding also has an outstanding loan for €2,440,422.

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.

31. Events after the reporting date

On 29 March 2019, Eufingest SA agreed to extend the repayment of the following unsecured loans from initially 31 December 2018 to 31 March 2019 and then to 30 June 2019. €50,000 & €250,000 as announced on 7 December 2017 and 2 January 2018 respectively. €200,000 as first announced on 3 October 2018. All other terms and conditions of the Loans remain unchanged.

On 9 November 2018 a full and final settlement has been reached in relation to a legal claim for the sum of €1,300,000 payable in cash to Clear Leisure plc. In January 2019, the Company received both tranches of the settlement of £1.15 million (before legal and insurance expenses of nearly £300,000) from the defendants of the High Court Case.

32. Prior year adjustments

The 2017 Group figures have been restated which incorrectly classified Investments held at a value of €302,000 as other receivables.