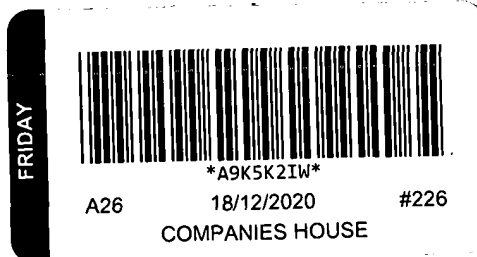


COMPANY REGISTRATION NUMBER: 01722436

Pacific Investments Management Limited
Annual Report and Audited Financial Statements
For the Year Ended 30 June 2020



Pacific Investments Management Limited

Financial Statements for the year ended 30 June 2020

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Pacific Investments Management Limited

Directors' Report

for the year ended 30 June 2020

The directors present their report and the audited financial statements of Pacific Investments Management Limited ("the company") for the year ended 30 June 2020.

Directors

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

JL Beckwith
HJ Beckwith
SP Beckwith
MC Johnson
SD Roberts
DF Rogers

Dividends

The directors do not recommend the payment of a dividend (2019: none).

Principal activities

The principal activity of the company during the year was that of an investment holding company.

Results for the period

The profit for the year after taxation was £327,046 (2019: £24,037,152 profit).

Key performance indicators ("KPIs")

Given the nature of the business, the directors feel that the financial statements give an adequate indication of the continuing performance of the company. The directors are of the opinion that any additional information that is not disclosed within the report or the financial statements is either too subjective to be useful to users of the accounts, or too commercially sensitive to be presented in this context.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risk of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the Pacific Investments Limited group, which include those of the company, are discussed within the "Principal risks and uncertainties" paragraph in the directors' report in the consolidated financial statements of Pacific Investments Limited, which do not form part of this report.

Liquidity and interest rate risk

The company has access to the Pacific Investments Limited group loan facility. This is sufficient for current and planned future operations. Interest rate exposure is not considered a risk given the nature of its interest-bearing assets and liabilities. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware;
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information; and
- this information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the forthcoming Annual General Meeting.


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

Pacific Investments Management Limited

Directors' Report

for the year ended 30 June 2020

This report was approved by the board of directors on 14/12/2020 and signed on behalf of the board by:



DF Rogers
Director

Registered office:
124 Sloane Street
London
United Kingdom
SW1X 9BW

Pacific Investments Management Limited
Independent Auditor's Report to the Shareholders of Pacific Investments Management Limited
for the year ended 30 June 2020

Opinion

We have audited the financial statements of Pacific Investments Management Limited (the "company") for the year ended 30 June 2019 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic or Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profits for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - Covid-19

We draw attention to note 3 of the financial statements, which describes the impact of COVID-19 on the company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Pacific Investments Management Limited
Independent Auditor's Report to the Shareholders of Pacific Investments Management
Limited (*continued*)
for the year ended 30 June 2020

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatement in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirements to prepare a strategic report.

Pacific Investments Management Limited

Independent Auditor's Report to the Shareholders of Pacific Investments Management Limited (continued)

for the year ended 30 June 2020

Responsibility of directors

As explained more fully in the directors' responsibility statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Nexia Smith & Williamson

Guy Swarbreck

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered accountant

25 Moorgate

London

EC2R 6AY

16 December 2020

Pacific Investments Management Limited

Statement of Income and Retained Earnings

for the year ended 30 June 2020

	Note	2020 £	2019 £
Administrative expenses		(4,142,505)	(4,856,650)
Other operating income	5	2,032,926	286,441
Operating loss	6	(2,109,579)	(4,570,209)
Income from shares in group undertakings	10	-	2,303,169
Share of profits in group partnerships	11	2,132,664	130,109
Fair value revaluation of fixed asset investments	12	638,432	3,669,646
Other interest receivable and similar income	13	35,422	28,986
Investment income	14	733,910	481,908
Increase in provisions	15	(613,939)	(768,757)
Profit on disposals of investments	19	-	23,271,106
Interest payable and similar charges	16	(489,864)	(508,806)
Profit on ordinary activities before taxation		327,046	24,037,152
Tax on profit on ordinary activities	17	-	-
Profit for the financial year and total comprehensive income		327,046	24,037,152
Retained earnings at the start of the year		29,837,147	5,799,995
Retained earnings at the end of the year		30,164,193	29,837,147

The notes on pages 9 to 24 form part of these financial statements.

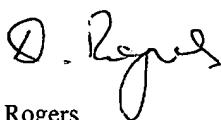
Pacific Investments Management Limited

Statement of Financial Position

for the year ended 30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	18	215,670	316,167
Investments	19	54,518,277	47,929,818
		<u>54,733,947</u>	<u>48,245,985</u>
Current assets			
Debtors	20	5,331,219	3,993,399
Cash at bank and in hand		2,935,944	11,023,898
		<u>8,247,163</u>	<u>15,017,297</u>
Creditors: amounts falling due within one year	21	<u>(16,866,917)</u>	<u>(17,466,332)</u>
Net current liabilities		<u>(8,619,754)</u>	<u>(2,449,035)</u>
Total assets less current liabilities		<u>46,114,193</u>	<u>45,796,950</u>
Creditors: amounts falling due after more than one year	22	<u>(10,000,000)</u>	<u>(10,009,803)</u>
Net assets		<u>36,114,193</u>	<u>35,787,147</u>
Capital and reserves			
Called up share capital	25	5,950,000	5,950,000
Retained earnings	26	30,164,193	29,837,147
Shareholders' funds		<u>36,114,193</u>	<u>35,787,147</u>

These financial statements were approved by the board of directors and authorised for issue on 14 DECEMBER 2020 and are signed on behalf of the board by:



DF Rogers
Director

Company registration number: 01722436

The notes on pages 9 to 23 form part of these financial statements.

Pacific Investments Management Limited

Directors' Report (*continued*)

for the year ended 30 June 2020

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. General information

Pacific Investments Management Limited (01722436) is a private company limited by shares incorporated in England and Wales. The address and registered office is 124 Sloane Street, London, SW1X 9BW. The nature of the company's operations are set out in the Directors' Report on page 1.

3. Accounting policies

Basis of preparation

The company is a subsidiary of the Pacific Investments Limited group of companies and is included in the consolidated financial statements of Pacific Investments Limited, which are publicly available. The company is therefore exempt from preparing its own consolidated financial statements.

The functional currency of the company is considered to be pounds sterling as this is the currency of the primary environment in which the company operates.

Going concern

The Directors have considered the impact of COVID-19 on both the operational ability and financial performance of the company and they consider there to be no material impact to disclose.

The directors have made an assessment of the company's ability to continue as a going concern and are satisfied that the company has sufficient resources to continue in business for the foreseeable future, a period of not less than twelve months from the date of this report.

As part of the assessment, the company reviewed the cash requirements of the company including supported subsidiaries against the cash generation of subsidiaries and the availability and liquidity of listed and other assets held by the company and supported subsidiaries.

The directors are satisfied that the company will have adequate resources to continue in operational existence for the foreseeable future, and so they continue to adopt the going concern basis of accounting in preparing these financial statements.

Disclosure Exemptions

The company has taken advantage of the following exemptions available under FRS 102:

- The exemption from preparing a Statement of Cash Flows; and
- The exemption from disclosing key management personnel compensation.

Pacific Investments Management Limited

Directors' Report (*continued*)

for the year ended 30 June 2020

3. Accounting policies (*continued*)

Current and deferred taxation

Current and deferred tax is recognised in the Statement of Income and Retained Earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is possible that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between fair values of assets acquired and the future tax deductions available for them and the differences between fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less any provisions for permanent diminution in value. Realised gains and losses are dealt with through the statement of income and retained earnings. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the statement of income and retained earnings.

Investments in associates

Investments are stated at cost less any provision for permanent diminution in value. Realised gains and losses are dealt with through the Statement of Income and Retained Earnings. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the statement of comprehensive income.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Tangible assets

Tangible fixed assets are initially recorded at their purchase price, together with any incidental expenses of acquisition.

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	10% straight line
Furniture, fixtures & fittings	-	20% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line

Financial instruments

Listed fixed asset investments and actively traded fund investments are initially recorded at fair value. These investments are subsequently revalued to fair value each year end, with revaluation gains and losses recorded in the Statement of Income and Retained Earnings for the period in which they relate.

Unlisted fixed asset investments are stated at fair value. These investments are subsequently revalued to fair value each year end, with revaluation gains and losses recorded in the Statement of Income and Retained Earnings for the period in which they relate.

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors 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.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the group's cash management.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. 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 company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in the Statement of Income and Retained Earnings in the period in which it arises.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as the lower of the fair value of the lease asset and the present value of the minimum lease payments at inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Other operating income

Other operating income represents investment income and fees charged to companies for corporate finance and administration assistance.

Income from shares in group undertakings

Income from shares in group undertakings represents dividends receivable from subsidiary investments, and is recognised when dividends are declared.

Investment Income

Investment income represents dividends receivable from listed investments, and is recognised when dividends are declared.

Dividends

Dividend distributions payable to equity shareholders are included in current liabilities when the dividends are approved in a general meeting prior to the balance sheet date.

4. Key sources of estimation uncertainty and judgements

The preparation of the financial statements in conformity with the generally accepted accounting practices requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period.

(i) Carrying value of investments in subsidiaries

Investments in subsidiaries are initially recorded at cost and subsequently measured at cost less provision for impairment. The directors have reviewed all forecast and budgetary information available to them and have

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

4. Key sources of estimation uncertainty and judgements *(continued)*

made provisions where there is objective evidence that the company will not recover the full amount stated in these financial statements.

The company has made provisions against investments in subsidiaries totalling £250,729 in the year. The carrying value of investments in subsidiaries amounts to £22,280,125 (2019: £18,697,204).

(ii) Valuation of unlisted fixed asset investments

Interests held in unlisted investments are carried at fair value, amounting to £181,500 (2019: £81,000) and therefore assumptions are used in the valuation of these investments. Although every attempt is made to ensure that the assumptions used are as accurate as possible there remains a risk that the fair value of these investments is ultimately different to the valuation within these financial statements.

5. Other operating income

	2020 £	2019 £
Other operating income	<u>2,032,926</u>	<u>286,441</u>

Other operating income of £2,032,926 (2019: £286,441) represents fees charged for corporate finance and administrative assistance.

6. Operating loss

Operating loss is stated after crediting:

	2020 £	2019 £
Depreciation of tangible assets	120,300	157,816
Operating lease rentals	558,481	548,643
Foreign exchange differences	(251,259)	(139,760)
Defined contribution plans expense	43,436	33,551
	<u>483,452</u>	<u>600,250</u>

7. Auditor's remuneration

	2020 £	2019 £
Pacific Investments Management Limited	<u>12,369</u>	<u>11,780</u>
	<u>12,369</u>	<u>11,780</u>

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020 No.	2019 No.
Number of head office staff	<u>20</u>	<u>18</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	2,148,205	2,848,681
Social security costs	431,721	356,454
Other pension costs	43,436	33,551
	<u>2,623,362</u>	<u>3,238,686</u>

9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2020 £	2019 £
Aggregate remuneration	<u>1,569,426</u>	<u>1,205,850</u>

Remuneration of the highest paid director in respect of qualifying services:

	2020 £	2019 £
Remuneration	<u>393,323</u>	<u>338,550</u>

10. Income from shares in group undertakings

	2020 £	2019 £
Income from group undertakings	<u>-</u>	<u>2,303,169</u>

11. Share of profits in group partnerships

	2020 £	2019 £
Share of profits in group partnerships	<u>2,132,664</u>	<u>130,109</u>

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

12. Fair value revaluation of fixed asset investments

	2020 £	2019 £
Fair value revaluation of listed investments	618,732	3,853,820
Fair value revaluation of unlisted investments	19,700	(184,174)
	<u>638,432</u>	<u>3,669,646</u>

13. Other interest receivable and similar income

	2020 £	2019 £
Interest on cash and cash equivalents	35,422	25,289
Interest from related party loans	-	3,697
	<u>35,422</u>	<u>28,986</u>

14. Investment income

	2020 £	2019 £
Dividends received from listed investments	<u>733,910</u>	<u>481,908</u>

15. Provisions

	2020 £	2019 £
Increase in provisions	<u>(613,939)</u>	<u>(768,757)</u>

16. Interest payable and similar charges

	2020 £	2019 £
Interest on banks loans and overdrafts	<u>489,864</u>	<u>508,806</u>

17. Tax on profit on ordinary activities

Major components of tax expense/(income)

	2020 £	2019 £
Current tax:		
UK current tax	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

17. Tax on profit on ordinary activities *(continued)*

Factors that may affect future tax charges

The UK government has announced future changes to the corporation tax rate. These changes will result in a decrease in the standard rate of corporation tax to 17% from April 2020. As at 30 June 2020 the substantively enacted rate for the tax year ended March 2021 is 17%.

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	327,046	24,037,152
Profit on ordinary activities by rate of tax	62,139	4,567,059
Effect of net (income)/expenses not allowable for tax purposes	(474,993)	(5,025,001)
Income from shares in group undertakings	-	(437,602)
Group relief surrendered without charge	-	473,714
Unrelieved tax losses carried forward net of losses utilised	412,855	421,830
Tax on profit on ordinary activities	-	-

18. Tangible assets

	Leasehold improvements £	Furniture, fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 July 2019	306,510	408,627	49,975	170,115	935,227
Additions	3,863	718	-	15,222	19,803
Disposals	-	-	-	-	-
At 30 June 2020	310,373	409,345	49,975	185,337	955,030
Depreciation					
At 1 July 2019	163,746	287,424	19,435	148,455	619,060
Disposals	-	-	-	-	-
Charge for the year	22,251	66,031	16,658	15,360	120,300
At 30 June 2020	185,997	353,455	36,093	163,815	739,360
Carrying amount					
At 30 June 2020	124,376	55,890	13,882	21,522	215,670
At 30 June 2019	142,764	121,203	30,540	21,660	316,167

Motor vehicles with a carrying value of £13,882 are held under finance leases.

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

19. Investments

Investments are analysed as follows:

	2020 £	2019 £
Subsidiary undertakings	24,580,376	18,697,204
Listed fixed asset investments	29,756,401	29,151,614
Fixed asset investments	181,500	81,000
	<u>54,518,277</u>	<u>47,929,818</u>

Investment in subsidiary undertakings

	Shares £	Partnership Capital £	Loans £	Total £
Cost at 1 July 2019	5,473,562	624,669	36,066,784	42,165,015
Additions	3,170,983	-	3,976,108	7,147,091
Disposals	(2)	(347,665)	(306,618)	(654,285)
Cost at 30 June 2020	<u>8,644,543</u>	<u>277,007</u>	<u>39,736,274</u>	<u>48,657,821</u>
Provision at 1 July 2019	(4,000,000)	-	(19,467,811)	(23,467,811)
Additions	-	-	(609,634)	(609,634)
Provision at 30 June 2020	<u>(4,000,000)</u>	<u>-</u>	<u>(20,077,445)</u>	<u>(24,077,445)</u>
Net Book Value At 30 June 2020	<u>4,644,543</u>	<u>277,007</u>	<u>19,658,829</u>	<u>24,580,376</u>
At 30 June 2019	1,473,562	624,669	16,598,973	18,697,204

Loans to subsidiaries represent long term funding and are considered equity in nature. Repayment will not be demanded until alternative external funding is achieved, either via refinancing, flotation, trade sale or similar.

Details of directly held subsidiary undertakings as at 30 June 2020, all of which are included in the consolidated financial statements of Pacific Investments Limited. Unless stated otherwise, the registered office address for all the entities list below is 124 Sloane Street, London, SW1X 9BW.

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

19. Investments *(continued)*

Name of Undertaking	Principal Activity	Shares	Effective Interest	Country of Incorporation
Pacific Healthcare Limited	Investment holding Co	Ordinary	100%	England & Wales
Pacific Leisure, Entertainment & Media Limited	Investment holding Co	Ordinary	100%	England & Wales
Beckwith Capital Investment Limited	Investment holding Co	Ordinary	100%	England & Wales
The General Property Investment Company Limited	Investment holding Co	Ordinary	100%	England & Wales
Camojan Limited	Investment holding Co	Ordinary	100%	England & Wales
Keyrock Capital Limited	Investment holding Co	Ordinary	100%	England & Wales
Old Mortar Capital Limited	Investment holding Co	Ordinary	55%	England & Wales
Futbol City Holdings UK Limited	Investment holding Co	Ordinary	80%	England & Wales
Mortar Capital Limited	Investment holding Co	Ordinary	100%	England & Wales
Puma Capital Limited	Property Lending	Ordinary	100%	England & Wales
Puma Capital Holdings Limited	Investment holding Co	Ordinary	80%	England & Wales
London and Continental Partners LLP	Third party marketing	n/a	50%	England & Wales
Pacific Industrial LLP	Asset management	n/a	70%	England & Wales
PAM Asset Management Holdings Limited	Investment holding Co	Ordinary	100%	England & Wales
ELREP Malta 1B Ltd (3)	Investment holding Co	Ordinary	90%	Malta
European Logistics Real Estate Partners LLP	Property development	n/a	58%	England & Wales
Redwood NCM LLC (1)	Property investment management	n/a	100%	USA
Clube VII de Health Sociedade Unipresspoal Lda (2)	Sports and leisure club	n/a	100%	Portugal

(1) Registered office address: 49 Pratt Street, Essex, Connecticut 06429, USA

(2) Registered office address: Parque Eduardo VII, 1070-099 Lisboa, Portugal

(3) Registered office address: 114, The Strand, Gzira, Malta

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

19. Investments *(continued)*

Listed fixed asset investments

Investments are analysed as follows:

	£
Value at 1 July 2019	29,151,614
Revaluations	618,732
Additions	-
Disposals	(14,175)
Foreign exchange gains/(losses)	230
Value at 30 June 2020	<u>29,756,401</u>

Unlisted fixed asset investments

Unlisted investments are analysed as follows:

	£
Value at 1 July 2019	81,000
Revaluations	19,700
Additions	80,800
Disposals	-
Value at 30 June 2020	<u>181,500</u>

20. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	3,889,044	1,327,907
Amounts owed by related parties	10,288	5,562
Prepayments	531,098	551,761
Other debtors	880,789	2,108,169
	<u>5,311,219</u>	<u>3,993,399</u>

Pacific Investments Management Limited

Directors' Report (continued)

for the year ended 30 June 2020

21. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	11,367,513	11,367,513
Accruals	140,557	763,970
Social security and other taxes	122,680	130,095
Shares classed as financial liabilities	5,000,000	5,000,000
Finance lease liability	12,247	10,031
Other creditors	223,920	194,723
	<u>16,866,917</u>	<u>17,466,332</u>

Amounts owed to group undertakings were issued without terms and are thus classified as falling due within one year.

22. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans	10,000,000	10,000,000
Finance lease liabilities	-	9,803
	<u>10,000,000</u>	<u>10,009,803</u>

Included within 'Bank loans' is corporate cross-guarantee to Lloyds Bank plc with a balance at 30 June 2020 of £10,000,000 (2019: £10,000,000 included in 'Creditors: amounts falling due within one year'). The bank loan is secured by a floating charge over the fixed assets of the company, further disclosure of the cross-guarantee is disclosed in note 29. Interest on this balance is charged at a margin rate of 4.25% plus the base rate of interest. In the prior year the bank loan was renegotiated with extended terms to October 2022.

The minimum lease payments under finance leases fall due as detailed below:

	2020 £	2019 £
Not later than 1 year	12,248	10,031
Later than 1 year and not later than 5 years	-	9,803
	<u>12,248</u>	<u>19,834</u>

Certain motor vehicles are held under finance lease arrangements. Finance lease liabilities are secured by the related assets held under finance leases (see note 18). The lease arrangements generally include fixed lease payments and a purchase option at the end of the lease term.

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £43,436 (2019: £33,551).

Pacific Investments Management Limited

Directors' Report (*continued*)

for the year ended 30 June 2020

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	29,937,901	29,232,614
Financial assets that are debt instruments measured at amortised cost	4,719,083	3,318,498
Financial assets that are equity instruments measured at cost less impairment	<u>24,580,377</u>	<u>18,697,205</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(26,744,237)</u>	<u>(27,346,040)</u>

Financial assets measured at fair value through profit and loss comprise listed and unlisted fixed asset investments.

Financial assets measured at amortised cost comprise amounts owed by group undertakings, amounts owed by related parties and other debtors.

Financial assets measured at cost less impairment comprise investments in subsidiary undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, shares classified as financial liabilities, accruals, other creditors and bank loans.

Pacific Investments Management Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

25. Called up share capital issued

Called up and fully paid

	2020		2019	
	No.	£	No.	£
Amounts presented in equity:				
Ordinary shares of £1 each shares of £1 each	3,450,000	3,450,000	3,450,000	3,450,000
'B' Preference Shares of £1 each shares of £1 each	2,500,000	2,500,000	2,500,000	2,500,000
	<u>5,950,000</u>	<u>5,950,000</u>	<u>5,950,000</u>	<u>5,950,000</u>
Amounts presented in liabilities:				
'A' Preference Shares of £1 each shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000

The 'A' preference shares are redeemable at par by the company between six and eleven years from the date of issue or as soon thereafter as the company shall be able to comply with the statutory provisions for the time being effecting such redemption. The first possible redemption date was 30 June 2000. The 'B' preference shares are redeemable at par at any time at the option of the company.

In the event of a winding up of the company, the 'A' preference shares and the 'B' preference shares rank pari passu for repayment but in priority to the ordinary shares. Neither class of preference share carries any right to receive notice of or vote at any General Meeting of the company. Further details of rights attaching to each category of share may be found in the Articles of Association of the company.

26. Reserves

Retained earnings - This reserve records retained earnings and accumulated losses, less amounts distributed to shareholders.

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	551,861	551,861
Later than 1 year and not later than 5 years	2,207,444	2,207,444
Later than 5 years	970,901	1,137,562
	<u>3,730,206</u>	<u>3,896,867</u>

Pacific Investments Management Limited

Directors' Report (*continued*)

for the year ended 30 June 2020

28. Related party transactions

During the year the company carried out transactions with London and Continental Partners LLP, a subsidiary undertaking. The net amount of these transactions was a loan decrease of £7,851 (2019: £26,601). At 30 June 2020 London and Continental Partners LLP owed the company £33,319 (2019: £14,569) and the company had a capital balance of £7,500 (2019: £7,500); these balances are included in 'Investment in subsidiary undertakings'.

During the year the company, withdrew £347,666 (2019: introduced £14,462) of capital from Pacific Industrial LLP, a subsidiary, and charged £175,000 (2019: £175,000) in management service fees. At 30 June 2020 the company had a capital balance of £198,661 (2019: £546,326) which has been included in 'Investment in subsidiary undertakings'. During the year, the company was allocated £2,192,783 of profit (2019: £221,353) from the LLP and received distributions of £908,732 (2019: £161,600).

During the year the company carried out transactions with Puma Capital Holdings Limited, a subsidiary undertaking. The net amount of these transactions was a loan increase of £1,390,712. At 30 June 2020 Puma Capital Holdings Limited owed the company £1,390,712 which is included in 'Investment in subsidiary undertakings'.

During the year fees of £20,000 (2019: £20,000) were charged to the JL Beckwith 1986 Children's Settlement Trust, of which JL Beckwith is a Trustee, and at 30 June 2020 nil (2019: £6,000) was receivable from the Trust.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

29. Guarantees

The company provides a corporate cross-guarantee to Lloyds Bank plc in respect of bank loans and overdrafts of Pacific Investments Limited, Pacific Leisure, Entertainment and Media Limited, The General Property Investment Company Limited, Beckwith Capital Investment Limited, Pacific Strategic Limited (formerly known as Key Rock Capital Developments Limited), Pacific Healthcare Limited, Red River Capital Limited and Pacific Capital Partners Limited. As security, the bank holds a debenture comprising fixed and floating charges over the assets of the Company. At 30 June 2020, total borrowings against which this cross-guarantee applied were £10.0 million (2019: £10.0 million).

30. Contingency

The company has committed to provide financial support to a number of subsidiary undertakings within the group.

31. Controlling party

The company's immediate and ultimate parent company was Pacific Investments Limited, a company registered in England & Wales.

In the opinion of the directors, the ultimate controlling party of the company was JL Beckwith, a director and majority shareholder of the ultimate holding company.