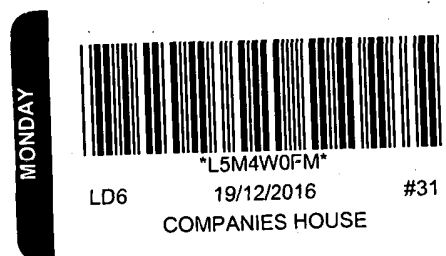


The General Property Investment Company Limited
Annual Report and Audited Financial Statements
For the Year Ended 30 June 2016



The General Property Investment Company Limited

Financial Statements

for the year ended 30 June 2016

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The General Property Investment Company Limited

Directors' Report

for the year ended 30 June 2016

The directors present their report and the audited financial statements of The General Property Investment Company Limited ("the company") for the year ended 30 June 2016.

Directors

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

JL Beckwith
SP Beckwith
DF Rogers
SD Roberts

Dividends

Dividends paid by the company during the year comprised of a final dividend of £3,530,703 in respect of the year ended 30 June 2016 (2015: £nil).

Principal activities

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

Results for the year

The profit for the year after taxation was £2,490,553 (2015: £1,003,116).

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

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.

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.

The General Property Investment Company Limited

Directors' Report *(continued)*

for the year ended 30 June 2016

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.

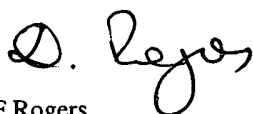
Auditor

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.

This report was approved by the board of directors on 13 December 2016 and signed on behalf of the board by:



DF Rogers
Director

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

The General Property Investment Company Limited

Independent Auditor's Report to the Shareholders of The General Property Investment Company Limited

for the year ended 30 June 2016

We have audited the financial statements of The General Property Investment Company Limited for the year ended 30 June 2016 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

The General Property Investment Company Limited

Independent Auditor's Report to the Shareholders of The General Property Investment Company Limited *(continued)*

for the year ended 30 June 2016

Matters on which we are required to report by exception

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

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



Guy Swarbreck
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered accountant
25 Moorgate
London
EC2R 6AY

13 December 2016

The General Property Investment Company Limited

Statement of Income and Retained Earnings

for the year ended 30 June 2016

	Note	2016 £	2015 £
Administrative expenses		(105,509)	(9,484)
Operating loss	6	(105,509)	(9,484)
Income from associates	8	2,492,163	525,598
Profit on disposal of fixed asset investments	9	–	12,991
Other interest receivable and similar income		104,652	56,737
(Loss)/profit on disposal of associate	10	(753)	417,274
Profit on ordinary activities before taxation		2,490,553	1,003,116
Tax on profit on ordinary activities	11	–	–
Profit for the financial year and total comprehensive income		2,490,553	1,003,116
Dividends paid and payable	12	(3,530,703)	–
Retained earnings at the start of the year		1,040,150	37,034
Retained earnings at the end of the year		–	1,040,150

The notes on pages 7 to 13 form part of these financial statements.

The General Property Investment Company Limited

Statement of Financial Position

as at 30 June 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	13	998	1,750
Current assets			
Debtors	14	–	3,542,601
Creditors: amounts falling due within one year	15	(997)	(2,504,200)
Net current (liabilities)/assets		(997)	1,038,401
Total assets less current liabilities		1	1,040,151
Net assets		1	1,040,151
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	–	1,040,150
Shareholders funds		1	1,040,151

These financial statements were approved by the board of directors and authorised for issue on 13 December 2016, and are signed on behalf of the board by:



DF Rogers
Director

Company registration number: 02910783

The notes on pages 7 to 13 form part of these financial statements.

The General Property Investment Company Limited

Notes to the Financial Statements

for the year ended 30 June 2016

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

The General Property Investment Company Limited is a company 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 financial statements have been prepared on a going concern basis which assumes the continued support of the ultimate parent company. The directors have received a letter from the ultimate parent company, Pacific Investments Limited group, confirming its continued support for a period of at least one year from the date of approval of these financial statements.

Transition to FRS 102

These financial statements are the first annual financial statements of the company reported in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic or Ireland".

The first date at which FRS 102 was applied was 1 July 2014. In accordance with FRS 102 the company has:

- provided comparative information;
- applied the same accounting principles throughout all period presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exemptions as applicable to first time adoption of FRS 102.

The transition to FRS 102 has resulted in no material changes in accounting policies or material adjustments to comprehensive income and retained earnings or equity of the company as previously reported. The company has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a Statement of Cash Flows
- the exemption from disclosing key management personnel compensation

The General Property Investment Company Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

3. Accounting policies *(continued)*

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less any 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.

Financial instruments

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of contractual arrangements entered into and the definitions of a financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

The General Property Investment Company Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

3. Accounting policies *(continued)*

Dividends

Dividend distributions payable to equity shareholders are included in current liabilities when the dividends are approved in the 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 investment in subsidiaries and associates

The carrying value of investment in subsidiaries and associates 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 deemed there to be no objective evidence that the Company will not recover the full amount stated in these financial statements.

There have not been any provisions for impairment for investments in associates in the year.

5. Particulars of employees

During the year, the company had no employees (2015: nil) and paid remuneration of £100,982 to directors (2015: £nil).

6. Operating loss

Operating loss is stated after charging:

	2016 £	2015 £
Foreign exchange differences	—	4,738

7. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	4,454	4,200

8. Income from associates

	2016 £	2015 £
Income from associates	2,492,163	525,598

The General Property Investment Company Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

9. Profit on disposal of fixed asset investments

	2016 £	2015 £
Profit on disposal of fixed asset investments	<u>—</u>	<u>12,991</u>

10. (Loss)/profit on disposal of associate

	2016 £	2015 £
(Loss)/Profit on disposal of associate	<u>(753)</u>	<u>417,274</u>

11. Tax on profit on ordinary activities

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	2,490,553	1,003,116
Profit on ordinary activities by rate of tax	498,111	200,623
Effect of different UK tax rates on some earnings	—	414
Share of unrecognised foreign income	(52,940)	(1,176)
Net income and expenses not deductible for tax purposes	(498,282)	(191,173)
Group relief claimed without charge	53,111	(8,688)
Tax on profit on ordinary activities	<u>—</u>	<u>—</u>

12. Dividends

	2016 £	2015 £
Dividends paid during the year	<u>3,530,703</u>	<u>—</u>

The General Property Investment Company Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

13. Investments

	Shares in group undertakings £	Shares in participating interests £	Total £
Cost			
At 1 July 2015	753	997	1,750
Additions	1	–	1
Disposals	(753)	–	(753)
At 30 June 2016	<u>1</u>	<u>997</u>	<u>998</u>
Impairment			
At 1 Jul 2015 and 30 Jun 2016	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amount			
At 30 June 2016	<u>1</u>	<u>997</u>	<u>998</u>
At 30 June 2015	<u>753</u>	<u>997</u>	<u>1,750</u>

At the year end the Company has the following group undertakings:

Name of Undertaking	Principal Activity	Shares	Effective Interest	Country of Incorporation
LCAD Limited	Investment company	Ordinary	100%	United Kingdom

At the year end the Company has the following associated undertakings:

Name of Undertaking	Principal Activity	Effective Interest	Country of Incorporation
Pacific Investments (Asia) Limited	Property investment	50%	Bermuda

14. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	<u>–</u>	<u>3,542,601</u>

15. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	997	–
Accruals and deferred income	–	4,200
Shares classed as financial liabilities	–	2,500,000
	<u>997</u>	<u>2,504,200</u>

The General Property Investment Company Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

16. Financial instruments

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

	2016 £	2015 £
Financial assets		
Financial assets that are equity instruments measured at cost less impairment	<u>998</u>	<u>3,542,601</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(997)</u>	<u>(2,504,200)</u>

Financial assets measured at cost less impairment comprise investments in group undertakings and undertakings in which the company has a participating interest.

Financial liabilities measured at amortised cost comprise amounts owed to group companies, shares classified as financial liabilities and accruals.

17. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Amounts presented in equity:				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Amounts presented in liabilities:				
Preference Shares of £1 each	<u>–</u>	<u>–</u>	<u>2,500,000</u>	<u>2,500,000</u>

The Preference Shares were redeemable at par by the company between six and eleven years from the date of issue or as soon thereafter as the company would be able to comply with the statutory provisions for the time being effect such redemption.

The Preference Shares do not entitle the holders to any further rights or other participation in the profits or assets of the company. The Preference shareholders do not have the right to receive notice of, attend or vote at general meetings of the company.

On 30th June 2016, the company extinguished the preference share account at par.

18. Reserves

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

The General Property Investment Company Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2016

19. Guarantees

The Company provides a corporate cross-guarantee to Lloyds Bank in respect of bank loans and overdrafts of Pacific Investments Limited, Pacific Investments Management Limited, Pacific Leisure Entertainment & Media Limited, Lennox Gardens Properties Limited, Beckwith Capital Investment Limited, Key Rock Developments Limited, Pacific Healthcare Limited, Odyssey Venture Partners Limited, Red River Capital Limited and Pacific Capital Partners Limited. As security, the bank holds debenture comprising fixed and floating charges over the assets of the Company.

20. Related party transactions

During the year income totalling £2,455,934 (2015: £525,598) was received from Pacific Investments (Asia) Limited, a company incorporated in Bermuda. This has been included within "Income from associates". At 30 June 2016 the company was owed £nil (2015: £nil) from Pacific Investments (Asia) Limited.

During the year the company carried out transactions with DF Roger, a director of the company, the total amount of these transactions were £100,982 (2015: £nil). At 30 June 2016 the company was owed £nil (2015: £nil) from DF Rogers.

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

21. Controlling party

The Company's immediate parent company is Pacific Investments Management Limited, a company registered in England and Wales.

The Company's ultimate parent company is Pacific Investments Limited, a company registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Pacific Investments Limited's consolidated financial statements can be obtained from Companies House.

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

22. Transition to FRS 102

The transition to FRS 102 has resulted in no material changes in accounting policies or material adjustments to comprehensive income and retained earnings or equity of the company as previously reported.