

COMPANY REGISTRATION NUMBER 07814670

Pacific Foreign Exchange Ltd
Annual Report and Financial Statements
for the year ended 30 June 2014



Pacific Foreign Exchange Ltd

Financial Statements

for the year ended 30 June 2014

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Pacific Foreign Exchange Ltd

Directors' Report

for the year ended 30 June 2014

The directors present their report and the audited financial statements of the company for the year ended 30 June 2014.

Principal activities and business review

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

In the opinion of the directors the financial position of the company at the balance sheet date was satisfactory having confirmed the continual support of its principal funding provider, Pacific Investments Management Limited.

Key performance indicators ("KPIs")

Given the straight forward 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.

Results and dividends

The profit for the year amounted to £1,619,755 (2013: £75,198). The directors have not recommended a dividend (2013: £nil).

Principal risks and uncertainties

From the perspective of the company the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the Pacific Investments group, which include those of the company, are discussed within the "Principal risks and uncertainties" paragraph in the director's 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 funding from Pacific Investments Management Limited, a company under common ultimate control, which constitutes long term funding in respect of which repayment will not be demanded in the foreseeable future. This is sufficient for current and planned future operations. Interest rate exposure is not considered a risk given the size of the company's operations and 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

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

JL Beckwith
SA Holder
MC Johnson
SD Roberts

Pacific Foreign Exchange Ltd

Directors' Report *(continued)*

for the year ended 30 June 2014

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial 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 laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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;
- 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

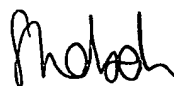
Nexia Smith & Williamson have been appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has 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.

Registered office:
124 Sloane Street
London
SW1X 9BW

Signed on behalf of the directors



SD Roberts

Director

Approved by the directors on 22 December 2014

Pacific Foreign Exchange Ltd
Independent Auditor's Report to the Shareholder of
Pacific Foreign Exchange Ltd
for the year ended 30 June 2014

We have audited the financial statements of Pacific Foreign Exchange Ltd for the year ended 30 June 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 14. 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).

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder 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 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. 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 2014 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.

Pacific Foreign Exchange Ltd


Independent Auditor's Report to the Shareholder of Pacific Foreign Exchange Ltd (continued)

for the year ended 30 June 2014

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Guy Swarbreck
Senior Statutory Auditor, For and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

22 December 2014

Pacific Foreign Exchange Ltd

Profit and Loss Account

for the year ended 30 June 2014

	Note	2014 £	2013 (restated) £
Turnover		—	—
Operating profit		—	—
Income from participating interests	4	1,619,755	75,198
Profit on ordinary activities before taxation		1,619,755	75,198
Tax on profit on ordinary activities	5	—	—
Profit for the financial year		<u>1,619,755</u>	<u>75,198</u>

All of the activities of the company are classed as continuing.

The notes on pages 8 to 12 form part of these financial statements.

Pacific Foreign Exchange Ltd
Statement of Total Recognised Gains and Losses
for the year ended 30 June 2014

	Note	2014 £	2013 (restated) £
Profit for the financial year		1,619,755	75,198
Total recognised gains and losses relating to the year		<u>1,619,755</u>	<u>75,198</u>
Prior year adjustment (see note 6)		34,776	–
Total gains and losses recognised since the last annual report		<u><u>1,654,531</u></u>	<u><u>75,198</u></u>

The notes on pages 8 to 12 form part of these financial statements.

Pacific Foreign Exchange Ltd

Balance Sheet

as at 30 June 2014

	Note	2014 £	2013 (restated) £
Fixed assets			
Investments	7	<u>1,354,286</u>	<u>183,327</u>
Current assets			
Debtors	8	<u>727,298</u>	<u>22,623</u>
Net current assets		<u>727,298</u>	<u>22,623</u>
Total assets less current liabilities		2,081,584	205,950
Creditors: amounts falling due after more than one year	9	<u>(386,630)</u>	<u>(130,751)</u>
		<u>1,694,954</u>	<u>75,199</u>
Capital and reserves			
Called-up share capital	11	1	1
Profit and loss account	12	<u>1,694,953</u>	<u>75,198</u>
Shareholders' funds	13	<u>1,694,954</u>	<u>75,199</u>

These accounts were approved by the directors and authorised for issue on **22** December 2014, and are signed on their behalf by:

JL Beckwith
Director



Company Registration Number: 07814670

The notes on pages 8 to 12 form part of these financial statements.

Pacific Foreign Exchange Ltd

Notes to the Financial Statements

for the year ended 30 June 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards.

The company is a subsidiary of the Pacific Investments 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 financial statements therefore present information about the company as an individual entity and not about its group.

Cash flow statement

Over 90% of the voting rights are controlled within the Pacific Investments group and consequently the company is exempt under the terms of FRS 1 from preparing a cash flow statement.

Related parties transactions

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are wholly owned by a member or members of the Pacific Investments group of companies.

Other income

Other income represents profit shares receivable from fixed asset investments, and is recognised on an accruals basis.

Investments

Investments are stated at cost less any provisions for permanent diminution in value. Realised gains and losses are dealt with through the profit and loss account. 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 profit and loss account.

2. Auditor's remuneration

The company's audit fee has been met by its immediate parent company.

3. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year.

4. Income from participating interests

	2014	2013
	£	(restated) £
Income from participating interests	<u>1,619,755</u>	<u>75,198</u>

Pacific Foreign Exchange Ltd

Notes to the Financial Statements

for the year ended 30 June 2014

5. Taxation on ordinary activities

Factors affecting current tax credit

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2013 - 23%).

	2014 £	2013 (restated) £
Profit on ordinary activities before taxation	1,619,755	75,198
Profit on ordinary activities by rate of tax	340,149	17,296
Share of unrecognised partnership income	4,878	1,363
Tax chargeable at higher rate	24,667	608
Group relief claimed without charge	(369,694)	(19,267)
Total current tax	-	-

6. Prior year adjustment

Comparative figures have been restated in accordance with FRS 3 and FRS 18 to correct a material misstatement in the prior year accounts. Previously, where the firm received investment income from Argentex LLP and reinvested the proceeds, the firm's accounting policy dictated that the reinvestment of capital was provided against in the financial statements.

The Directors have concluded that this treatment did not accurately reflect the legal form and substance of agreements in place for the partnership and so a prior year adjustment would be required to correct the comparative figures.

As a result of this change in accounting policy the comparative figures for the year ended 30 June 2013 have been adjusted as follows:

	Profit for the Year £	Net Assets £
As previously reported	40,422	40,423
Reversal of investment provisions	34,776	34,776
	75,198	75,199

There were no corporation tax implication arising from this change in accounting policy.

Pacific Foreign Exchange Ltd

Notes to the Financial Statements

for the year ended 30 June 2014

7. Investments

	Argentex LLP (restated)
	£
Cost	
At 1 July 2013	183,197
Additions	1,356,082
Disposals	(184,993)
At 30 June 2014	<u>1,354,286</u>
Loans	
At 1 July 2013	130
Advanced in year	339,035
Repaid in year	(339,165)
At 30 June 2014	<u>-</u>
Net book value	
At 30 June 2014	<u>1,354,286</u>
At 30 June 2013	<u>183,327</u>

The investment above represents a 29% partnership share in Argentex LLP, a currency trading firm incorporated in England & Wales. Copies of Argentex LLP's financial statements can be obtained from Companies House.

8. Debtors

	2014	2013 (restated)
	£	£
Amounts owed by related parties	<u>727,298</u>	<u>22,623</u>

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

	2014	2013 (restated)
	£	£
Amounts owed to group undertakings	<u>386,630</u>	<u>130,751</u>

Pacific Foreign Exchange Ltd

Notes to the Financial Statements

for the year ended 30 June 2014

10. Related party transactions

During the year the company was allocated profits of £1,619,755 (2013: £75,198) from Argentex LLP, a firm in which the company is a member. At 30 June 2014 profit allocated totalling £727,298 (2013: £22,623) was receivable from the firm and included in 'Amounts owed by related parties'. The company introduced capital of £1,356,082 (2013: £172,993) into, and withdrew capital of £184,993 (2013: £nil) from, the firm during the year. It also made short-term loans of £339,035 (2013: £130) and was repaid £339,165 (2013: £50,966) during the year, and as at 30 June 2014 £nil (2013: £130) was owed by the firm and previously included as a cost of investment.

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

11. Share capital

Allotted, called up and fully paid:

	2014		2013 (restated)	
	No	£	No	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12. Profit and loss account

	2014 £	2013 (restated) £
Balance brought forward as previously reported	40,422	—
Prior year adjustment (see note 6)	34,776	—
Balance brought forward restated	75,198	—
Profit for the financial year	1,619,755	75,198
Balance carried forward	<u>1,694,953</u>	<u>75,198</u>

13. Reconciliation of movements in shareholder's funds

	2014 £	2013 (restated) £
Profit for the financial year	1,619,755	75,198
Opening shareholder's funds	40,423	1
Prior year adjustment (see note 6)	34,776	—
Closing shareholder's funds	<u>1,694,954</u>	<u>75,199</u>

Pacific Foreign Exchange Ltd

Notes to the Financial Statements

for the year ended 30 June 2014

14. Ultimate parent company

The company's immediate parent 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.