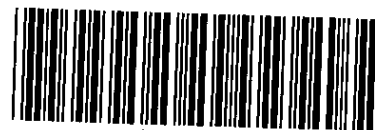


**Pacific Wealth Management Limited**  
**Annual Report and Unaudited Financial Statements**  
**For the Year Ended 31 March 2021**

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**Pacific Wealth Management Limited**  
**Financial Statements**  
**for the year ended 31 March 2021**

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# **Pacific Wealth Management Limited**

## **Directors' Report**

### **for the year ended 31 March 2021**

The directors present their report and the unaudited financial statements of Pacific Wealth Management Limited ("the company") for the year ended 31 March 2021.

#### **Directors**

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

MCW Lamb	(Appointed 8 June 2020)
J Davidson	(Appointed 8 June 2020)
MC Johnson	(Resigned 8 June 2020)
S D Roberts	(Resigned 8 June 2020)

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Other matters**

The principal activity of the company during the period was that of a holding company.

#### **Results for the period**

The profit for the period after taxation was £293,032 (2020: £129,998).

#### **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 risks 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.

# **Pacific Wealth Management Limited**

## **Directors' Report** *(continued)*

**for the year ended 31 March 2021**

*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.

### **Audit Exemption**

For the period ended 31 March 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

This report was approved by the board of directors on 23<sup>rd</sup> March 2022 and signed on behalf of the board by:



J Davidson  
Director

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

**Pacific Wealth Management Limited**  
**Statement of Comprehensive Income and Retained Earnings**  
**for the year ended 31 March 2021**

	Note	2021 £	2020 £
Profit on sale of investments		307,863	—
<b>Operating profit</b>	<b>6</b>	<u>307,863</u>	<u>—</u>
Income from shares in group undertakings	7	63,750	318,750
Interest payable and similar charges	8	(78,581)	(188,752)
<b>Profit on ordinary activities before taxation</b>		<u>293,032</u>	<u>129,998</u>
Tax on profit on ordinary activities	9	—	—
<b>Profit for the financial year and total comprehensive income</b>		<u><u>293,032</u></u>	<u><u>129,998</u></u>
<b>Retained earnings at the start of the year</b>		232,005	102,007
<b>Retained earnings at the end of the year</b>		<u><u>525,037</u></u>	<u><u>232,005</u></u>

The notes on pages 5 to 10 form part of these financial statements.

# Pacific Wealth Management Limited

## Statement of Financial Position

as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	10	4,299,750	3,991,887
<b>Creditors: amounts falling due within one year</b>	11	(3,531,652)	(3,296,620)
<b>Net current liabilities</b>		(3,531,652)	(3,296,620)
<b>Total assets less current liabilities</b>		768,098	695,267
<b>Creditors: amounts falling due after more than one year</b>	12	(243,060)	(463,261)
<b>Net assets</b>		525,038	232,006
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account	15	525,037	232,005
<b>Shareholders funds</b>		525,038	232,006

For the year ended 31 March 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors and authorised for issue on 23<sup>rd</sup> March 2022, and are signed on behalf of the board by:



J Davidson  
Director

Company registration number: 11285790

The notes on pages 5 to 10 form part of these financial statements.

# **Pacific Wealth Management Limited**

## **Notes to the Financial Statements**

**for the year ended 31 March 2021**

### **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 Wealth Management Limited (11285790) 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 financial statements have been prepared on a going concern basis which assumes the continued support of the parent company. The directors have received a letter from the parent company, Pacific Investments Management Limited Group, confirming its support for a period of at least one year from the date of approval of 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
- The exemption from disclosing key management personnel compensation

# Pacific Wealth Management Limited

## Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

### 3. Accounting policies *(continued)*

#### Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 associates

Investments in subsidiary undertakings 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 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 Statement of Comprehensive Income.

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.



# Pacific Wealth Management Limited

## Notes to the Financial Statements *(continued)*

### for the year ended 31 March 2021

#### 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 and the reported amounts of revenue and expenses during the reporting period.

##### (i) Carrying value of investments in subsidiaries

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

##### (ii) Fair value of other fixed asset investments

Interest held in unlisted investments are carried at fair value 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 valuations within 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, other than directors and paid no remuneration to directors.

#### 6. Operating profit

Operating profit or loss is stated after crediting:

	2021 £	2020 £
Gains on disposal of shares in group undertakings	307,863	—

#### 7. Income from shares in group undertakings

	2021 £	2020 £
Income from group undertakings	63,750	318,750

#### 8. Interest payable and similar charges

	2021 £	2020 £
Unwinding of discount on deferred consideration	78,581	188,752

# Pacific Wealth Management Limited

## Notes to the Financial Statements (continued)

for the year ended 31 March 2021

### 9. Tax on profit on ordinary activities

The tax assessed on the profit on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	293,032	129,998
Profit on ordinary activities by rate of tax	55,676	24,700
Effect of revenue exempt from tax	(12,113)	(60,563)
Utilisation of tax losses	(43,563)	—
Unused tax losses	—	35,863
Tax on profit on ordinary activities	—	—

### 10. Investments

	Shares in group undertakings £	Shares in participating interests £	Total £
<b>Cost</b>			
At 1 April 2020	3,991,887	—	3,991,887
Additions	—	4,299,750	4,299,750
Disposals	(3,991,887)	—	(3,991,887)
At 31 March 2021	—	4,299,750	4,299,750
<b>Impairment</b>			
At 1 Apr 2020 and 31 Mar 2021	—	—	—
<b>Carrying amount</b>			
At 31 March 2021	—	4,299,750	4,299,750
At 31 March 2020	3,991,887	—	3,991,887

The Shares in Group Undertakings balance represents a 75% shareholding in JSM (Bridgwater) Limited, a holding company incorporated in England and Wales. Copies of JSM (Bridgwater) Ltd's financial statements can be obtained from Companies House. This holding was disposed of on 9<sup>th</sup> June 2020.

The Shares in participating interests balance represents a 13% shareholding in Fidelius Financial Holdings Limited, a holding company incorporated in England and Wales. Copies of Fidelius Financial Holdings Limited's financial statements can be obtained from Companies House. This holding was acquired on 9<sup>th</sup> June 2020.

### 11. Creditors: amounts falling due within one year

	2021 £	2020 £
Deferred consideration payable	268,293	1,219,511
Amounts owed to undertakings in which the company has a participating interest	3,263,359	2,077,109
	3,531,652	3,296,620

Amounts owed to group undertakings have been issued without terms and are interest free, therefore the full amount has been recognised within current liabilities.

# Pacific Wealth Management Limited

## Notes to the Financial Statements *(continued)*

for the year ended 31 March 2021

### 12. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Deferred consideration payable	243,060	463,261

### 13. Financial instruments

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

	2021	2020
	£	£
<b>Financial assets</b>		
Financial assets that are equity instruments measured at cost less impairment	4,229,750	3,991,887
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(3,774,712)	(3,759,881)

Financial assets held at fair value through profit and loss comprise other fixed asset investments.

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

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, amounts owed to related parties and accruals.

### 14. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

### 15. Reserves

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

### 16. Related party transactions

During the period, the company carried out transactions with Pacific Asset Management LLP, its immediate parent company. The total amount of these transactions was a net loan increase of £1,186,250 (2020: £931,250). At 31 March 2021 the company owed Pacific Asset Management LLP £3,263,359 (2020: £2,077,109) which is included within 'Amounts owed to group undertakings and undertakings'.

## **Pacific Wealth Management Limited**

### **Notes to the Financial Statements *(continued)***

**for the year ended 31 March 2021**

#### **17. Controlling party**

The company's immediate parent company is Pacific Asset Management LLP, a limited liability partnership 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.