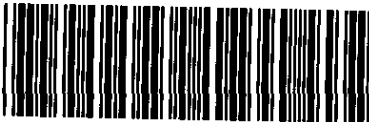


LXI PACIFIC LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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LXI PACIFIC LIMITED

COMPANY INFORMATION

Directors	Simon Lee (resigned 5 March 2024) John White (resigned 5 March 2024) Frederick Brooks (resigned 3 September 2023) Neil MacEachin (appointed 3 September 2023, resigned 5 March 2024) Valentine Beresford (appointed 5 March 2024) Andrew Jones (appointed 5 March 2024) Martin McGann (appointed 5 March 2024) Mark Stirling (appointed 5 March 2024)
Company secretary	Jadzia Duzniak (appointed 5 March 2024) LDC Nominee Secretary Limited (resigned 5 March 2024)
Registered number	13483928
Registered office	1 Curzon Street London W1J 5HB
Solicitors	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Independent valuer	Knight Frank LLP 55 Baker Street London W1U 8AN

LXI PACIFIC LIMITED

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LXI PACIFIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the financial statements for the year ended 31 March 2023. The comparative figures are for the period ended 31 March 2022.

Principal activity

The Company's principal activity is a property investment company investing in UK Real Estate.

Results and dividends

The loss for the year, after taxation, amounted to £3.2 million (2022 - £4.5 million profit).

The Directors have not declared a dividend in the year. Any undistributed loss for the year is to be transferred to reserves.

Directors

The Directors who served during the year and up to to the date of this report were:

Simon Lee (resigned 5 March 2024)
John White (resigned 5 March 2024)
Frederick Brooks (resigned 3 September 2023)
Neil MacEachin (appointed 3 September 2023, resigned 5 March 2024)
Valentine Beresford (appointed 5 March 2024)
Andrew Jones (appointed 5 March 2024)
Martin McGann (appointed 5 March 2024)
Mark Stirling (appointed 5 March 2024)

Small companies note

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 on 12 April 2024 and signed on its behalf.



Martin McGann
Director

LXI PACIFIC LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 to 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.

LXI PACIFIC LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Turnover	4	1,141	817
Gross profit		<u>1,141</u>	<u>817</u>
Administrative expenses	5	(36)	(28)
Operating profit		<u>1,105</u>	<u>789</u>
Change in fair value of investment property	6	(4,341)	3,709
(Loss)/profit before tax		<u>(3,236)</u>	<u>4,498</u>
(Loss)/profit for the financial year		<u><u>(3,236)</u></u>	<u><u>4,498</u></u>

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 7 to 12 form part of these financial statements.

LXI PACIFIC LIMITED
REGISTERED NUMBER: 13483928

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023


	Note	2023 £000	2022 £000
Fixed assets			
Investment property	6	16,000	20,200
		<u>16,000</u>	<u>20,200</u>
Current assets			
Debtors: amounts falling due within one year	7	310	841
		<u>310</u>	<u>841</u>
Creditors: amounts falling due within one year	8	(15,048)	(16,543)
		<u>(15,048)</u>	<u>(16,543)</u>
Net current liabilities		(14,738)	(15,702)
Total assets less current liabilities		1,262	4,498
		<u>1,262</u>	<u>4,498</u>
Net assets excluding pension asset		1,262	4,498
		<u>1,262</u>	<u>4,498</u>
Net assets		1,262	4,498
		<u>1,262</u>	<u>4,498</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		1,262	4,498
		<u>1,262</u>	<u>4,498</u>
		<u>1,262</u>	<u>4,498</u>

The Directors consider that the Company is entitled to exemption from audit under section 479a of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 April 2024.


Martin McGann
 Director

The notes on pages 7 to 12 form part of these financial statements.

LXI PACIFIC LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 April 2022	-	4,498	4,498
Comprehensive income for the year			
Loss for the year	-	(3,236)	(3,236)
At 31 March 2023	<u>-</u>	<u>1,262</u>	<u>1,262</u>

The notes on pages 7 to 12 form part of these financial statements.

LXI PACIFIC LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

	Share capital £000	Retained earnings £000	Total equity £000
At 29 June 2021	-	-	-
Comprehensive income for the period			
Profit for the period	-	4,498	4,498
At 31 March 2022	<u>-</u>	<u>4,498</u>	<u>4,498</u>

The notes on pages 7 to 12 form part of these financial statements.

LXI PACIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The financial statements of LXI Pacific Limited (the "Company") for the year ended 31 March 2023 were authorised for issue by the Board of Directors on 2024.

The Company is a registered private company incorporated in the United Kingdom with registration number 13483928. The address for the registered office is 1 Curzon Street, London, United Kingdom, W1J 5HB. The Company's principal activity is the investment of real estate in the UK. The Company is owned by its ultimate parent company, LondonMetric Property plc (previously LXI REIT plc).

These financial statements are contained within the group consolidated financial statements of LXI REIT plc. The group consolidated financial statements may be obtained from the Company Secretary at 1 Curzon Street, London, United Kingdom, W1J 5HB.

These financial statements represent the separate financial statements of the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of section 7 Statement of Cash Flows

This information is included in the consolidated financial statements of LXI REIT plc as at 31 March 2023 and these financial statements may be obtained from 1 Curzon Street, London, United Kingdom, W1J 5HB.

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet their liabilities when they fall due for the foreseeable future, being a period of at least 12 months from the date on which these financial statements are approved.

After reviewing the liquidity, forecasts and projections which have been tested with different levels of reduced rent recovery, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis in preparing its financial statements based on the Company's and wider Group's cash balance and available liquidity as well as the surplus in rental income after administrative, legal and financing costs.

2.3 Currency

The Company financial information is presented in Sterling which is also the Company's functional currency.

LXI PACIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost, being the fair value of the consideration given, including expenditure that is directly attributable to the acquisition of the investment property. Subsequent to initial recognition, investment property is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in Statement of Comprehensive Income for the period in which they arise.

Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure. All other property expenditure such as ongoing repairs and maintenance are expensed as incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Comprehensive Income in the period in which the property is derecognised.

Deferred acquisition costs represent costs incurred on investment properties which were acquired after the period and subsequently capitalised.

Significant accounting judgements, estimates and assumptions made in the valuation of investment properties are discussed in note 3.

2.5 Rental income

Rental income from investment property is recognised on a straight-line basis over the expected term of ongoing leases. Lease incentives and step rents with minimum uplifts are spread evenly over the expected lease term.

2.6 Taxation

Taxation on the profit or loss for the period not exempt under UK REIT regulations is comprised of current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised as direct movement in equity, in which case it is recognised as a direct movement in equity. Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax that is provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

LXI PACIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Trade and other receivables

Trade and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value, and subsequently where necessary re-measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence the Company will not be able to collect all amounts due in accordance with the original terms of the receivables. Balances are written off to the Statement of Comprehensive Income when the probability of recovery is assessed as being remote.

2.8 Trade and other payables

Trade and other payables are classified as current liabilities if payment is due within one year or less from the end of the current accounting period. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost until settled.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial information:

Leases - The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has determined that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts as operating leases. Properties leased out under operating leases are included in investment property in the statement of financial position. Rental income from operating leases is recognised on a straight line basis over the expected term of the relevant leases.

Fair valuation of investment properties

The Company uses the valuation carried out by its Independent Valuer as the fair value of its property portfolio. The valuation is based upon assumptions including future rental income and appropriate capitalisation rate. The Independent Valuer makes reference to market evidence of transaction prices for similar properties.

The Company's properties have been independently valued by Knight Frank LLP (the "Independent Valuer") in accordance with definitions published by the Royal Institution of Chartered Surveyors' ("RICS") Valuation - Professional Standards, July 2017, Global and UK Editions (commonly known as the "Red Book").

LXI PACIFIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Turnover

	2023 £000	2022 £000
Rental income from investment property	970	737
Lease incentives	135	80
Service charge income	36	-
	<u>1,141</u>	<u>817</u>

Revenue includes amounts receivable in respect of property rental income and is measured at the fair value of the consideration received or receivable. Rental income is derived from investment properties and is recognised on a straight line basis over the expected term of the relevant leases.

5. Administrative expenses

	2023 £000	2022 £000
Taxation fees	-	28
Service charge expense	36	-
	<u>36</u>	<u>28</u>

6. Investment property

	2023 £000	2022 £000
Opening balance	20,200	-
Property acquisitions	6	16,411
Tenant lease incentives	135	80
Change in fair value during the period	(4,341)	3,709
Closing balance	<u>16,000</u>	<u>20,200</u>

In accordance with FRS 102, the investment properties has been independently valued at fair value by Knight Frank LLP ("KFL"), an accredited external valuer with recognised and relevant professional qualifications and recent experience in the location and category of the investment properties being valued, however the valuations are the ultimate responsibility of the Directors.

As at 31 March 2023 KFL valued the entire LXi Pacific Limited property portfolio at £16,000,000 (31 March 2022: £20,200,000).

LXI PACIFIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Debtors

	2023 £000	2022 £000
Trade debtors	310	618
Tax recoverable	-	223
	<u>310</u>	<u>841</u>

8. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Amounts owed to group undertakings	14,485	16,298
Other taxation and social security	51	-
Other creditors	92	81
Accruals and deferred income	420	164
	<u>15,048</u>	<u>16,543</u>

Amounts owed to group undertakings are interest free and repayable on demand.

9. Share capital

	2023 £000	2022 £000
Authorised, allotted, called up and fully paid		
1 (2022: 1) Ordinary Shares share of £1	<u>-</u>	<u>-</u>

Share capital represents the nominal value of share capital subscribed for.

LXI PACIFIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Operating leases

At 31 March 2023 the Company had future minimum lease payments receivable due under non-cancellable operating leases for each of the following:

	2023 £000	2022 £000
Not later than 1 year	1,028	1,025
Later than 1 year and not later than 5 years	4,347	4,268
Later than 5 years	14,477	15,584
	19,852	20,877

All of the Company's leases:

- are on full repairing and insuring terms, meaning the tenants are responsible for repair, maintenance and outgoings;
- provide for fixed rents (rather than turnover rents), which review on an upward only basis five yearly on a fixed basis; and
- have long contractual terms.

11. Post balance sheet events

Following the year end, in April 2023, LXi completed a £700 million refinancing and group restructure. The assets of the Company are now charged as part of a £148.0 million facility held with Canada Life and drawn by LXi Finco 1 Limited. Alongside this refinancing a group restructure also took place. The ownership of the Company is unaffected by the restructure and the immediate parent company remains as LXi Property Holdings 4 Limited, a company registered in England and Wales. The loan is repayable in March 2039.

The Company's ultimate parent undertaking changed from LXi REIT plc to LondonMetric Property plc on 5 March 2024, being the effective date of the merger between the two entities.

12. Related party transaction

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings not to disclose any transactions with entities that are included in the consolidated financial statements of its ultimate parent undertaking in the year, LXi REIT plc.

13. Controlling party

The Company is wholly owned by LXi Property Holdings 4 Ltd which is incorporated in England and Wales. At the balance sheet date, LondonMetric Property plc is the ultimate holding company incorporated in England and Wales. This is the most senior parent that produces consolidated financial statements.