

Pacific Investments Limited
Annual Report and Audited Financial Statements
For the Year Ended 30 June 2021

Parent company accounts for
Pacific Asset Management LLP
(OC421757), see note 28.

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Pacific Investments Limited
Financial Statements
for the year ended 30 June 2021

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Pacific Investments Limited
Officers and Professional Advisers

The board of directors

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

Registered office

124 Sloane Street
London
SW1X 9BW

Auditor

Nexia Smith & Williamson
Chartered Accountant & Statutory Auditor
25 Moorgate
London
EC2R 6AY

Pacific Investments Limited

Chairman's Statement

for the year ended 30 June 2021

I am pleased to present the financial statements for the Pacific Investments Group ("the Group") for the year ended 30 June 2021.

During the year, the Group saw a substantial increase of 64% in Revenue to £25.9m and a 51% increase in Gross Profit to £13.7m, largely as a result of significant growth in assets under management for both Pacific Asset Management and Urban Logistics REIT (managed by Pacific Industrial).

The following sections provide details of this year's highlights:

- **Pacific Industrial LLP manages Urban Logistics REIT plc ("the REIT")**, a business started by the Group in 2016. The REIT has reported excellent performance with 88% growth in net rental income in the year to 31 March 2021. During the year to 31 March 2021 the portfolio increased in value from £207m to £508m driven by two capital raises in 2020 and strong underlying performance. Pacific Industrial also receives performances fees through the LTIP, which will be received in 2023.

The REIT's strategy of focusing on the urban logistics sub-sector of the commercial property market continues to prove successful, further evidenced by its impressive half-year results.

During the year, the Group received dividends of £140k from the REIT.

Post year end the REIT has gone through two capital raises, raising £108m and £250m, and has been admitted into the Main Market.

- **Pacific Asset Management ("PAM")** has seen a significant growth in Assets Under Management from \$1.9 billion to \$3.0 billion in the financial year. Revenue has grown from £7.2m to £11.8m. This is a result of a full year following the transaction undertaken with wealth management group Fidelity which brought substantial assets to the Group, a Global Rates focussed managed account launching in March 2021 with insurer Amlin as well as continued investment into the existing Multi-Asset, Single Manager and Tech strategies.

PAM launched its first Multi-Asset Sustainable fund in December 2020 and following year-end launched the Longevity and Social Change Fund with new portfolio manager Dani Saurymper, with ESG investing being a key growth opportunity for the Group

- **Puma Select** has grown significantly and continues to provide bridge financing to the Spanish property development and investment market; since inception 10 loans have been deployed. The company lent £23.8m in the year and recognised interest of £3.4m. At year end the total AUM was €29m.
- The Group's European 'green' Logistics venture **European Logistics Real Estate Partners (ELREP)** generated revenue of £2.7m in the year, comprised of asset management fees and proceeds on the sale of the site in the Hague. The Hague site sold for €21m at a Gross Initial Yield of 4.18%, and generated ELREP a profit of €1.8m.
- Our UK **residential developments** have now entered the sales phase and have generated significant interest. The developments have accumulated completed sales totalling £12.9m and £5.5m to date in Brighton and High Wycombe respectively

Post year end Brighton was fully sold, the scheme has produced a total return of 2.08x, and a project IRR of 22%. The High Wycombe development is close to completion, with 8 units remaining to be sold, with a total GDV of £1.7m, along with the Freehold, which we have agreed the sale of in principle. The Group continues to hold significant stakes in entities it founded and subsequently floated, namely **River and Mercantile Group Plc** and **Argentex Plc**.

Pacific Investments Limited

Chairman's Statement

for the year ended 30 June 2021

- *Pacific has continued to provide active management to the Group's leisure companies in Portugal and Spain; helping to shape strategy, oversee operations and develop their businesses.*

Conclusion

Despite an uncertain year with the ongoing global pandemic, the Group has had an excellent year due to our position in diverse sectors and geographical markets.

Heading into 2022, we are well positioned to continue to focus on generating long term returns and we anticipate another exciting 12 months ahead for the Group. Of course, none of this would be possible without the commitment of our team and I would like to thank them for their hard work and adaptability this year in particular.



JL Beckwith
Chairman

Pacific Investments Limited

Strategic Report

for the year ended 30 June 2021

Principal activities

The principal activity of the Group is the management and holding of investments. A description of the principal activities of the Group's subsidiaries and associates is set out in Note 16 to the financial statements.

Business review

Both the level of business and the year end financial position were satisfactory. The directors do not envisage any change in the principal activity of the Group during the year ahead and expect that a sufficient level of activity will be sustained for the foreseeable future. Further details of progress are described in the Chairman's Statement.

Key performance indicators

Given the nature of the business, the directors feel that the financial statements give an adequate indication of the continuing performance of the Group.

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

The principal risks and uncertainties facing the Group are the performance of new ventures in relation to their business plans, and the underperformance of investments managed by our investment management businesses.

The Group acts to mitigate risk through the diverse nature of its activities, the experience of the Group's directors and the implementation of controls and safeguards over the Group's assets.

Liquidity and interest risk

The Group holds significant cash and the directors believe that the Group's cash reserves are sufficient for current and future planned operations. Interest rate exposure is not considered a risk given the nature of the Group's interest bearing assets and liabilities. The directors will revisit the appropriateness of this policy should the Group's interest bearing assets and liabilities change significantly in size or nature.

Derivative financial instruments

The Group does not hold any material derivative instruments.

Employment policy

The Group acknowledges the vital role that all employees play in its success through their skills, initiative and commitment. The Group endorses and supports the principle of equal opportunity and always fully considers applications by disabled persons. The policy in respect of staff who become disabled whilst employed is to train and assist them wherever practical to continue within the Group. It is the policy of the Group to consider individuals on their merit and to make employment decisions on a non-discriminatory basis in compliance with its legal obligations.

The Group's policy is to ensure that, as far as is reasonably practical, working environments exist which will minimise risk to the health and safety of employees.

Employee communication

The Group ensures that all employees are kept fully informed, as far as it is practical, with regard to the activities of the Group and of their business unit. Depending on the relative size of a business unit, this may be done through written communication, e-mail, or regular or informal meetings between directors, managers and other employees.

Pacific Investments Limited

Strategic Report *(continued)*

for the year ended 30 June 2021

This report was approved by the board of directors on 17 December 2021 and signed on behalf of the board by:



JL Beckwith
Director

Registered office:
124 Sloane Street
London
SW1X 9BW

Pacific Investments Limited

Directors' Report

for the year ended 30 June 2021

The directors present their report and the audited financial statements of Pacific Investments Limited ("the company"), together with its consolidated subsidiaries ("the group") for the year ended 30 June 2021.

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
TG Eyles

Dividends

The directors do not recommend the payment of a dividend (2020: none).

Results for the year

Total comprehensive loss for the year, after taxation, minority interest and foreign currency translation, amounted to £2,239,058 (2020: £199,185 profit).

Disclosure of information in the strategic report

The company has prepared a Strategic Report in accordance with section 414A of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 group and the company and the profit or loss of the group 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.

Pacific Investments Limited

Directors' Report

for the year ended 30 June 2021

Section 172 Statement

The board of directors of Pacific Investments Group ("the Group"), both individually and together, are mindful of their duties as detailed in section 172 of the Companies Act 2006, which are summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.'

Long term consequences

The Board holds regular meetings, where the long-term strategy of the Group is discussed.

The Board believes that active and effective risk management is a business imperative. The Board is committed to developing and applying best market practice in all its risk activities, and acts to mitigate risk through the diverse nature of its activities, the experience of the Group's directors and the implementation of controls and safeguards over the Group's assets.

The Board believes that the highest standards of risk identification, risk management and risk monitoring are important components to the success, reputation, and continuing strength of the Group.

Employees

The Board acknowledges the vital role that all employees play in its success through their skills, initiative, and commitment.

The Board ensures that all employees are kept fully informed, as far as it is practical, with regard to the activities of the Group and of their business unit. Depending on the relative size of a business unit, this may be done through written communication, e-mail, or regular or informal meetings between directors, managers, and other employees.

Business relationships

The Board seeks a collaborative relationship with all the Group's suppliers, customers, and other parties. The Board recognises the key role performed by its regulators in maintaining an effective business environment and the trust of clients and the wider public. The Board reviews the FCA's Business Plan and adapts its compliance monitoring plan accordingly.

Pacific Investments Limited

Directors' Report

for the year ended 30 June 2021

Relationships with developers in Spain are managed locally by one of the Group's directors who is currently based there. Regular contact is maintained with suppliers and partners in relation to Puma and other investment projects.

Environment

The Board actively seeks ways to reduce its impact on the environment and to contribute to measures aimed at reducing the impact of climate change.

Business conduct

The Board monitors the Group's activities to ensure conduct is ethical and professional.

Senior management teams are encouraged to play an active role in decision making; they 'lead from the front' and help to create a progressive working environment.

The Board has implemented the new SMCR regime in the Group companies where it is required. All senior managers and certified staff have received the necessary training. Ongoing training will be provided to ensure best practice.

The Board has regular contact with the management teams in Spain and Portugal. Weekly trading reports are reviewed in order to monitor performance.

The directors are of the opinion that they have fulfilled their duties in relation to section 172 of the Companies Act.

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 group and 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 group and 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 17 December 2021 and signed on behalf of the board by:



JL Beckwith
Director

Registered office:
124 Sloane Street
London
SW1X 9BW

Pacific Investments Limited

Independent Auditor's Report to the Shareholders of Pacific Investments Limited for the year ended 30 June 2021

Opinion

We have audited the financial statements of Pacific Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the financial statements, including 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 of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's 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.

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 group and parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within [the annual report]. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Pacific Investments Limited

Independent Auditor's Report to the Shareholders of Pacific Investments Limited

(continued)

for the year ended 30 June 2021

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page [insert page number]], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control 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 group's and the parent 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 group or the parent 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the group and parent company as well as the laws and regulations applicable, and considered these throughout our testing. We obtained an understanding of the group and parent company's policies and procedures by discussions with management. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with requirements of the framework through:

- The Directors managing and overseeing a compliance function
- Internal compliance reviews and reporting
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

Pacific Investments Limited

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

for the year ended 30 June 2021

- The Directors regularly communicate with the Key Management Personnel of the subsidiary companies to ensure all relevant legal and regulatory requirements are met.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements;

The procedures carried out to gain evidence in the above areas included;

- Made enquiries with management as to any legal or regulatory issues during the year
- We have reviewed Board minutes for evidence of non-compliance
- We have obtained representation from management that they have disclosed to us all known instances of non-compliance or suspected non-compliance with laws and regulations
- Discussed specific laws and regulations related to the components with the component auditors
- Testing of the high and significant risk balances as explained in the Key Audit Matters section; and
- Testing of manual journal entries, selected based on specific risk assessments applied based on the group and company's processes and controls surrounding manual journals.

A further description of our responsibilities is available 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 parent company's members, 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 parent company's members 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

21 December 2021

Pacific Investments Limited
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 £'000s	2020 £'000s
Turnover	5	25,987	15,844
Cost of sales		(12,293)	(6,694)
Gross profit		<u>13,694</u>	<u>9,150</u>
Administrative expenses		(10,938)	(11,217)
Other operating income		413	1,782
Operating profit/(loss)	6	<u>3,169</u>	<u>(285)</u>
Profit on sale of investments		-	1,363
Fair value revaluation of fixed asset investments	9	(636)	4,237
Share of (losses)/ profit of associates		(100)	1,215
Income from other fixed asset investments		2,323	773
Other interest receivable and similar income	10	-	47
Interest payable and similar charges	11	(748)	(830)
Profit on ordinary activities before taxation		<u>4,008</u>	<u>6,520</u>
Tax on profit on ordinary activities	12	(29)	(135)
Profit on ordinary activities after taxation		<u>3,979</u>	<u>6,385</u>
Foreign currency retranslation		(529)	(93)
Total comprehensive income for the year		<u><u>3,450</u></u>	<u><u>6,292</u></u>
Total comprehensive income for the year attributable to:			
Non-controlling interest		5,689	6,093
Equity shareholders of the company		(2,239)	199
		<u><u>3,450</u></u>	<u><u>6,292</u></u>

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements.

The profit for the financial year of the parent company was £nil (2020: £nil).

The notes on pages 20 to 40 form part of these financial statements.

Pacific Investments Limited
Consolidated Statement of Financial Position
as at 30 June 2021

	Note	2021 £'000s	2020 £'000s
Fixed assets			
Intangible assets	14	2,819	3,126
Tangible assets	15	8,445	8,476
Investments	16	37,508	40,978
		<u>48,772</u>	<u>52,580</u>
Current assets			
Stocks	17	10,198	10,826
Debtors	18, 23	31,052	15,725
Cash at bank and in hand		13,864	11,057
		<u>55,114</u>	<u>37,608</u>
Creditors: amounts falling due within one year	19, 23	<u>(6,238)</u>	<u>(5,322)</u>
Net current assets		<u>48,876</u>	<u>32,286</u>
Total assets less current liabilities		<u>97,648</u>	<u>84,866</u>
Creditors: amounts falling due after more than one year	20, 22	<u>(42,057)</u>	<u>(29,110)</u>
Net assets		<u>55,591</u>	<u>55,756</u>
Capital and reserves			
Called up share capital	24	6,900	6,900
Capital redemption reserve	25	6,600	6,600
Other reserves	25	2,271	2,271
Retained earnings	25	32,503	34,742
Equity attributable to the owners of the parent company		<u>48,274</u>	<u>50,513</u>
Non-controlling interest		<u>7,317</u>	<u>5,243</u>
		<u>55,591</u>	<u>55,756</u>

These financial statements were approved by the board of directors and authorised for issue on 17 December 2021 are signed on behalf of the board by:



J.L. Beckwith
Director

Company registration number: 04384561

The notes on pages 20 to 40 form part of these financial statements.

Pacific Investments Limited
Company Statement of Financial Position
as at 30 June 2021

	Note	2021 £'000s	2020 £'000s
Fixed assets			
Investments	16	10,050	10,050
Current assets			
Debtors	18	11,039	11,039
Net current assets		11,039	11,039
Total assets less current liabilities		21,089	21,089
Capital and reserves			
Called up share capital	24	6,900	6,900
Capital redemption reserve	25	6,600	6,600
Retained earnings	25	7,589	7,589
		21,089	21,089

These financial statements were approved by the board of directors and authorised for issue 17 December 2021 and are signed on behalf of the board by:



J.L. Beckwith
Director

Company registration number: 04384561

The notes on pages 20 to 40 form part of these financial statements.

Pacific Investments Limited
Consolidated Statement of Changes in Equity
for the year ended 30 June 2021

	Called up share capital £'000s	Capital redemption reserve £'000s	Other reserves £'000s	Retained Earnings £'000s	Equity attributable to the owners of the parent company £'000s	Non-controlling interests £'000s	Total £'000s
At 1 July 2019	6,900	6,600	900	35,913	50,313	1,451	51,764
Profit for the year	-	-	1,371	(1,079)	292	6,093	6,385
Other comprehensive income for the year:							
Foreign currency retranslation	-	-	-	(93)	(93)	-	(93)
Total comprehensive income for the year	-	-	1,371	(1,172)	199	6,093	6,292
Dividends paid and payable	-	-	-	-	-	(1,217)	(1,217)
Minority interest share of equity	-	-	-	-	-	246	246
Disposal of business	-	-	-	-	-	(1,331)	(1,331)
Total investments by and distributions to owners	-	-	-	-	-	(2,302)	(2,302)
At 30 June 2020	6,900	6,600	2,271	34,741	50,512	5,242	55,754

The notes on pages 20 to 40 form part of these financial statements.

Pacific Investments Limited
Consolidated Statement of Changes in Equity (continued)
for the year ended 30 June 2021

	Called up share capital £'000s	Capital redemption reserve £'000s	Other reserves £'000s	Retained Earnings £'000s	Equity attributable to the owners of the parent company £'000s	Non-controlling interests £'000s	Total £'000s
Profit for the year	-	-	-	(1,710)	(1,710)	5,689	3,979
Other comprehensive income for the year:							
Foreign currency retranslation	-	-	-	(529)	(529)	-	(529)
Total comprehensive income for the year	-	-	-	(2,239)	(2,239)	5,689	3,450
Dividends paid and payable	-	-	-	-	-	(3,403)	(3,403)
Minority interest share of equity	-	-	-	-	-	-	-
Disposal of business	-	-	-	-	-	(211)	(211)
Total investments by and distributions to owners	-	-	-	-	-	(3,614)	(3,614)
At 30 June 2021	6,900	6,600	2,271	32,502	48,273	7,317	55,590

The notes on pages 20 to 40 form part of these financial statements.

Pacific Investments Limited
Company Statement of Changes in Equity
for the year ended 30 June 2021

	Called up share capital	Capital redemption reserve	Retained earnings	Total
	£'000s	£'000s	£'000s	£'000s
At 1 July 2019	6,900	6,600	7,589	21,089
Profit for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 30 June 2020	6,900	6,600	7,589	21,089
Profit for the year	-	-	-	-
At 30 June 2021	6,900	6,600	7,589	21,089

The notes on pages 20 to 40 form part of these financial statements.

Pacific Investments Limited
Consolidated Statement of Cash Flows
for the year ended 30 June 2021

	Note	2021 £'000s	2020 £'000s
Cash flows from operating activities			
Profit on ordinary activities after tax		3,979	6,385
<i>Adjustments for:</i>			
Depreciation of tangible assets	15	623	564
Amortisation of intangible assets	14	300	489
Profit on sale of investments		-	(1,363)
Fair value revaluation of fixed asset investments	9	636	(4,237)
Income from other fixed asset investments		(2,323)	(773)
Other interest receivable and similar income	10	-	(47)
Interest payable and similar charges		748	830
Tax on profit/loss on ordinary activities	12	29	135
Share of associates' profit		100	(1,215)
Distributions from associates		-	-
Exchange differences and other movements		(107)	(517)
<i>Changes in:</i>			
Stocks		(370)	(373)
Trade and other debtors		(15,029)	(8,187)
Trade and other creditors		11,375	8,905
Cash used in operations		(40)	597
Interest paid	11	(748)	(830)
Interest received	10	-	47
Tax paid		(153)	(124)
Net cash used in operating activities		(940)	(311)
Cash flows from investing activities			
Purchase of tangible assets		(882)	(531)
Purchase of subsidiary undertakings		-	(1,250)
Net cash acquired with subsidiary		-	489
Net repayments of loans from associates		-	30
Proceeds from sale of other investments		-	1,103
Purchase of other investments		2,786	(2,455)
Cash disposed with subsidiary		-	(229)
Income from other fixed asset investments		2,323	773
Net cash generated/ (used in) from investing activities		4,227	(2,070)

The consolidated statement of cash flows
continues on the following page.
The notes on pages 20 to 40 form part of these financial statements.
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Pacific Investments Limited
Consolidated Statement of Cash Flows (*continued*)
for the year ended 30 June 2021

	Note	2021 £'000s	2020 £'000s
Cash flows from financing activities			
Cash flows from financing activities		2,592	-
Drawdown of bank loans		-	68
Capital contribution from members of LLP		-	280
Distributions paid to minority shareholders		(3,072)	(1,800)
Net cash used in financing activities		<u>(480)</u>	<u>(1,452)</u>
Net increase/ (decrease) in cash and cash equivalents		2,807	(3,833)
Cash and cash equivalents at beginning of year		11,057	14,890
Cash and cash equivalents at end of year		<u>13,864</u>	<u>11,057</u>

The notes on pages 20 to 40 form part of these financial statements.

Pacific Investments Limited
Notes to the Financial Statements
for the year ended 30 June 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 Investments Limited (04384561) 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 Strategic Report on page 4.

3. Accounting policies

Basis of accounting

The principal accounting policies of the Group are set out below.

Going concern

The directors have made an assessment of the Group and 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 Group and company including supported subsidiaries against the cash generation of subsidiaries and the availability and liquidity of listed and other assets held by the Group and company and supported subsidiaries.

The directors are satisfied that the Group and 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 Cashflows for the company; and
- The exemption from disclosing key management personnel compensation of the company.

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

3. Accounting policies *(continued)*

Basis of consolidation

The Group Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows incorporate the financial statements of all subsidiaries, together with the Group's share of the net assets and results of associated undertakings and joint ventures for the year ended 30 June 2021. Entities are considered to be a subsidiary where the Group controls the majority of the undertaking's voting rights or exercises a dominant influence over the undertaking by virtue of a control contract, unless the ability of the Group to exercise control is subject to long term restrictions or is temporary in nature. Subsidiaries are consolidated from the date of acquisition to the date of disposal using the acquisition method of accounting.

Associated undertakings are companies/LLPs other than subsidiaries where the Group has a substantial shareholding, held for the long term, and is in a position to exercise significant influence. Joint ventures are companies other than subsidiaries where the Group has a substantial shareholding, held for the long term, and which is jointly controlled by the Group and one or more other ventures under a contractual agreement. The Group balance sheet includes the Group's share of the underlying net assets of associated undertakings and joint ventures, plus any loans due to the Group. The Group's share of the underlying net assets of associated undertakings and joint ventures is included in the Group profit and loss account on the equity accounting basis.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Current and deferred taxation

Current and deferred 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 group 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.

Pacific Investments Limited
Notes to the Financial Statements *(continued)*
for the year ended 30 June 2021

3. Accounting policies *(continued)*

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates. Net assets of overseas subsidiaries and associates are translated into sterling at the year end rate and their profits and losses at average rates of exchange during the year. Foreign exchange differences arising on consolidation are taken to reserves.

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.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period over the lease.

Revenue generated from operating leases on investment property is recognised on a straight line basis over the term of the lease.

Goodwill

Goodwill arising on consolidation of subsidiaries is amortised over a period of 10 years, which the directors consider to be the most appropriate period. The carrying value of the goodwill is reviewed annually by the board of directors for impairment. The impairment review is based on a review of future prospects for this business activity and marketplace.

Goodwill arising on acquisitions - Over a 10-year period

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Pacific Investments Limited
Notes to the Financial Statements *(continued)*
for the year ended 30 June 2021

3. Accounting policies *(continued)*

Fixed assets

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

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	-	Over remaining period of lease
Office & other equipment	-	3 to 5 years straight line
Furniture, fixtures & fittings	-	3 to 5 years straight line
Computer equipment	-	3 to 5 years straight line

Depreciation is not provided on freehold and long-term leasehold investment properties, development properties or freehold land.

Investment properties

Investment properties comprise completed property that is held to earn rental income or for capital appreciation or both. Investment properties are initially recognised at cost including transaction costs. Transaction costs include transfer taxes and professional fees for legal services. Subsequent to initial recognition investment properties are carried at fair value, as determined by real estate professionals. Gains or losses arising from change in fair value is recognised in the statement of comprehensive income in the period in which they arise.

Stocks and work in progress

Raw materials, consumables and property held as stock are carried at the lower of cost and net realisable value. Work in progress represents specific costs of identifiable projects and is stated at the lower of cost or net realisable value.

Operating lease agreements

Assets held under operating lease agreements are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

3. Accounting policies *(continued)*

Financial instruments

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 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.

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

Unlisted fixed asset 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 Comprehensive Income for the period in which they relate.

Dividend income

Dividend income from investments is accounted for on a cash received basis. Dividends from subsidiaries and associated undertakings are accounted for when declared.

Joint arrangements

Joint arrangements are recognised in accordance with FRS 102 whereby each party accounts for its own share of assets, liabilities and cash flows in accordance with the terms of the underlying arrangement.

Finance lease agreements

Where the Group enters into a lease that transfers substantially all the risks and rewards of ownership of that asset to the lessee, the lease is treated as a finance lease. Assets held under finance leases and the initial related lease obligations are included at the fair value of the lease assets at inception of the lease and recorded as a tangible fixed asset. Depreciation on leased assets is calculated to write off the cost on a straight line basis over the shorter of the lease term and the useful economic life of the asset.

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

3. Accounting policies *(continued)*

Turnover

Turnover from property investment and trading represents amounts receivable for goods and services provided and rental income accrued in the normal course of business, net of trade discounts, VAT and other sales-related taxes. Rental income is recognised on an accruals basis.

Turnover from sports and leisure represents goods-related turnover and is recognised when the Group has satisfied all of its obligations in respect of delivery and transfer of ownership.

Turnover from asset management represents services-related turnover and is recognised proportionally over the duration of the service.

Turnover from lending to property developers represents interest income earned from loans and advances as calculated on an accruals basis.

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 subsidiary undertakings

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) Carrying 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 valuation within these financial statements.

(iii) Net realisable value of stock

The carrying value of stock is recognised in the financial statements as the lower of cost and net realisable value. The net realisable value is determined by real estate valuation experts, to be the estimated amount for which the property should exchange on the date of the valuation in an arm's length transaction.

(iv) Intangible assets and Goodwill

Intangible assets and Goodwill are amortised with reference to their useful life, which is an area of judgement considered by the directors. If there is an indication in the reporting period that there has been a significant change to the useful life of the intangible asset, the amortisation is revised accordingly.

The carrying value of the goodwill is reviewed annually by the board of directors for impairment. The impairment review is based on a review of future prospects for this business activity and marketplace.

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

5. Turnover

Turnover arises from:

	2021 £'000s	2020 £'000s
Property investment and trading	6,928	1,784
Asset management	16,645	11,348
Sport and leisure	2,414	2,712
	<u>25,987</u>	<u>15,844</u>

Segmental analysis of turnover, result before taxation and net assets/(liabilities) by class of business is as follows:

Class of business:	Turnover 2021 £'000s	Profit/(loss) before tax 2021 £'000s	Net assets/ (liabilities) 2021 £'000s	Turnover 2020 £'000s	Profit/(loss) before tax 2020 £'000s	Net assets/ (liabilities) 2020 £'000s
Head office	-	(3,408)	48,107	-	(1,135)	60,105
Property investment and trading	6,928	2,847	3,729	1,784	2,507	2,068
Asset management	16,645	4,607	5,242	11,348	5,152	4,580
Sport and leisure	2,414	(38)	(1,487)	2,712	(4)	(10,997)
	<u>25,987</u>	<u>4,008</u>	<u>55,591</u>	<u>15,844</u>	<u>6,520</u>	<u>55,756</u>

Geographical analysis:	Turnover 2021 £'000s	Profit/(loss) before tax 2021 £'000s	Net assets 2021 £'000s	Turnover 2020 £'000s	Profit/(loss) before tax 2020 £'000s	Net assets 2020 £'000s
European Union	25,982	4,126	54,878	15,835	6,524	54,820
United States of America	5	(118)	713	9	(4)	936
	<u>25,987</u>	<u>4,008</u>	<u>55,591</u>	<u>15,844</u>	<u>6,520</u>	<u>55,756</u>

Geographical analysis is based on territory of trading activity and invoicing. Turnover by origin is not materially different from turnover by destination. Turnover between geographical segments and business segments is immaterial.

Pacific Investments Limited
Notes to the Financial Statements *(continued)*
for the year ended 30 June 2021

6. Operating loss

Operating loss is stated after charging/(crediting):

	2021 £'000s	2020 £'000s
Amortisation of intangible assets	300	23
Depreciation of tangible assets	623	564
Foreign exchange differences	219	(593)
Operating lease costs - land and buildings	-	552
Auditor's remuneration	85	70
	<u> </u>	<u> </u>

Auditor's remuneration:

	2021 £'000s	2020 £'000s
- Group	46	35
- Subsidiaries	39	35
- Non-audit fees	11	5
	<u> </u>	<u> </u>
	96	75

Auditor's remuneration is borne by Pacific Investments Management Limited, a 100% subsidiary of Pacific Investments Limited.

7. Staff costs

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

	2021 No.	2020 No.
Head office	18	20
Sports and leisure	73	67
Asset management	17	44
	<u> </u>	<u> </u>
	108	131

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

	2021 £'000s	2020 £'000s
Wages and salaries	4,948	5,369
Social security costs	692	812
Pension costs	65	195
	<u> </u>	<u> </u>
	5,705	6,376

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021 £'000s	2020 £'000s
Aggregate remuneration	1,036	1,569

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

	2021 £'000s	2020 £'000s
Remuneration	345	393

Further information relating to key management personnel has been disclosed in note 31.

9. Fair value revaluation of fixed asset investments

	2021 £'000s	2020 £'000s
Fair value revaluation of listed investments	(822)	4,273
Fair value revaluation of unlisted investments	330	(35)
Write down of fixed asset investments	(144)	-
	(636)	4,238

10. Other interest receivable and similar income

	2021 £'000s	2020 £'000s
Interest on cash and cash equivalents	-	46
	-	46

11. Interest payable and similar charges

	2021 £'000s	2020 £'000s
Interest on banks loans and overdrafts	699	650
Other interest payable and similar charges	49	180
	748	830

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

12. Tax on profit on ordinary activities

Major components of tax expense

	2021 £'000s	2020 £'000s
Current tax:		
UK current tax expense	1	108
Foreign current tax expense	28	27
Total tax	29	135
Tax on profit on ordinary activities	29	135

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 £'000s	2020 £'000s
Profit on ordinary activities before taxation	4,008	6,520
Profit on ordinary activities by rate of tax	762	1,239
Adjustments in respect of foreign tax rates	28	27
Net income and expenses (not credited)/not deductible for tax purposes	(45)	(484)
Share of unrecognised partnership (loss)/profit	(1,500)	(1,127)
Unrelieved tax losses carried forward net of losses utilised	784	480
Tax on profit on ordinary activities	29	135

13. Result for the year of the parent company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the company is not presented as part of these financial statements.

The profit for the financial year of the parent company was £nil (2020: £nil).

Pacific Investments Limited

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

14. Intangible assets

Group	Goodwill arising on acquisitions £'000s	Other intangibles £'000s	Total intangible assets £'000s
Cost			
At 1 July 2020	2,911	245	3,157
Disposals	-	(4)	(4)
Exchange movements	-	(8)	(7)
At 30 June 2021	2,911	233	3,145
Amortisation			
At 1 July 2020	-	31	31
Charge for the year	291	9	300
Disposals	-	(4)	(4)
Exchange movements	-	(1)	(1)
At 30 June 2021	291	35	326
Carrying amount			
At 30 June 2021	2,620	198	2,819
At 30 June 2020	2,911	214	3,126

15. Tangible assets

Group	Leasehold property £'000s	Office & other equipment £'000s	Furniture, fixtures and fittings £'000s	Computer equipment £'000s	Total £'000s
Cost					
At 1 July 2020	12,848	400	2,060	1,410	16,718
Additions	290	160	360	72	882
Disposals	-	(50)	(8)	(17)	(75)
Exchange adjustments	(442)	(10)	(52)	(41)	(545)
At 30 June 2021	12,696	500	2,360	1,424	16,980
Depreciation					
At 1 July 2020	5,348	305	1,639	950	8,242
Charge for the year	292	47	185	99	623
Disposals	-	(50)	-	(17)	(67)
Exchange adjustments	(193)	(8)	(39)	(23)	(24)
At 30 June 2021	5,446	294	1,785	1,009	8,535
Carrying amount					
At 30 June 2021	7,249	206	575	415	8,445
At 30 June 2020	7,500	95	421	460	8,476

Company

The company has no tangible assets.

Pacific Investments Limited
Notes to the Financial Statements *(continued)*
for the year ended 30 June 2021

16. Investments

Investments are analysed as follows:

	Group		Company	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Subsidiary undertakings	-	-	10,050	10,050
Associated undertakings	516	616	-	-
Listed fixed asset investments	32,116	32,937	-	-
Other fixed asset investments	4,876	7,425	-	-
	37,508	40,978	10,050	10,050

Investment in subsidiaries

Investments in subsidiaries held by the company are analysed as follows:

	Ordinary Shares £'000s	Preference Shares £'000s	Total £000s
At 30 June 2020 and 30 June 2021	3,450	6,600	10,050

Details of the Group's subsidiary undertakings as at 30 June 2021, all of which are included in the consolidated financial statements, are given below. Unless specified, subsidiaries are registered in England & Wales and have a registered office address of 124 Sloane Street, London, SW1X 9BW.

Name of Undertaking	Principal Activity	Shares	Effective Group Interest	Country of Incorp- oration
Directly held:				
Pacific Investments Management Limited	Holding company	Ordinary	100%	UK
		Preference	100%	UK

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

16. Investments *(continued)*

Indirectly held:

Property investment and trading

Redwood NCM LLC (1)	Property trading	Ordinary	100%	USA
Camojan Limited	Property development	Ordinary	100%	UK
Reserva de Camojan SL (2)	Property development	Ordinary	100%	Spain
Pacific Palmer LLP	Property development	n/a	78%	UK
Keyrock Capital Limited	Property development	Ordinary	100%	UK
Old Mortar Capital Limited	Holding company	Ordinary	58%	UK
Mortar Capital Limited	Holding company	Ordinary	100%	UK
Puma Capital Limited	Holding company	Ordinary	100%	UK
Puma Capital Holdings Limited	Holding company	Ordinary	80%	UK
Puma Select Limited	Lending company	Ordinary	76%	UK
Puma Rivas Limited	Lending company	Ordinary	80%	UK
Pacific & York Limited	Property development	Ordinary	100%	UK
Albemarle Properties 2 LLP	Property development	n/a	100%	UK

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

(2) Registered office address: 29670 San Pedro de Alcantara (Malaga)

Pacific Palmer LLP has a 31 March year end.

Asset management

Beckwith Capital Investment Limited	Dormant	Ordinary	100%	UK
Pacific Strategic Limited	Dormant	Ordinary	100%	UK
Red River Capital Limited	Holding company	Ordinary	100%	UK
Pacific Capital Partners Limited	Fund management	Ordinary	100%	UK
PCP2 Limited	Fund management	Ordinary	100%	UK
PAM Asset Management Holdings Limited	Holding company	Ordinary	100%	UK
Pacific Asset Management LLP	Holding company	n/a	55%	UK
Pacific Asset Management Services LLP	Fund management	n/a	52%	UK
Parallel Investment Management Ltd	Fund management	Ordinary	55%	UK
Pacific Wealth Management Limited	Holding company	Ordinary	55%	UK
Pacific Industrial LLP	Fund management	n/a	70%	UK
European Logistics Real Estate Partners LLP	Investment management	n/a	58%	UK
ELREP UK Ltd	Investment management	Ordinary	58%	UK
ELREP Malta IB Ltd (3)	Investment management	Ordinary	89%	Malta
CMBA Limited	Holding company	Ordinary	100%	UK

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

PAM Asset Management Holdings Limited, Pacific Asset Management LLP, Pacific Asset Management Services LLP, Pacific Wealth Management Limited, Parallel Investment Management Ltd, Pacific Industrial LLP and European Logistics Real Estate Partners LLP all have 31 March year ends.

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

16. Investments *(continued)*

Healthcare services

Pacific Healthcare Limited	Dormant	Ordinary	100%	UK
PHL 2 Limited	Dormant	Ordinary	100%	UK
Pacific Healthcare (Australia) Limited (3)	Dormant	Ordinary	97.5%	Australia

(3) Registered office address: 131 Fairfield Road, Guildford West, NSW 2161, Australia

Sports, leisure and media

Futbol City Holdings UK Limited	Holding company	Ordinary	80%	UK
Futbol City 5 SA (5)	Leisure centre operator	Ordinary	80%	Spain
Clube VII Exploracao de Health Sociedade Unipessoal Lda (6)	Leisure centre operator	Ordinary	100%	Portugal
Unitenis-Empreendimentos de Tenis SA (7)	Leisure centre operator	Ordinary	99%	Portugal
Clube Saude SA (8)	Holding company	Ordinary	100%	Portugal

(5) Registered office address: C/ del Polideportivo, 2, 46470 Massanassa Spain

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

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

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

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

16. Investments *(continued)*

Investments in associates

Investments in associated undertakings are analysed as follows:

	2021 £'000s	2020 £'000s
Unlisted ordinary shares at cost	724	724
Share of post-acquisition retained losses	(208)	(109)
Equity interests in associates	<u>516</u>	<u>615</u>
Loans to associates	-	-
Investment in associates	<u>516</u>	<u>616</u>

The movement in Group's equity interest in associates is analysed as follows:

	Unlisted ordinary shares at cost £'000s	Share of reserves £'000s	Total £'000s
Net book value at 1 Jul 2020	724	(109)	615
Share of associate profit	-	(99)	(100)
Net book value at 30 Jun 2021	<u>724</u>	<u>(208)</u>	<u>516</u>

The underlying assets and liabilities of the associated undertakings attributable to the Group were:

	2021 £'000s	2020 £'000s
Fixed assets	1,250	2,262
Current assets	6	30
Liabilities due within one year	(740)	(1,677)
	<u>516</u>	<u>615</u>

Details of associated undertakings are given below:

Name	Nature of business	Class of shares held	Accounting date	Percentage held	Place of incorporation
Keyrock Capital Ataulf SL	Property development	Ordinary	31 December	41%	Spain
Minerva Smart Cities	Property consultancy	Ordinary	30 June	25%	UK
Mortar Tempus Court LLP	Property development	n/a	31 March	25%	UK

Pacific Investments Limited
Notes to the Financial Statements (continued)
for the year ended 30 June 2021

16. Investments (continued)

Listed fixed asset investments

Listed fixed asset investments are analysed as follows:

	2021 £'000s	2020 £'000s
Value at start of period	32,938	29,768
Disposals	-	(1,103)
Revaluations	(822)	4,273
Value at end of period	<u>32,116</u>	<u>32,938</u>

Other fixed asset investments

Other fixed asset investments are analysed as follows:

	Fair value £'000s
At 1 July 2020	7,425
Additions	56
Revaluations in year	330
Disposals	(2,935)
At 30 June 2021	<u>4,876</u>

17. Stocks

	Group 2021 £'000s	2020 £'000s	Company 2021 £'000s	2020 £'000s
Property held for sale	10,173	10,801	-	-
Stock	25	25	-	-
	<u>10,198</u>	<u>10,826</u>	<u>-</u>	<u>-</u>

18. Debtors

	Group 2021 £'000s	2020 £'000s	Company 2021 £'000s	2020 £'000s
Trade debtors	2,079	950	-	-
Amounts owed by group undertakings	-	-	11,039	11,039
Prepayments and accrued income	720	1,428	-	-
Amounts due from related parties	1,288	10	-	-
Other debtors	26,965	13,337	-	-
	<u>31,052</u>	<u>15,725</u>	<u>11,039</u>	<u>11,039</u>

Other debtors consist of loans granted to developers within Puma Select and Puma Capital as well as other debtors.

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

19. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Trade creditors	368	525	–	–
Accruals and deferred income	1,596	1,383	–	–
Corporation tax	18	108	–	–
Social security and other taxes	237	201	–	–
Obligations under finance leases and hire purchase contracts	149	213	–	–
Related party and other creditors	3,870	2,892	–	–
	<u>6,238</u>	<u>5,322</u>	<u>–</u>	<u>–</u>

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

	Group		Company	
	2021	2020	2020	2019
	£'000s	£'000s	£'000s	£'000s
Bank loans	15,353	12,689	–	–
Obligations under finance leases and hire purchase contracts	1,280	1,198	–	–
Other creditors	1,722	3,003	–	–
Financing loans	23,702	12,220	–	–
	<u>42,057</u>	<u>29,110</u>	<u>–</u>	<u>–</u>

Included within 'Bank loans' is corporate cross-guarantee to Lloyds Bank plc with a balance at 30 June 2021 of £12,500,000 (2020: £10,000,00). The bank loan is secured by a floating charge over the fixed assets of material companies within the Pacific Investments Limited group. Interest on this balance is charged at a margin rate of 4.25% plus the base rate of interest.

Included within 'Bank loans' for the year ended 30 June 2021 is a loan facility with SG Kleinwort Hambros Limited, secured over the assets of Pacific Palmer LLP. Interest on this balance is charged at a rate of 3% plus three-month LIBOR. The facility is due for repayment on September 2022.

Included in 'Financing loans' is amounts owed to Select Securities Europe Sarl which consists of loan notes, each with a five year maturity accruing interest at a rate of 10% per annum.

21. Deferred taxation assets

No deferred tax asset has been recognised on the unrelieved losses carried forward by a number of Group companies. Such tax would only become recoverable in the event that the respective companies become profitable in future years. The future profitability of these companies cannot be foreseen with any certainty. Unrelieved amounts carried forward at 30 June 2021 amount to £42.4 million (2020: £41.9 million) which would give rise to an equivalent deferred tax asset of £8.1 million (2020: £8.0 million) assuming corporation tax rates remain at 19%.

The company has no other material provided or unprovided deferred tax assets or liabilities.

Pacific Investments Limited
Notes to the Financial Statements *(continued)*
for the year ended 30 June 2021

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Not later than 1 year	149	213	–	–
Later than 1 year and not later than 5 years	1,280	1,198	–	–
	<u>1,429</u>	<u>1,411</u>	<u>–</u>	<u>–</u>

23. Financial instruments

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

	2021	2020
	£'000s	£'000s
Financial assets		
Financial assets measured at fair value through profit or loss	36,992	40,362
Financial assets that are debt instruments measured at amortised cost	29,874	14,297
Financial assets measured at cost less impairment	<u>516</u>	<u>616</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(24,338)</u>	<u>(34,123)</u>

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

Financial assets measured at amortised costs comprise trade and other receivables, amounts owed by undertakings in which the company has a participating interest, amounts due from related parties and other debtors.

Financial assets measured at cost less impairment comprise interests in subsidiaries, investments in associates and investments joint ventures.

Financial liabilities measured at amortised cost comprise secured finance loans, trade and other payables, obligations under finance leases, other creditors and accruals.

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

24. Called up share capital

Authorised share capital

	2021		2020	
	No.'000s	£'000s	No.'000s	£'000s
Ordinary shares of £1 each	4,000	4,000	4,000	4,000
A Preference shares of £0.88 each	5,000	4,400	5,000	4,400
B Preference shares of £0.88 each	4,000	3,520	4,000	3,520
B Ordinary shares of £1 each	3,450	3,450	3,450	3,450
	<u>16,450</u>	<u>15,370</u>	<u>16,450</u>	<u>15,370</u>

Issued, called up and fully paid

	2021		2020	
	No.'000s	£'000s	No.'000s	£'000s
Ordinary shares of £1 each	3,450	3,450	3,450	3,450
B Ordinary shares of £1 each	3,450	3,450	3,450	3,450
	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>

The Ordinary shares and B Ordinary shares rank *pari passu* in all respects.

25. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

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

Other reserves - This reserve relates to a merger reserve. £900,000 of this reserve arose at group level following the acquisition of shares in Pacific Investments Management Limited. The balance represents the excess of the nominal value of the share capital of Pacific Investments Management Limited over the nominal value of the share capital of the company. £1,370,613 of the merger reserve relates to the profit recognised on the Group's sale of capital interest in Pacific Asset Management LLP to the Fidelity Group.

26. Operating leases

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

	Group		Company	
	2021	2020	2020	2019
	£'000s	£'000s	£'000s	£'000s
Not later than 1 year	644	552	—	—
Later than 1 year and not later than 5 years	3,014	2,207	—	—
Later than 5 years	419	971	—	—
	<u>4,077</u>	<u>3,730</u>	<u>—</u>	<u>—</u>

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

27. Net Debt

	At 1 July 2020 £'000s	Cash flows £'000s	Other changes £'000s	At 30 June 2021 £'000s
Cash at bank and in hand	11,057	2,807	-	13,864
Debt due within one year	(5,322)	(916)	-	(6,238)
Debt due after one year	(29,110)	(12,947)	-	(42,057)
Current assets	26,550	14,242	-	40,792
Total	3,175	3,186	-	6,361

28. Guarantees

Corporate Cross-Guarantee

The company provides a corporate cross-guarantee to Lloyds Bank in respect of bank loans and overdrafts of Pacific Investments Management Limited, Beckwith Capital Investment Limited, Pacific Strategic Limited, Pacific Healthcare Limited, Red River Capital Limited, Pacific Capital Partners Limited, CMBA Investments Limited, Camojan Limited, PAM Asset Management Holdings Limited, and PCP2 Limited. As security, the bank holds a debenture comprising fixed and floating charges over the assets of the company. At 30 June 2021, total borrowings against which this cross-guarantee applied were £12.5 million (2020: £10.0 million).

Audit Guarantee

The company has provided guarantees of the liabilities of subsidiaries listed below in relation to their respective year ends (also listed below). The subsidiary companies are taking advantage of the exemption from audit under section 479A of the Companies Act 2006. The Directors do not consider that there is any liability in respect to these guarantees.

Subsidiary	Guarantee of liabilities as at
Camojan Limited	30 June 2021
Futbol City Holdings UK Limited	30 June 2021
Keyrock Capital Limited	30 June 2021
Mortar Capital Limited	30 June 2021
Old Mortar Capital Limited	30 June 2021
Puma Capital Limited	30 June 2021
Puma Capital Holdings Limited	30 June 2021
ELREP UK Limited	30 June 2021
Pacific and York Limited	30 June 2021
Albemarle Property 2 LLP	30 June 2021
PAM Asset Management Holdings Limited	31 March 2021
Pacific Wealth Management Limited	31 March 2021
European Logistics Real Estate Partners LLP	31 March 2021
Pacific Industrial LLP	31 March 2021
Pacific Asset Management LLP	31 March 2021
Parallel Investment Management Limited	31 March 2021

Pacific Investments Limited

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2021

29. Related party transactions

The company is exempt under the terms of FRS 102 from disclosing related party transactions with entities that are wholly owned members of the Pacific Investments Limited Group of companies.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the company. In the opinion of the directors, the company's key management are the directors. The compensation paid or payable to key management for employee services relates to salaries and other short-term benefits including pension contributions of £1,035,943 (2020: £1,569,426).

During the year, Old Mortar Capital Limited carried out transactions with HollyB Limited, of which SP Beckwith, is a director. The net amount of these transactions was a net loan decrease of £19,146 (2020: £7,792). At 30 June 2021 Old Mortar Capital Limited owed HollyB Limited £61,321 (2019: £80,467) which is included within 'Other creditors'.

During the year, Old Mortar Capital Limited carried out transactions with Old Malt House Developments Limited, of which CJ Bearman, who is an associated family member of JL Beckwith, is a director. The net amount of these transactions was a net loan decrease of £19,146 (2020: £7,792). At 30 June 2021 Old Mortar Capital Limited owed Old Malt House Developments Limited £61,321 (2020: £80,467) which is included within 'Other creditors'.

During the year, Old Mortar Capital Limited carried out transactions with HJB Capital Limited, of which HJ Beckwith and SP Beckwith are directors. The net amount of these transactions was a net loan decrease of £38,339 (2020: £15,634). At 30 June 2021 Old Mortar Capital Limited owed HJB Capital Limited £122,545 (2020: £160,884) which is included within 'Other creditors'.

During the year, Old Mortar Capital Limited carried out transactions with SPB Capital Limited, of which SP Beckwith is a director. The net amount of these transactions was a net loan decrease of £76,631 (2020: £31,216). At 30 June 2021 Old Mortar Capital Limited owed SPB Capital Limited £245,107 (2020: £321,738) which is included within 'Other creditors'.

During the year, Pacific Investments Management Ltd carried out transactions with Puma Capital Holdings Limited. The net amount of these transactions was a net loan increase of £843,905 (2020: £1,391,996). At 30 June 2021 Puma Capital Holdings Limited owed Pacific Investments Management Ltd £2,235,901 (2020: £1,391,996).

During the year, Puma Capital Holdings Limited carried out transactions with Puma Select Limited. The net amount of these transactions was a net loan increase of £982,013 (2020: £1,390,711). At 30 June 2021 Puma Select Limited owed Puma Capital Holdings Limited £2,372,724 (2020: £1,390,711).

During the year a loan of £1,278,009 (2020: £nil) was made to HJ Beckwith, a director, from Pacific Investments Management Limited. At the year end a balance of £1,278,009 (2020: £nil) remained outstanding which is included in other debtors. No interest accrues on this balance and it is repayable on demand.

During the year, JL Beckwith carried out transactions with Camojan Limited. The net amount of these transactions was a net loan decrease of £731,835 (2020: £752,076). At 30 June 2021 Camojan Limited owed JL Beckwith £752,859 (2020: £1,484,694)

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

30. Controlling party

In the opinion of the directors the ultimate controlling party of the company is JL Beckwith.