

Pacific Asset Management LLP
Annual Report and Unaudited Financial Statements
for the year ended 31 March 2022

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Pacific Asset Management LLP
Financial Statements
for the year ended 31 March 2022

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Pacific Asset Management LLP

Members' Report

for the year ended 31 March 2022

The members present their report and the unaudited financial statements of Pacific Asset Management LLP ("the LLP") for the for the year ended 31 March 2022.

Principal activities

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

Results for the period

The profit for the period was £1,263,821 (2021: £805,738).

Designated members

The designated members who served the LLP during the period were as follows:

MC Johnson
James Davidson
PAM Asset Management Holdings Limited

Key performance indicators ("KPIs")

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

Principal risks and uncertainties

From the perspective of the LLP, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the Pacific Investments Limited group, which include those of the LLP, are discussed within the "Principal risks and uncertainties" paragraph in the directors' report in the consolidated financial statements of Pacific Investments Limited, which do not form part of this report.

Liquidity and interest rate risk

The LLP has access to the Pacific Investments Limited group loan facility. This is sufficient for current and planned future operations. Interest rate exposure is not considered a risk given the nature of its interest-bearing assets and liabilities. The directors will revisit the appropriateness of this policy should the LLP's operations change in size or nature.

Policy regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. Members' capital is only repaid to outgoing members in accordance with the provision in the Members' Deed. The capital is replaced by capital contributions from existing or new members, and as such it is accounted for as equity in accordance with FRS 102.

Pacific Asset Management LLP

Members' Report

for the year ended 31 March 2022

Members' responsibilities statement

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships requires the members to prepare financial statements for each financial period. Under that law the members 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 as applied to limited liability partnerships the members 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 LLP and the profit or loss of the LLP for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit Exemption

For the period ended 31 March 2022 the LLP was entitled to exemption from audit under section 479A of the Companies Act 2006, as applied to The Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012, relating to subsidiary companies.

This report was approved by the members on 20th December 2022 and signed on behalf of the members by:



James Davidson
Designated Member

Registered office:
1 Portland Place
London
W1B 1PN

Pacific Asset Management LLP
Statement of Comprehensive Income
for the year ended 31 March 2022

	Note	Year to 31 Mar 22 £	Year to 31 Mar 21 £
Share of profits/(losses) in group partnerships	5	1,263,821	805,738
Increase in provisions	6	-	(3,133,000)
Profit/(Loss) for the financial year before members' remuneration		1,263,821	(2,327,262)

All the activities of the limited liability partnership are from continuing operations.

Pacific Asset Management LLP

Statement of Financial Position

as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Investments in subsidiary undertakings	6	5,446,500	4,987,782
Other Debtors	7	1,445,000	-
Net Assets		<u>6,891,500</u>	<u>4,987,782</u>
Members' other interests			
Members' capital classified as equity		5,984,006	4,539,017
Other reserves		<u>(203,711)</u>	<u>(152,442)</u>
		<u>5,780,295</u>	<u>4,386,575</u>
Total members' interests			
Amounts due to members		1,111,205	601,207
Members' other interests		<u>5,780,295</u>	<u>4,386,575</u>
		<u>6,891,500</u>	<u>4,987,782</u>

For the period ended 31 March 2022 the LLP was entitled to exemption from audit under section 479a of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the members and authorised for issue on 20th December 2022, and are signed on their behalf by:



James Davidson
Designated Member

Company registration number: OC421757

Pacific Asset Management LLP

Reconciliation of Members' Interests

for the year ended 31 March 2022

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total Members' Interests
	Members' capital (classified as equity) £	Other Reserves £	Other Reserves £	Total £	31 Mar 22 £
Balance at 1 April 2021	4,539,017	(152,442)	601,207	601,207	4,987,782
Profit for the financial period available for discretionary division among members	-	-	1,263,821	1,263,821	1,263,821
Members' interest after profit for the period	4,539,017	(152,442)	1,865,028	1,865,028	6,251,603
Professional fees incurred as part of acquisition	-	(51,269)	-	-	(51,269)
Consideration for part disposal of subsidiary	2,640,000	-	-	-	2,640,000
Distribution of proceeds from part disposal of subsidiary	(1,195,011)	-	-	-	(1,195,011)
Drawings	-	-	(753,823)	(753,823)	(753,823)
Balance at 31 March 2022	5,984,006	(203,711)	1,111,205	1,111,205	6,891,500

Members' capital is classified as equity where the LLP has unconditional right to refuse repayment of capital. Amounts due to members classified as a liability would rank equally with unsecured creditors in the event of a winding up of the LLP.

Pacific Asset Management LLP

Reconciliation of Members' Interests

for the year ended 31 March 2021

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total Members' Interests
	Members' capital (classified as equity) £	Other Reserves £	Total £	Reserves £	31 Mar 21 £
Balance at 1 April 2020	3,798,880	-	3,798,880	-	3,798,880
Profit for the financial period available for discretionary division among members	-	(3,133,000)	(3,133,000)	805,738	(2,327,262)
Members' interest after profit for the period	3,798,880	(3,133,000)	665,880	805,738	1,471,618
Merger reserve on acquisition of subsidiary	-	2,980,558	2,980,558	-	2,980,558
Capital introduced by members	740,137	-	740,137	-	740,137
Drawings	-	-	-	(204,531)	(204,531)
Balance at 31 March 2021	4,539,017	(152,442)	4,386,575	601,207	4,987,782

Members' capital is classified as equity where the LLP has unconditional right to refuse repayment of capital. Amounts due to members classified as a liability would rank equally with unsecured creditors in the event of a winding up of the LLP.

The notes on pages 7 to 10 form part of these financial statements.

Pacific Asset Management LLP

Notes to the Financial Statements

for the year ended 31 March 2022

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', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in July 2014 (SORP 2014).

2. General information

Pacific Asset Management LLP (OC421757) is a limited liability partnership incorporated in England and Wales. The address and registered office is 1 Portland Place, London, W1B 1PN. The nature of the LLP's operations are set out in the Members' Report on Page 1.

3. Accounting policies

Basis of preparation

The limited liability partnership is a subsidiary of the Pacific Investments Limited group of companies and is included in the consolidated financial statements of Pacific Investments Limited, which are publicly available.

The functional currency of the limited liability partnership is considered to be pounds sterling as this is the currency of the primary environment in which the limited liability partnership operates.

Going concern

The financial statements have been prepared on a going concern basis which assumes the continued support of the parent company. The members have received a letter from the parent company, Pacific Investments Management Limited, confirming its support for a period of at least one year from the date of approval of these financial statements.

Disclosure exemptions

The limited liability partnership has taken advantage of the following exemptions available under FRS 102:

- The exemption from preparing a Statement of Cash Flows; and
- The exemption from disclosing key management personnel compensation

Members' participation rights

Members' remuneration

Profits attributable to members are automatically determined, allocated and divided between members during the year and as such are classified as member's remuneration charged as an expense. To the extent that these profits remain unpaid at the year end, they are shown as loans and other debts due to members in the Statement of Financial Position.

Losses shall be allocated to all members' pro rata, up to a limited to the amount of (i) firstly, each members' capital account; and (ii) secondly, each members' regulatory capital retention account.

Pacific Asset Management LLP

Notes to the Financial Statements

for the year ended 31 March 2022

3. Accounting policies (continued)

Members' capital

Members' capital is only repaid to outgoing members in accordance with the provision in the Members' Deed. The capital is replaced by capital contributions from existing or new members, and as such it is accounted for as equity in accordance with FRS 102.

Financial instruments

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 LLP are recorded at the proceeds received, net of direct issue costs.

4. Key sources of estimation uncertainty and judgements

The preparation of the financial statements in conformity with the generally accepted accounting practices requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period.

(i) Recovery of amounts due from members

Management have reviewed amounts due from members at 31 March 2022 and consider the historical and future performance of the LLP to support recoverability of these balances in full.

5. Share of losses in group partnerships

	Year to 31 Mar 22	Year to 31 Mar 21
	£	£
Share of profits in Pacific Asset Management Services LLP	1,263,821	805,738

Pacific Asset Management LLP

Notes to the Financial Statements

for the year ended 31 March 2022

6. Investments in subsidiary undertakings

	Shares £	Partnership Capital £	Loans £	Total £
Cost				
At 1 April 2021	3,133,001	1,724,422	3,263,359	8,120,782
Additions	–	183,718	275,000	458,718
Cost at 31 March 2022	3,133,001	1,908,140	3,538,359	8,579,500
Provision for diminution in value				
At 1 April 2021	(3,113,000)	–	–	(3,113,000)
Additions	–	–	–	–
Provision at 31 March 2022	(3,133,000)	–	–	(3,133,000)
Net Book Value				
At 31 March 2022	1	1,908,140	3,538,359	5,446,500
At 31 March 2021	1	1,724,422	3,263,359	4,987,782

Loans to subsidiaries represent long term funding and are considered equity in nature. Repayment will not be demanded until alternative external funding is achieved, either via refinancing, flotation, trade sale or similar.

Unless stated otherwise, the registered office address for all the entities list below is 124 Sloane Street, London, SW1X 9BW.

Name of Undertaking	Principal Activity	Shares	Effective Interest	Country of Incorporation
Pacific Asset Management Services LLP (previously known as dVAM LLP) (1)	Fund Management	n/a	85%	England & Wales
Pacific Wealth Management Limited	Investment holding Co	Ordinary	100%	England & Wales
Parallel Investment Management Ltd	Discretionary Fund Manager	Ordinary	100%	England & Wales

(1) Registered office address: 1 Portland Place, London, W1B 1PN

Pacific Asset Management LLP

Notes to the Financial Statements

for the year ended 31 March 2022

7. Other Debtors

	Year to 31 Mar 22	Year to 31 Mar 21
	£	£
Deferred Consideration on part disposal of subsidiary	1,445,000	-

8. Related party transactions

During the period the LLP introduced capital to Pacific Asset Management Services LLP, a subsidiary, and was allocated profits. The net amount of these transactions was an increase in the cost of investment of £183,718 (2021: £2,652). At 31 March 2022, the LLP had a capital balance of £1,908,140 (2021: £1,724,422) which has been included in 'Investments in subsidiary undertakings'.

During the period, PAM Asset Management Holdings Limited, a member of the LLP, introduced capital to the LLP and was allocated profits. The net amount of these transactions was an increase to the capital account of £710,505 (2021: £216,486) and an increase to the amounts due to members (for profit allocated) of £442,256 (2021: £322,799). At 31 March 2022, PAM Asset Management Holdings Limited had a capital balance of £4,396,220 (2021: £3,685,715) which has been included in 'Members capital classified as equity' and a profit owed of £765,055 which has been included in amounts due to members.

During the period, M C Johnson, a member of the LLP and a director of the ultimate parent company Pacific Investments Limited, introduced capital to the LLP and was allocated profits. The net amount of these transactions was an increase to the capital account of £145,801 (2021: decrease of £7,562) and an increase to the amounts due to members (for profit allocated) of £35,866 (2021: £29,457). At 31 March 2022, M C Johnson had a capital balance of £285,562 (2020: £147,323) which has been included in 'Members capital classified as equity' and a profit owed of £65,323 which has been included in amounts due to members.

During the period, S D Roberts, a member of the LLP and a director of the ultimate parent company Pacific Investments Limited, introduced capital to the LLP and was allocated profits. The net amount of these transactions was an increase to the capital account of £21,386 (2021: decrease of £1,008) and an increase to the amounts due to members (for profit allocated) of £5,292 (2021: £4,376). At 31 March 2022, S D Roberts had a capital balance of £63,218 (2021: £41,832) which has been included in 'Members capital classified as equity' and a profit owed of £9,668 (2021: £4,376) which has been included in amounts due to members.

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

9. Controlling party

At 31 March 2022 the immediate controlling party was PAM Asset Management Holdings Limited, a company registered in England and Wales.

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

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