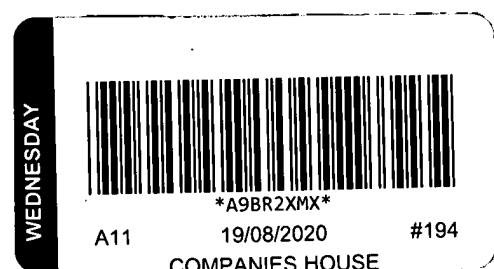

PARALLEL INVESTMENT MANAGEMENT LTD

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020



PARALLEL INVESTMENT MANAGEMENT LTD

COMPANY INFORMATION

Directors	MH Jones (resigned 9 June 2020) GC McArdle (resigned 31 May 2020) JS Grant IT Fowler RJ Armstrong M Nish (resigned 9 June 2020) A Thompson (resigned 9 June 2020) J Davidson (appointed 9 June 2020) MCW Lamb (appointed 9 June 2020)
Company secretary	M Winfield (resigned 9 June 2020)
Registered number	02996795
Registered office	124 Sloane Street London SW1X 9BW
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA

PARALLEL INVESTMENT MANAGEMENT LTD

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PARALLEL INVESTMENT MANAGEMENT LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Activity in the year

During the year the company acted as a discretionary fund manager.

Post balance sheet event

On 9 June 2020 the entire share capital of Parallel Investment Management Limited was acquired by Pacific Wealth Management Limited and the registered office was changed to 124 Sloane Street, London, SW1X 9BW.

Directors

The directors who served during the year were:

MH Jones (resigned 9 June 2020)
GC McArdle (resigned 31 May 2020)
JS Grant
IT Fowler
RJ Armstrong
M Nish (resigned 9 June 2020)
A Thompson (resigned 9 June 2020)

PARALLEL INVESTMENT MANAGEMENT LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Qualifying third party indemnity provisions

In accordance with the requirements of section 234 of the Companies Act 2006, qualifying third party indemnity provisions are in force for the benefit of the directors of the Company.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board and signed on its behalf.



IT Fowler
Director

Date: 06 August 2020

PARALLEL INVESTMENT MANAGEMENT LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL INVESTMENT MANAGEMENT LTD

Opinion

We have audited the financial statements of Parallel Investment Management Ltd (the 'company') for the year ended 31 March 2020 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity and the notes to the financial statements, including a summary of 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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Emphasis of matter - impact of COVID-19

We draw attention to note 2.3 of the financial statements, which describes the impact of COVID-19 on the company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

PARALLEL INVESTMENT MANAGEMENT LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL INVESTMENT MANAGEMENT LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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 company or to cease operations, or have no realistic alternative but to do so.

PARALLEL INVESTMENT MANAGEMENT LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL INVESTMENT MANAGEMENT LTD (CONTINUED)

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.

A further description of our responsibilities for the audit of the financial statements is located 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 company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.



Nigel Hardy (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditors

Portwall Place
Portwall Lane
Bristol

BS1 6NA

Date: 7 August 2020

PARALLEL INVESTMENT MANAGEMENT LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	1,717,233	1,103,268
Employment costs		(465,349)	(303,442)
Administrative expenses		(460,948)	(489,579)
Operating profit		790,936	310,247
Interest receivable and similar income		352	476
Profit before tax		791,288	310,723
Tax on profit	8	(125,568)	(59,445)
Profit for the financial year		665,720	251,278

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 9 to 15 form part of these financial statements.

PARALLEL INVESTMENT MANAGEMENT LTD
REGISTERED NUMBER: 02996795

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	9	147,887	212,753
Cash at bank and in hand		2,164,390	1,135,680
		<u>2,312,277</u>	<u>1,348,433</u>
Creditors: amounts falling due within one year	10	(225,415)	(122,267)
Net current assets		<u>2,086,862</u>	<u>1,226,166</u>
Total assets less current liabilities		<u>2,086,862</u>	<u>1,226,166</u>
Provisions for liabilities			
Other provisions	11	(194,976)	-
		<u>(194,976)</u>	<u>-</u>
Net assets		<u><u>1,891,886</u></u>	<u><u>1,226,166</u></u>
Capital and reserves			
Called up share capital	12	83,336	83,336
Profit and loss account	13	1,808,550	1,142,830
		<u><u>1,891,886</u></u>	<u><u>1,226,166</u></u>

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

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



IT Fowler
Director

06 August 2020

The notes on pages 9 to 15 form part of these financial statements.

PARALLEL INVESTMENT MANAGEMENT LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	83,336	891,552	974,888
Profit for the year	-	251,278	251,278
At 1 April 2019	83,336	1,142,830	1,226,166
Profit for the year	-	665,720	665,720
At 31 March 2020	83,336	1,808,550	1,891,886

The notes on pages 9 to 15 form part of these financial statements.

PARALLEL INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Parallel Investment Management Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Fidelius Financial Holdings Ltd as at 31 March 2019 and these financial statements may be obtained from Companies House.

2.3 Impact of COVID-19

On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. In response to this the Directors chose to temporarily shut all offices and put into effect remote working policies. The Company has continued to operate as normal, however, revenues have been impacted by COVID-19. Due to a low cost base operated by the Company, margins have remained positive and the Directors are confident that the Company will continue to operate in a strong position for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover generally comprises management charges received for work carried out as a Discretionary Fund Manager and these are credited to the Statement of Comprehensive Income in the year in which the income is earned. Additionally, in accordance with the principles of revenue recognition, income is recognised as the right to consideration is obtained through performance of contractual obligations. Consequently a proportion of income relates to work carried out by the year end under contract but not yet received by the balance sheet date.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

PARALLEL INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting practice requires management to make significant 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 revenues and expenses during the period.

The directors do not believe the accounts include any significant judgements and estimates.

4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Discretionary fund management	<u>1,717,233</u>	<u>1,103,268</u>

Included within turnover is £604k in respect of a VAT adjustment.

PARALLEL INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Auditors' remuneration

Fees payable to the Company's auditor and its associates in respect of:

Audit of the Company's annual financial statements	9,500	3,500
All other services	4,650	-
	<u>14,150</u>	<u>3,500</u>

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Executive	2	2
Administrative	3	3
	<u>5</u>	<u>5</u>

7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	113,509	127,511
Company contributions to defined contribution pension schemes	10,904	10,690
	<u>124,413</u>	<u>138,201</u>

PARALLEL INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	125,568	59,445
	<u>125,568</u>	<u>59,445</u>
Total current tax	<u>125,568</u>	<u>59,445</u>
Taxation on profit on ordinary activities	<u>125,568</u>	<u>59,445</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>791,288</u>	<u>310,723</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	150,345	59,037
Effects of:		
Expenses not deductible for tax purposes	9,958	408
Adjustments to tax charge in respect of prior periods	(34,735)	-
Total tax charge for the year	<u>125,568</u>	<u>59,445</u>

Factors that may affect future tax charges

Finance Act 2016, which received Royal Assent on 15 September 2016, includes legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. Accordingly, any deferred tax has been calculated at the tax rate of 17%.

PARALLEL INVESTMENT MANAGEMENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Debtors

	2020 £	2019 £
Trade debtors	42,389	31,693
Amounts owed by group undertakings	32,000	100,032
Accrued income	52,273	58,177
Prepayments	21,225	22,851
	<u>147,887</u>	<u>212,753</u>

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	54,349	10,049
Amounts owed to group undertakings	13,773	-
Corporation tax	89,713	27,807
Other taxation and social security	46,603	54,776
Accruals and deferred income	20,977	29,635
	<u>225,415</u>	<u>122,267</u>

11. Provisions

	Other provision £
Charged to profit or loss	194,976
At 31 March 2020	<u>194,976</u>

Provisions relate to a taxation settlement in respect of an EBT.

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
8,333,600 (2019 - 8,333,600) Ordinary shares of £0.01 each	<u>83,336</u>	<u>83,336</u>

PARALLEL INVESTMENT MANAGEMENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13. Reserves

Profit and loss account

This reserve represents the accumulated profit or loss of the company less any dividends paid to shareholders.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £24,042 (2019 - £28,246). Contributions totalling £Nil (2019 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

15. Related party transactions

During the year the company paid £14,248 (2019: £17,208) for non-executive director services and disbursements to Geared Beta Ltd, a company owned by a director.

16. Controlling party

During the year the company was controlled by Fidelius Financial Holdings Ltd, a company registered in England and Wales. The registered office was Alexander House, James West Street, Bath, BA1 2BT.

The consolidated accounts of Fidelius Financial Holdings Ltd are available at Companies House.

There is not deemed to be an ultimate controlling party of Fidelius Financial Holdings Ltd.

On 9 June 2020 the entire share capital of Parallel Investment Management Limited was acquired by Pacific Wealth Management Limited and the registered office was changed to 124 Sloane Street, London, SW1X 9BW.