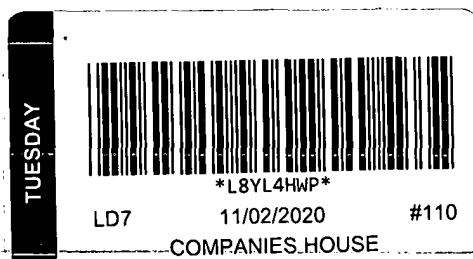


COMPANY REGISTRATION NUMBER: 11285790

**Pacific Wealth Management Limited**  
**Annual Report and Audited Financial Statements**  
**For the Period Ended 31 March 2019**  
**(Incorporated on 3 April 2018)**



# **Pacific Wealth Management Limited**

## **Financial Statements**

**for the period from 3 April 2018 to 31 March 2019**

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# **Pacific Wealth Management Limited**

## **Directors' Report**

### **for the period from 3 April 2018 to 31 March 2019**

The directors present their report and the audited financial statements of Pacific Wealth Management Limited ("the company") for the period from 3 April 2018 to 31 March 2019.

#### **Directors**

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

P H McLernon	(Appointed 3 April 2018, resigned on 14 June 2019)
S D Roberts	(Appointed 3 April 2018)
M C Johnson	(Appointed 14 June 2019)

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Other matters**

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

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

The profit for the period after taxation was £102,007.

#### **Key performance indicators ("KPIs")**

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

#### **Principal risks and uncertainties**

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

#### **Liquidity and interest rate risk**

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

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

# **Pacific Wealth Management Limited**

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

**for the period from 3 April 2018 to 31 March 2019**

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.

### **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 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 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.

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

This report was approved by the board of directors on 7 FEB 2020 and signed on behalf of the board by:



S D Roberts  
Director

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

## **Pacific Wealth Management Limited**

### **Independent Auditor's Report to the Shareholder of Pacific Wealth Management Limited**

**for the period from 3 April 2018 to 31 March 2019**

#### **Opinion**

We have audited the financial statements of Pacific Wealth Management Limited (the "company") for the period from 3 April 2018 to 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 2019 and of its profit for the period 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.

#### **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.

# **Pacific Wealth Management Limited**

## **Independent Auditor's Report to the Shareholder of Pacific Wealth Management Limited (continued)**

**for the period from 3 April 2018 to 31 March 2019**

### **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. 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 has 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.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors responsibilities statement on page **Error! Bookmark not defined.**, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and such internal controls 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.

## **Pacific Wealth Management Limited**

### **Independent Auditor's Report to the Shareholder of Pacific Wealth Management Limited (continued)**

**for the period from 3 April 2018 to 31 March 2019**

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.

#### **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](http://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 shareholder, 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 company's shareholder 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 shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.

*Nexia Smith & Williamson*

*10 February 2020*

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

**Pacific Wealth Management Limited**  
**Statement of Comprehensive Income**  
**for the period from 3 April 2018 to 31 March 2019**

	Note	Period from 3 Apr 18 to 31 Mar 19 £
Administrative expenses		(2,833)
<b>Operating loss</b>		<b>(2,833)</b>
Income from shares in group undertakings	6	285,000
Interest payable and similar charges	7	(180,160)
<b>Profit on ordinary activities before taxation</b>		<b>102,007</b>
Tax on profit on ordinary activities	8	—
<b>Profit for the financial period and total comprehensive income</b>		<b><u>102,007</u></b>

All the activities of the company are from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

# Pacific Wealth Management Limited

## Statement of Financial Position

as at 31 March 2019

	Note	31 Mar 19 £
<b>Fixed assets</b>		
Investments	9	3,991,887
<b>Creditors: amounts falling due within one year</b>	10	(2,365,370)
<b>Net current liabilities</b>		(2,365,370)
<b>Total assets less current liabilities</b>		1,626,517
<b>Creditors: amounts falling due after more than one year</b>	11	(1,524,509)
<b>Net assets</b>		102,008
<b>Capital and reserves</b>		
Called up share capital	13	1
Retained earnings	14	102,007
<b>Shareholders funds</b>		102,008

These financial statements were approved by the board of directors and authorised for issue on 7 FEB 2020 and are signed on behalf of the board by:



S D Roberts  
Director

Company registration number: 11285790

# Pacific Wealth Management Limited

## Statement of Changes in Equity

for the period from 3 April 2018 to 31 March 2019

	Called up share capital £	Retained earnings £	Total £
At 3 April 2018	—	—	—
Profit for the period	—	102,007	102,007
Total comprehensive income for the period	—	102,007	102,007
Issue of shares	1	—	1
Total investments by and distributions to owners	1	—	1
At 31 March 2019	1	102,007	102,008

The notes on pages 9 to 14 form part of these financial statements.

# **Pacific Wealth Management Limited**

## **Notes to the Financial Statements**

**for the period from 3 April 2018 to 31 March 2019**

### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **2. General information**

Pacific Wealth Management Limited (11285790) is a private company limited by shares incorporated in England and Wales. The address and registered office is 124 Sloane Street, London, SW1X 9BW. The nature of the company's operations are set out in the Directors' Report on page 1.

### **3. Accounting policies**

#### **Basis of preparation**

The company is a subsidiary of the Pacific Investments Limited group of companies and is included in the consolidated financial statements of Pacific Investments Limited, which are publicly available. The company is therefore exempt from preparing its own consolidated financial statements.

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

#### **Going concern**

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

#### **Disclosure exemptions**

The company has taken advantage of the following exemptions available under FRS 102:

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

# **Pacific Wealth Management Limited**

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

**for the period from 3 April 2018 to 31 March 2019**

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

#### **Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is possible that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between fair values of assets acquired and the future tax deductions available for them and the differences between fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Investments in subsidiaries**

Investments in subsidiary undertakings are stated at cost less any provision for permanent diminution in value. Realised gains and losses are dealt with through the Statement of Income and Retained Earnings. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the Statement of Income and Retained Earnings.

#### **Financial instruments**

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of contractual arrangements entered into and the definitions of a financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

# **Pacific Wealth Management Limited**

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

**for the period from 3 April 2018 to 31 March 2019**

### **4. Key sources of estimation uncertainty and judgements**

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

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

The carrying value of investments in subsidiaries are initially recorded at cost and subsequently measured at cost less provision for impairment. The directors have reviewed all forecast and budgetary information available to them and have deemed there to be no objective evidence that the company will not recover the full amount stated in these financial statements.

There have not been any provisions for impairment for investments in associates in the period.

### **5. Particulars of employees**

During the period the company had no employees, other than directors and paid no remuneration to directors.

### **6. Income from shares in group undertakings**

	<b>Period from 3 Apr 18 to 31 Mar 19 £</b>
Income from group undertakings	<b><u>285,000</u></b>

### **7. Interest payable and similar charges**

	<b>Period from 3 Apr 18 to 31 Mar 19 £</b>
Interest payable – unwinding of the discount in relation to deferred consideration	<b><u>180,160</u></b>

# Pacific Wealth Management Limited

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

for the period from 3 April 2018 to 31 March 2019

### 8. Tax on profit on ordinary activities

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19%.

	Period from 3 Apr 18 to 31 Mar 19 £
Profit on ordinary activities before taxation	102,007
Profit on ordinary activities by rate of tax	19,381
Effect of revenue exempt from tax	(54,150)
Unused tax losses	34,769
Tax on profit on ordinary activities	—

### 9. Investments

	Shares in group undertakings £
<b>Cost</b>	
Additions	3,991,887
At 31 March 2019	3,991,887
<b>Impairment</b>	
At 31 Mar 2019	—
<b>Carrying amount</b>	
At 31 March 2019	3,991,887

The investment in subsidiaries balance represents a 75% shareholding in JSM (Bridgwater) Limited, a holding company incorporated in England and Wales. Copies of JSM (Bridgwater) Ltd's financial statements can be obtained from Companies House.

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

	31 Mar 19 £
Deferred consideration	1,219,511
Amounts owed to undertakings in which the company has a participating interest	1,145,859
	2,365,370

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

# Pacific Wealth Management Limited

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

for the period from 3 April 2018 to 31 March 2019

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

	31 Mar 19
	£
Deferred consideration	<u>1,524,509</u>

### 12. Financial instruments

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

	31 Mar 19
	£
<b>Financial assets</b>	
Financial assets that are equity instruments measured at cost less impairment	<u>3,991,887</u>
<b>Financial liabilities</b>	
Financial liabilities measured at amortised cost	<u>(3,889,879)</u>

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

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

### 13. Called up share capital

Issued, called up and fully paid

	31 Mar 19	
	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

### 14. Reserves

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

### 15. Related party transactions

During the period, the company carried out transactions with Pacific Asset Management LLP, its immediate parent company. The total amount of these transactions was a net loan increase of £1,145,859. At 31 March 2019 the company owed Pacific Asset Management LLP £1,145,859 which is included within 'Amounts owed to group undertakings'.

## **Pacific Wealth Management Limited**

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

**for the period from 3 April 2018 to 31 March 2019**

#### **16. Controlling party**

The company's immediate parent company is Pacific Asset Management LLP, a limited liability partnership registered in England and Wales.

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

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

#### **17. Subsequent Events**

There are no material subsequent events to disclose.