COMPANY REGISTRATION NUMBER: 04384561

Pacific Investments Limited

Annual Report and Audited Financial Statements

For the Year Ended 30 June 2020

Parent company accounts for
Pacific Wealth Management Limited (11285790),
see note 30.

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Pacific Investments Limited

Financial Statements

for the year ended 30 June 2020

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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 (appointed on 15 May 2020)
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 2020

I am pleased to present the financial statements for the Pacific Investments Group ("the Group") for the year ended 30 June 2020.

Despite the coronavirus pandemic creating a very uncertain global economy in the last 6 months, the Group has had a busy year in which we have undertaken several corporate transactions whilst continuing to invest in and organically grow our existing businesses.

During the year, the Group saw a substantial increase of 56% in Revenue to £15.8m and a 35% increase in Gross Profit to £9.1m, 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:

- In June, **Pacific Asset Management** ("**PAM**") entered into a transaction with wealth management group Fidelius, with PAM disposing of its holding in the independent financial advisory firm Chartered Financial Management ("CFM") for a 12% stake in the Fidelius Group, as well as acquiring 100% of Parallel Investment Management Ltd ("Parallel") in exchange for Fidelius gaining a capital interest in PAM. Parallel is a discretionary fund management business which has brought £360m of AUM to the Group. One of the most attractive aspects of the transaction was to work closely with the Fidelius management team to create a long-term partnership.

  Since 1 July 2019, PAM has grown its total Assets Under Management across all funds to over $1.9 billion from $922m and revenue has now grown from £5.3m to £9.6m per annum.

- **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 a 9.3% growth in earnings per share in the year to 31 March 2020. Shortly before the UK went into lockdown in March 2020, the REIT raised £136m of capital from investors which increased the Net Asset Value ("NAV") to £259m. Pacific Industrial earns a management fee on the NAV which contributed £1.6m towards Group revenue in the year.

  In February 2020, part of the REIT LTIP held by Pacific Industrial was crystallised for an equity settlement of 1,809,607 shares and a cash settlement of £1.1m, generating a gain of £3.7m for the Group.

  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 £466k from the REIT.

  Post year end the REIT raised a further £92m, and has a £359.6m market capitalisation at the time of writing.

- *Following the success of Zorin finance (a related venture that now sits outside the group) which has lent* nearly £600m to property developers in the UK, the Group established **Puma Select** in the year to undertake the same strategy in the Spanish and Portuguese markets. The company lent £9.6m in the year and total loans at year end, including existing loans granted by 'proof of concept' **Puma Capital**, amount to £10.6m which have brought total revenue of £1.0m to the Group this year.

- The Group's European 'green' Logistics venture **European Logistics Real Estate Partners (ELREP)** has now started earning income on its first transaction in Schiphol, Amsterdam, with revenue of £0.6m in the year comprised of acquisition and asset management fees.

Pacific Investments Limited

Chairman's Statement

for the year ended 30 June 2020

ELREP has created a long term strategic partnership with the Dutch property developer, Delta Development, and in addition to the two sites in The Hague and Rotterdam, further opportunities in the Netherlands and Germany are in the pipeline, creating long-term value for the Group. ELREP has signed a letter of intent to sell the site in The Hague for €21.3m.

ELREP's partnership with Generali, one of Europe's largest insurance companies, has developed and two transactions are well progressed in Poland. Multiple sites, totalling 200,000 sqm, are in the pipeline across Europe to build sustainable logistics facilities, with a combined GDV of over €300m.

- Our UK **residential developments** have now entered the sales phase and have generated significant interest. The developments have accumulated completed sales totalling £10.8m and £3.9m to date in Brighton and High Wycombe respectively, and both projects are expected to be exited in the coming months.

- 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

Although this has been a challenging year amid both a global pandemic and ongoing Brexit negotiations, the Group has nonetheless performed very well by strengthening our position in diverse sectors and geographical markets.

Heading into 2021, we will 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 2020

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 17 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.

This report was approved by the board of directors on 14 December 2020 and signed on behalf of the board by:



JL Beckwith
Director

Registered office:
124 Sloane Street
London
SW1X 9BW

Pacific Investments Limited

Directors' Report *(continued)*

for the year ended 30 June 2020

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 2020.

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

Dividends

The directors do not recommend the payment of a dividend (2019: none).

Results for the year

Total comprehensive profit for the year, after taxation, minority interest and foreign currency translation, amounted to £199,185 (2019: £22,614,397).

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 *(continued)*

for the year ended 30 June 2020

Going Concern

The COVID-19 outbreak has developed rapidly in 2020 and measures taken by the UK government to contain the virus has affected economic activity. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our staff (like social distancing and working from home).

At this stage, the impact on our business and results is limited. We will continue to follow the various national policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our staff. The directors deem the company to be a going concern and COVID-19 has not impacted this.

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.

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 measure 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 14 December 2020 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 2020

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 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 group's and of the parent company's affairs as at 30 June 2020 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.

Emphasis of matter - COVID-19

We draw attention to note 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 group's or the parent 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.

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 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 where 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 5, 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.

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 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.

Nexia Smith & Williamson

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

16 December 2020

Pacific Investments Limited

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2020

	Note	2020 £	2019 £
Turnover	5	15,844,412	10,144,807
Cost of sales		(6,694,745)	(3,365,261)
Gross profit		9,149,667	6,779,546
Administrative expenses		(11,216,556)	(11,459,237)
Other operating income		1,781,503	53,885
Operating profit/(loss)	6	(285,386)	(4,625,806)
Profit on sale of investments	9	1,363,438	23,253,991
Fair value revaluation of fixed asset investments	10	4,237,457	3,077,120
Share of profit of associates	17	1,214,744	2,202,396
Income from other fixed asset investments		773,472	515,328
Other interest receivable and similar income	11	46,107	34,524
Interest payable and similar charges	12	(829,859)	(918,887)
Profit on ordinary activities before taxation		6,519,973	23,538,666
Tax on profit on ordinary activities	13	(134,854)	(84,018)
Profit on ordinary activities after taxation		6,385,119	23,454,648
Foreign currency retranslation		(93,280)	(35,881)
Total comprehensive income for the year		6,291,839	23,418,767
Total comprehensive income for the year attributable to:			
Non-controlling interest		6,092,654	804,370
Equity shareholders of the company		199,185	22,614,397
		6,291,839	23,418,767

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 (2019: £nil).

Pacific Investments Limited

Consolidated Statement of Financial Position

as at 30 June 2020

	Note		2020 £	2019 £
Fixed assets				
Intangible assets	**15**		3,125,695	4,816,677
Tangible assets	**16**		8,475,938	8,418,718
Investments	**17**		40,978,131	31,175,314
			52,579,764	44,410,709
Current assets				
Stocks	**18**	10,825,264		10,452,758
Debtors	**19,22**	15,725,380		7,538,745
Cash at bank and in hand		11,057,141		14,890,346
		37,607,785		32,881,849
Creditors: amounts falling due within one year	**20, 22**	(5,321,940)		(7,502,229)
Net current assets			32,285,845	25,379,620
Total assets less current liabilities			84,865,609	69,790,329
Creditors: amounts falling due after more than one year	**21, 22**		(29,110,082)	(18,025,102)
Net assets			55,755,527	51,765,227
Capital and reserves				
Called up share capital	**26**		6,900,000	6,900,000
Capital redemption reserve	**27**		6,600,000	6,600,000
Other reserves	**27**		2,270,613	900,000
Retained earnings	**27**		34,742,361	35,913,789
Equity attributable to the owners of the parent company			50,512,974	50,313,789
Non-controlling interest			5,242,553	1,451,438
			55,755,527	51,765,227

These financial statements were approved by the board of directors and authorised for issue on 14 December 2020 and are signed on behalf of the board by:



JL Beckwith
Director

Company registration number: 04384561

Pacific Investments Limited

Company Statement of Financial Position

as at 30 June 2020

	Note		2020 £	2019 £
Fixed assets				
Investments	17		10,050,000	10,050,000
Current assets				
Debtors	19	11,038,790		11,038,790
Net current assets			11,038,790	11,038,790
Total assets less current liabilities			21,088,790	21,088,790
Capital and reserves				
Called up share capital	26		6,900,000	6,900,000
Capital redemption reserve	27		6,600,000	6,600,000
Retained earnings	27		7,588,790	7,588,790
			21,088,790	21,088,790

These financial statements were approved by the board of directors and authorised for issue 14 December 2020 and are signed on behalf of the board by:

JL Beckwith
Director

Company registration number: 04384561

Pacific Investments Limited

Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

	Called up share capital £	Capital redemption reserve £	Other reserves £	Retained Earnings £	**Equity attributable to the owners of the parent company £**	Non-controlling interests £	**Total £**
At 1 July 2018	6,900,000	6,600,000	900,000	13,299,392	27,699,392	1,535,083	29,234,475
Profit for the year	-	-	-	22,650,278	22,650,278	804,370	23,454,648
Other comprehensive income for the year:							
Foreign currency retranslation	-	-	-	(35,881)	(35,881)	-	(35,881)
Total comprehensive income for the year	-	-	-	22,614,397	22,614,397	804,370	23,418,767
Dividends paid and payable	-	-	-	-	-	(820,767)	(820,767)
Minority interest share of equity	-	-	-	-	-	(35,856)	(35,856)
Disposal of business	-	-	-	-	-	(31,392)	(31,392)
Total investments by and distributions to owners	-	-	-	-	-	(888,015)	(888,015)
At 30 June 2019	6,900,000	6,600,000	900,000	35,913,789	50,313,789	1,451,438	51,765,227

The notes on pages 20 to 43 form part of these financial statements.

Pacific Investments Limited

Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

	Called up share capital £	Capital redemption reserve £	Other reserves £	Retained Earnings £	Equity attributable to the owners of the parent company £	Non-controlling interests £	Total £
Profit for the year	-	-	1,370,613	(1,078,148)	292,465	6,092,654	6,385,119
Other comprehensive income for the year:							
Foreign currency retranslation	-	-	-	(93,280)	(93,280)	-	(93,280)
Total comprehensive income for the year	-	-	1,370,613	(1,171,428)	199,185	6,092,654	6,291,839
Dividends paid and payable	-	-	-	-	-	(1,216,668)	(1,216,668)
Minority interest share of equity	-	-	-	-	-	245,758	245,758
Disposal of business	-	-	-	-	-	(1,330,629)	(1,330,629)
Total investments by and distributions to owners	-	-	-	-	-	(2,301,539)	(2,301,539)
At 30 June 2020	6,900,000	6,600,000	2,270,613	34,742,361	50,512,974	5,242,553	55,755,527

The notes on pages 20 to 43 form part of these financial statements.

Pacific Investments Limited

Company Statement of Changes in Equity

for the year ended 30 June 2020

	Called up share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 July 2018	6,900,000	6,600,000	7,588,790	21,088,790
Profit for the year	–	–	–	–
Total comprehensive income for the year	–	–	–	–
At 30 June 2019	6,900,000	6,600,000	7,588,790	21,088,790
Profit for the year	–	–	–	–
At 30 June 2020	6,900,000	6,600,000	7,588,790	21,088,790

The notes on pages 20 to 43 form part of these financial statements.

Pacific Investments Limited

Consolidated Statement of Cash Flows

for the year ended 30 June 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit on ordinary activities after tax	6,385,119	23,454,648
Adjustments for:		
Depreciation of tangible assets	564,347	600,113
Amortisation of intangible assets	488,979	517,355
Profit on sale of investments	(1,363,438)	(23,253,991)
Fair value revaluation of fixed asset investments	(4,237,457)	(3,077,120)
Income from other fixed asset investments	(773,472)	(515,328)
Other interest receivable and similar income	(46,107)	(34,524)
Interest payable and similar charges	829,859	918,887
Tax on profit/loss on ordinary activities	134,854	84,018
Share of associates' profit	(1,214,744)	(2,202,396)
Distributions from associates	-	1,019,085
Exchange differences and other movements	(517,464)	(5,121)
Changes in:		
Stocks	(372,506)	(129,346)
Trade and other debtors	(8,186,635)	(4,288,379)
Trade and other creditors	8,904,691	1,457,962
Cash used in operations	596,026	(5,454,137)
Interest paid	(829,859)	(528,638)
Interest received	46,107	4,006
Tax paid	(123,808)	(175,176)
Net cash used in operating activities	(311,534)	(6,153,945)
Cash flows from investing activities		
Purchase of tangible assets	(530,969)	(377,339)
Purchase of subsidiary undertakings	(1,250,000)	-
Net cash acquired with subsidiary	488,792	-
Net repayments of loans from associates	30,327	499,696
Proceeds from sale of other investments	1,102,985	12,903,648
Purchase of other investments	(2,454,628)	(331,526)
Cash disposed with subsidiary	(229,158)	-
Income from other fixed asset investments	773,472	515,328
Net cash (used in)/generated from investing activities	(2,069,179)	13,209,807

The consolidated statement of cash flows continues on the following page.

Pacific Investments Limited

Consolidated Statement of Cash Flows *(continued)*

for the year ended 30 June 2020

	Note	2020 £	2019 £
Cash flows from financing activities			
Drawdown of bank loans		68,185	84,549
Capital contribution from members of LLP		279,541	696,824
Distributions paid to minority shareholders		(1,800,218)	(802,415)
Net cash used in financing activities		(1,452,492)	(21,042)
Net (decrease)/increase in cash and cash equivalents		(3,833,205)	7,034,820
Cash and cash equivalents at beginning of year		14,890,346	7,855,526
Cash and cash equivalents at end of year		11,057,141	14,890,346

Pacific Investments Limited

Notes to the Financial Statements

for the year ended 30 June 2020

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. Of note, the directors have considered the Group's loan facility, which is due for repayment in October 2022.

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.

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 2020. 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.

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.

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.

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.

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.

5. *Turnover*

Turnover arises from:

	2020 £	2019 £
Property investment and trading	1,783,789	1,273,608
Asset management	11,348,792	5,947,864
Sport and leisure	2,711,831	2,923,335
	15,844,412	10,144,807

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

Class of business:	Turnover 2020 £	Profit/(loss) before tax 2020 £	Net assets/ (liabilities) 2020 £	Turnover 2019 £	Profit/(loss) before tax 2019 £	Net assets/ (liabilities) 2019 £
Head office	-	(1,134,527)	60,105,202	–	24,372,775	61,296,179
Property investment and trading	1,783,789	2,507,311	2,067,902	1,273,608	348,814	493,015
Asset management	11,348,792	5,151,671	4,579,223	5,947,864	(1,526,278)	843,768
Sport and leisure	2,711,831	(4,482)	(10,996,801)	2,923,335	343,355	(10,867,736)
Associates	–	–	1	–	–	1
	15,844,412	6,519,973	55,755,527	10,144,807	23,538,666	51,765,227

Geographical analysis:	Turnover 2020 £	Profit/(loss) before tax 2020 £	Net assets 2020 £	Turnover 2019 £	Profit/(loss) before tax 2019 £	Net assets 2019 £
European Union	15,835,062	6,523,938	54,819,316	10,136,494	23,483,723	50,875,610
United States of America	9,350	(3,965)	936,210	8,313	(34,296)	889,616
Asia Pacific	-	-	-	–	89,239	-
Associates:						
Asia Pacific	–	–	1	–	–	1
	15,844,412	6,519,973	55,755,527	10,144,807	23,538,666	51,765,227

5. Turnover *(continued)*

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.

6. Operating loss

Operating loss is stated after charging/(crediting):

	2020 £	2019 £
Amortisation of intangible assets	22,704	517,355
Depreciation of tangible assets	564,347	600,113
Foreign exchange differences	(593,478)	215,355
Operating lease costs - land and buildings	551,861	548,643
Auditor's remuneration	69,670	69,670

Auditor's remuneration:

	2020 £	2019 £
- Parent company	-	-
- Group	35,000	35,000
- Subsidiaries	34,670	34,670
- Non-audit fees	5,000	5,000
	74,670	74,670

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:

	2020 No.	2019 No.
Head office	20	18
Sports and leisure	67	74
Asset management	44	34
	131	126

7. Staff costs *(continued)*

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

	2020 £	2019 £
Wages and salaries	5,369,146	5,729,673
Social security costs	811,594	809,394
Pension costs	195,160	169,782
	6,375,900	6,708,849

8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2020 £	2019 £
Aggregate remuneration	1,569,426	1,205,860

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

	2020 £	2019 £
Remuneration	393,323	338,550

Further information relating to key management personnel has been disclosed in note 29.

9. Profit on sale of investments

	2020 £	2019 £
Profit on sale of investments	1,363,438	23,253,991

10. Fair value revaluation of fixed asset investments

	2020 £	2019 £
Fair value revaluation of listed investments	4,272,509	3,861,025
Fair value revaluation of unlisted investments	(35,052)	(183,905)
Write down of fixed asset investments	-	(600,000)
	4,237,457	3,077,120

11. *Other interest receivable and similar income*

	2020 £	2019 £
Interest on cash and cash equivalents	46,107	30,827
Interest on loans and receivables	-	3,697
	46,107	34,524

12. Interest payable and similar charges

	2020 £	2019 £
Interest on banks loans and overdrafts	650,393	670,126
Other interest payable and similar charges	179,466	248,761
	829,859	918,887

13. Tax on profit on ordinary activities

Major components of tax expense

	2020 £	2019 £
Current tax:		
UK current tax expense	107,693	70,804
Foreign current tax expense	27,161	13,214
Total tax	134,854	84,018
Tax on profit on ordinary activities	134,854	84,018

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	6,519,973	23,538,666
Profit on ordinary activities by rate of tax	1,238,795	4,472,347
Adjustments in respect of foreign tax rates	27,161	13,214
Net income and expenses (not credited)/not deductible for tax purposes	(484,569)	(4,735,357)
Share of unrecognised partnership (loss)/profit	(1,126,638)	3,157
Unrelieved tax losses carried forward net of losses utilised	480,105	330,657
Tax on profit on ordinary activities	134,854	84,018

14. 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 (2019: £nil).

15. Intangible assets

Group	Goodwill arising on acquisitions £	Other intangibles £	Total intangible assets £
Cost			
At 1 July 2019	5,111,822	239,006	5,350,828
Additions	2,911,359	1,425	2,912,784
Disposals	(5,111,822)	-	(5,111,822)
Exchange movements	-	4,772	4,772
At 30 June 2020	2,911,359	245,203	3,156,562
Amortisation			
At 1 July 2019	511,182	22,969	534,151
Charge for the year	481,772	7,207	488,979
Disposals	(992,954)	-	(992,954)
Exchange movements	-	691	691
At 30 June 2020	-	30,867	30,867
Carrying amount			
At 30 June 2020	2,911,359	214,336	3,125,695
At 30 June 2019	4,600,640	216,037	4,816,677

16. Tangible assets

Group	Leasehold property £	Office & other equipment £	Furniture, fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 July 2019	12,246,501	326,026	2,127,663	1,312,534	16,012,724
Additions	339,893	89,852	29,611	71,613	530,969
Disposals	-	(25,223)	(137,857)	-	(163,080)
Exchange adjustments	261,446	9,557	40,881	25,584	337,468
At 30 June 2020	12,847,840	400,212	2,060,298	1,409,731	16,718,081
Depreciation					
At 1 July 2019	4,932,073	261,131	1,553,372	847,430	7,594,006
Charge for the year	287,333	39,185	153,294	84,535	564,347
Disposals	-	(2,089)	(100,149)	-	(102,238)
Exchange adjustments	128,677	6,844	32,742	17,765	186,028
At 30 June 2020	5,348,083	305,071	1,639,259	949,730	8,242,143
Carrying amount					
At 30 June 2020	7,499,757	95,141	421,039	460,001	8,475,938
At 30 June 2019	7,314,428	64,895	574,291	465,104	8,418,718

Company

The company has no tangible assets.

17. Investments

Investments are analysed as follows:

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Subsidiary undertakings	–	–	10,050,000	10,050,000
Associated undertakings	615,663	714,461	–	–
Listed fixed asset investments	32,937,452	29,767,928	–	–
Other fixed asset investments	7,425,016	692,925	–	–
	40,978,131	31,175,314	10,050,000	10,050,000

Investment in subsidiaries

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

	Ordinary Shares £	Preference Shares £	Total £
At 30 June 2019 and 30 June 2020	3,450,000	6,600,000	10,050,000

Details of the Group's subsidiary undertakings as at 30 June 2020, 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

17. **Investments *(continued)***

Indirectly held:

Property investment and trading

The General Property Investment Company Limited	Dormant	Ordinary	100%	UK
		Preference	100%	UK
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
LCAD Limited	Dormant	Ordinary	100%	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	95%	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
Puma Asset Management Limited	Investment management	Ordinary	100%	UK
PAM Asset Management Holdings Limited	Holding company	Ordinary	100%	UK
Pacific Asset Management LLP	Holding company	n/a	55%	UK
dVAM LLP	Fund management	n/a	95%	UK
Parallel Investment Management Ltd	Fund management	Ordinary	100%	UK
Pacific Wealth Management Limited	Holding company	Ordinary	100%	UK
London and Continental LLP	Third party marketing	n/a	50%	UK
Pacific Industrial LLP	Fund management	n/a	70%	UK
European Logistics Real Estate Partners LLP	Investment management	n/a	58%	UK
ELREP Malta 1B Ltd (3)	Investment management	Ordinary	89%	Malta

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

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

17. 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
		Preference	97.5%	Australia
Sydney X-Ray Pty Limited (4)	Dormant	Ordinary	71.3%	Australia

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

Sports, leisure and media				
Pacific Leisure, Entertainment & Media Limited	Holding company	Ordinary	100%	UK
OLV 2 Limited	Dormant	Ordinary	100%	UK
Olveston Limited	Holding company	Ordinary	100%	UK
Futbol City Holdings UK Limited	Holding company	Ordinary	80%	UK
Futbol City 5 SA (5)	Leisure centre operator	Ordinary	80%	Spain
Clube VII Exploraceo de Health Sociedade Unipressoal 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

17. Investments *(continued)*

Investments in associates

Investments in associated undertakings areh analysed as follows:

	2020 £	2019 £
Unlisted ordinary shares at cost	724,437	524,900
Share of post-acquisition retained losses	(108,995)	(40,524)
Equity interests in associates	615,442	484,376
Loans to associates	221	230,085
Investment in associates	615,663	714,461

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

	Unlisted ordinary shares at cost £	Share of reserves £	Total £
Net book value at 1 Jul 2019	524,900	(40,524)	484,376
Additions	199,537	-	199,537
Share of associate profit	-	(68,471)	(68,471)
Net book value at 30 Jun 2020	724,437	(108,995)	615,442

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

	2020 £	2019 £
Fixed assets	2,263,092	1,715,591
Current assets	29,757	50,832
Liabilities due within one year	(1,677,407)	(1,282,047)
Liabilities after more than one year	-	-
	615,442	484,376

17. Investments *(continued)*

Details of associated undertakings are given below:

Name	Nature of business	Class of shares held	Accounting date	Percentage held	Place of incorp-oration
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

Listed fixed asset investments

Listed fixed asset investments are analysed as follows:

	2020 £	2019 £
Value at start of period	29,767,928	11,331,081
Additions	-	36,960,492
Disposals	(1,102,985)	(22,384,670)
Revaluations	4,272,509	3,861,025
Value at end of period	32,937,452	29,767,928

Other fixed asset investments

Other fixed asset investments are analysed as follows:

	Fair value £
At 1 July 2019	692,925
Additions	6,855,090
Revaluations in year	(35,052)
Disposals	(87,947)
At 30 June 2020	7,425,016

18. Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Property held for sale	10,801,368	10,425,714	–	–
Stock	23,896	27,044	–	–
	10,825,264	10,452,758	–	–

19. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	949,927	432,052	–	–
Amounts owed by group undertakings	–	–	11,038,790	11,038,790
Prepayments and accrued income	1,428,135	769,690	–	–
Amounts due from related parties	10,288	5,562	–	–
Other debtors	13,337,030	6,331,441	–	–
	15,725,380	7,538,745	11,038,790	11,038,790

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

20. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	525,610	714,340	–	–
Accruals and deferred income	1,382,681	1,812,678	–	–
Corporation tax	107,568	110,633	–	–
Social security and other taxes	200,974	224,523	–	–
Obligations under finance leases and hire purchase contracts	213,082	206,317	–	–
Related party and other creditors	2,892,025	4,433,738	–	–
	5,321,940	7,502,229	–	–

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	12,689,314	12,685,698	–	–
Obligations under finance leases and hire purchase contracts	1,197,992	1,305,263	–	–
Other creditors	3,002,749	4,034,141	–	–
Financing loans	12,220,027	-		
	29,110,082	18,025,102	–	–

Included within 'Bank loans' is corporate cross-guarantee to Lloyds Bank plc with a balance at 30 June 2020 of £10,000,000 (2019: £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 2020 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.

22. Net Debt

	At 1 July 2019	Cash flows	Net acquired/ disposed of	Other changes	At 30 June 2020
	£	£	£	£	£
Cash at bank and in hand	14,890,346	(3,833,205)		-	11,057,141
Debt due within one year	(7,502,229)	2,295,007	(114,718)	-	(5,321,940)
Debt due after one year	(18,025,102)	1,135,047		(12,220,027)	(29,110,082)
Current assets	17,991,503	(1,038,288)	24,240	9,573,189	26,550,644
Total	7,354,518	(1,441,439)	(90,478)	(2,646,838)	3,175,763

23. 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 2020 amount to £41.9 million (2019: £37.8 million) which would give rise to an equivalent deferred tax asset of £8.0 million (2019: £7.2 million) assuming corporation tax rates remain at 19%.

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

24. Finance leases and hire purchase contracts

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	213,082	206,317	–	–
Later than 1 year and not later than 5 years	1,197,992	1,305,263	–	–
	1,411,074	1,511,580	–	–

25. Financial instruments

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

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	40,362,468	30,460,853
Financial assets that are debt instruments measured at amortised cost	14,297,245	6,769,055
Financial assets measured at cost less impairment	615,663	751,012
Financial liabilities		
Financial liabilities measured at amortised cost	(34,123,480)	(25,527,331)

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.

26. Called up share capital

Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000
A Preference shares of £0.88 each	5,000,000	4,400,000	5,000,000	4,400,000
B Preference shares of £0.88 each	4,000,000	3,520,000	4,000,000	3,520,000
B Ordinary shares of £1 each	3,450,000	3,450,000	3,450,000	3,450,000
	16,450,000	15,370,000	16,450,000	15,370,000

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	3,450,000	3,450,000	3,450,000	3,450,000
B Ordinary shares of £1 each	3,450,000	3,450,000	3,450,000	3,450,000
	6,900,000	6,900,000	6,900,000	6,900,000

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

27. 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 Fidelius Group.

28. Business combinations

On 30 June 2018 the group acquired control of Parallel Investment Management Limited through acquiring 100% of the share capital in exchange for non-cash consideration for an interest in a partnership agreement. Parallel Investment Management Limited is an asset manager based in Bath. The goodwill of £2,911,357 arising from the acquisition is attributable to the acquired customer base and economies of scale expected from combining the operations into the group.

The goodwill arising on acquisition will be amortised over a period of between 10 years, which reflects the strength of the customer list.

The table below sets out the fair values to the Group in respect of this acquisition.

	Book value £	Revaluation adjustments £	Fair value to Group £
Intangible Assets*	-	2,911,359	2,911,359
Cash	488,792	-	488,792
Other Debtors	117,306	-	117,306
Other Creditors	(384,457)	-	(384,457)
	221,641	2,911,359	3,133,000

*customers lists with a fair value of £2,911,357 were identified on acquisition.

29. Operating leases

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

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Not later than 1 year	551,861	551,861	–	–
Later than 1 year and not later than 5 years	2,207,444	2,207,444	–	–
Later than 5 years	970,901	1,137,562	–	–
	3,730,206	3,896,867	–	–

30. 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, Pacific Leisure, Entertainment & Media Limited, Beckwith Capital Investment Limited, Pacific Strategic Limited, The General Property Investment Company Limited, Pacific Healthcare Limited, Red River Capital Limited and Pacific Capital Partners Limited. As security, the bank holds a debenture comprising fixed and floating charges over the assets of the company. At 30 June 2020, total borrowings against which this cross-guarantee applied were £10.0 million (2019: £10.0 million).

30. Guarantees *(continued)*

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 2020
Futbol City Holdings UK Limited	30 June 2020
Keyrock Capital Limited	30 June 2020
Mortar Capital Limited	30 June 2020
Old Mortar Capital Limited	30 June 2020
Pacific Leisure, Entertainment & Media Limited	*30 June 2020*
Puma Asset Management Limited	30 June 2020
Puma Capital Limited	30 June 2020
Puma Capital Holdings Limited	30 June 2020
PAM Asset Management Holdings Limited	31 March 2020
Pacific Wealth Management Limited	31 March 2020
European Logistics Real Estate Partners LLP	31 March 2020
London and Continental Partners LLP	31 March 2020
Pacific Industrial LLP	31 March 2020
Pacific Asset Management LLP	31 March 2020

31. 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 £1,569,426 (2019: £1,205,860).

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 £7,792 (2019: £3,361). At 30 June 2020 Old Mortar Capital Limited owed HollyB Limited £80,467 (2019: £88,259) 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 £7,792 (2019: £3,361). At 30 June 2020 Old Mortar Capital Limited owed Old Malt House Developments Limited £80,467 (2019: £88,259) 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 £15,634 (2019: £6,721). At 30 June 2020 Old Mortar Capital Limited owed HJB Capital Limited £160,884 (2019: £176,518) which is included within 'Other creditors'.

31. Related party transactions *(continued)*

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 £31,216 (2019: £13,525). At 30 June 2020 Old Mortar Capital Limited owed SPB Capital Limited £321,738 (2019: £352,954) 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 £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 £1,390,711.

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

32. Controlling party

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

33. Post balance sheet events

Between July and September 2020, Puma Select Limited deployed a total of £11,097,967 of loans to Spanish developers.

Between July and October 2020, Puma Capital Holdings Ltd subscribed to total of £677,749 of loan notes.