

HERMES PACIFIC INVESTMENTS PLC

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2015

HERMES PACIFIC INVESTMENTS PLC

COMPANY INFORMATION

Directors	Haresh Kanabar	<i>Non-Executive Chairman</i>
	John Morton	<i>Non-Executive Director</i>
	John Berry	<i>Non-Executive Director</i>

Company secretary	Haresh Kanabar
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Registered Office	22 Great James Street London WC1N 3ES
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Company number	05239281
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Nominated adviser and Broker	W H Ireland Limited 4 Colston Avenue Bristol BS1 4ST
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Auditors	BSG Valentine Chartered Accountants Lynton House 7-12 Tavistock Square London WC1H 9BQ
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Solicitors	Charles Russell LLP 5 Fleet Place London EC4M 7RD
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Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
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HERMES PACIFIC INVESTMENTS PLC

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HERMES PACIFIC INVESTMENTS PLC

CHAIRMAN'S STATEMENT

I am pleased to report the results of Hermes Pacific Investments Plc ("HPAC" or the "Company") for the 12-month period ended 31 March 2015. During the year, the Company had no revenues as it does not have any operating business and the Company made a loss of £115,000, which has been reduced from a recorded loss of £117,000 during the previous financial year. We have continued to focus on our cost base and aim to keep it low particularly whilst we are in the process of looking for suitable investments. At the year-end the Company had net assets of £4,117,000.

Review of the Company's Operations

The Company is an investing company and has made some investments in line with its investing policy in companies involved in financial activities within the emerging market sector. Our principal focus is in the Far East as we believe that there are good growth opportunities in that part of the world. These investments have performed in line with our expectations. We are in a strong position from a Balance Sheet perspective and our cash balance as at 31 March 2015 stands at £4,008 million. We continue to evaluate other suitable opportunities in emerging markets and with our strong Balance Sheet expect to make further investments in the near future. Our total comprehensive loss for the year was £101,000 compared to a loss of £183,000 for the previous financial year.

Emerging markets are becoming increasingly attractive for foreign direct investment and do offer cost-effective investment opportunities for businesses that are persistent and willing to take a long-term view. These markets are expected to continue to increase its spending over the coming years. The economies in the Far East have shown increasing resilience and this region has been an engine of global economic growth whilst the developed markets have been in some distress. Most emerging markets are expected to continue to enjoy growth rates that are far superior to that of developed markets. Political events in these countries have to date not significantly affected appetite for investment.

Outlook

We remain in a strong position to take advantage of suitable investment opportunities as they arise and look forward to the future with confidence.



Haresh Kanabar
Chairman

17 September 2015

HERMES PACIFIC INVESTMENTS PLC

STRATEGIC REPORT

Key performance indicators

The directors consider that the key financial performance indicators are:

	2015	2014
Loss per share from continuing operations	(4.9)p	(5)p
Share price at 31 March	87.50p	152.50p
Cash at bank	£4.01m	£4.13m

Non-financial key performance indicators are not considered to be material to managing the financial performance and position of the Group.

Current position and outlook

The Company currently has sufficient cash resources. The Company will continue to review its operating costs and will seek to make additional investments in line with its investing policy.

Principal risks and uncertainties

There are a number of risks and uncertainties which could have an impact on the Company's long term performance and cause actual results to differ materially from expected and historical results. The directors seek to identify material risks and put in place policies and procedures to mitigate any exposure.

Reliance on management

Under the revised strategy and in common with many smaller companies, the development and success of the Company depends on its current and future senior management team and the ability to recruit and retain high quality and experienced staff. The loss of key personnel and the inability to attract additional qualified personnel as the Company grows could have an adverse effect on the Company's business, financial condition and trading results. The Company does not have "Key Man" life insurance policies covering any of its directors, managers and employees.

Additional capital and dilution

The Company may require additional capital for its future expansion and/or business development which means that the Company may need to raise additional capital from equity or debt sources to fund such expansion or development. If the Company is unable to obtain financing on terms acceptable to it then it may be forced to curtail its activities in terms of planned development.

Signed on behalf of the directors



Haresh Kanabar
Director

Approved by the directors on 17 September 2015

HERMES PACIFIC INVESTMENTS PLC

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities and review of the business

The Company is an AIM listed investment vehicle.

Results and dividends

The results for the period are set out on page 8.

The directors do not recommend the payment of a dividend for the year. No dividends were paid during the year.

Directors

During the year to 31 March 2015 the directors of the Company were as follows:

Haresh Kanabar
John Morton
John Berry

Substantial shareholdings

Interests in the share capital of the Company as at September 2014 were as follows:

	Number of shares	Percentage holding
Limerock Registrars Limited	665,000	28.50
Hermes Group Assets Limited	672,500	28.82
Marglaw Secretarial Services Limited	665,000	28.50
Primrose Energy SA	222,500	9.54

Creditor payment policy

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, providing that all trading terms and conditions have been complied with. The creditor days for the period were 101 (2014: 111).

Financial Instruments

The Company's financial risk management objectives and policies are discussed in note 14 to the financial statements.

Corporate Governance

The Board is accountable to the Company's shareholders for good corporate governance and has adopted procedures it considers appropriate, having regard to the size and best interests of the Company.

The Board currently comprises three non-executive directors. The Company holds regular Board meetings throughout the year. The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and senior personnel appointments.

The Directors have adopted a policy for dealings in the Company's securities by directors and applicable employees which conforms to the requirements of the AIM Rules. The Company is responsible for taking all reasonable steps to ensure compliance by Directors and applicable employees with the policy for dealings and the AIM Rules.

HERMES PACIFIC INVESTMENTS PLC

DIRECTORS' REPORT

Disclosure of Information to the Auditors

In the case of each person who was a director of the company at the date when this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

The auditors BSG Valentine have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

On behalf of the board



Haresh Kanabar
Director

17 September 2015

HERMES PACIFIC INVESTMENTS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, the directors are also required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance;
- state that the company has complied with IFRSs, 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 proper accounting records that 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 and Article 4 of the IAS Regulation. 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.

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has chosen to set out the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in its strategic report, which can be found on page 2.

HERMES PACIFIC INVESTMENTS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HERMES PACIFIC INVESTMENTS PLC

We have audited the financial statements of Hermes Pacific Investments Plc for the year ended 31 March 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity, and the related notes. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of Directors' responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the parent company's affairs as at 31 March 2015 and of the loss for the year then ended;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 financial statements are not in agreement with the accounting records and returns; or

HERMES PACIFIC INVESTMENTS PLC

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF HERMES PACIFIC INVESTMENTS PLC**

- 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.

A handwritten signature in black ink, appearing to read "BSG Valentine". The signature is written in a cursive, flowing style.

Daniel Burke (Senior Statutory Auditor)
for and on behalf of BSG Valentine
Chartered Accountants and Statutory Auditors
London, United Kingdom

17 September 2015

HERMES PACIFIC INVESTMENTS PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Continuing operations			
Revenue		-	-
Cost of sales		-	-
		<u>-</u>	<u>-</u>
Gross profit		-	-
Other operating income		-	-
Administrative expenses	3	(130)	(131)
		<u>(130)</u>	<u>(131)</u>
Operating loss		(130)	(131)
Finance income		15	14
Finance costs		-	-
		<u>15</u>	<u>14</u>
Loss on ordinary activities before tax		(115)	(117)
Tax expense	7	-	-
		<u>-</u>	<u>-</u>
Loss for the year from continuing activities		(115)	(117)
Discontinued operations			
Loss for the year from discontinued operations		-	-
		<u>-</u>	<u>-</u>
Loss for the year		(115)	(117)
Other comprehensive income			
Available-for-sale financial assets:			
Gains/(losses) arising in the year		14	(66)
		<u>14</u>	<u>(66)</u>
Total comprehensive loss for the year		<u>(101)</u>	<u>(183)</u>
Basic and diluted loss per share			
From continuing operations	8	(4.9)p	(5)p
From discontinuing operations	8	-	-
		<u>(4.9)p</u>	<u>(5)p</u>

HERMES PACIFIC INVESTMENTS PLC**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	Notes	As at 31 March 2015 £'000	As at 31 March 2014 £'000
ASSETS			
Non-current assets			
Investments	9	144	129
		<u>144</u>	<u>129</u>
Current assets			
Trade and other receivables	11	1	1
Cash and cash equivalents	10	4,008	4,127
		<u>4,009</u>	<u>4,128</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	(36)	(40)
		<u>(36)</u>	<u>(40)</u>
Net current assets		<u>3,973</u>	<u>4,088</u>
NET ASSETS		<u>4,117</u>	<u>4,218</u>
SHAREHOLDERS' EQUITY			
Issued share capital	13	3,576	3,576
Share premium account		5,781	5,781
Share based payments reserve		139	139
Revaluation reserve		(29)	(43)
Retained earnings		(5,350)	(5,235)
TOTAL EQUITY		<u>4,117</u>	<u>4,218</u>

The financial statements were approved and authorised for issue by the board of directors on 17 September 2015 and signed on its behalf by:


Haresh Kanabar
Director

Company number: 05239281

HERMES PACIFIC INVESTMENTS PLC**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Cash flows from operating activities	15	(134)	(104)
Cash flows from investing activities			
Acquisition of investments		-	-
Income from disposal of subsidiary undertakings		-	-
Net cash (used in)/from investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Proceeds of share issues		-	4,160
Other income		15	14
Cost of share issue		-	-
Net cash from financing activities		<u>15</u>	<u>4,174</u>
(Decrease)/increase in cash and cash equivalents		(119)	4,070
Cash and cash equivalents at start of period	10	<u>4,127</u>	<u>57</u>
Cash and cash equivalents at end of period	10	<u><u>4,008</u></u>	<u><u>4,127</u></u>

HERMES PACIFIC INVESTMENTS PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Ordinary share capital £'000	Deferred share capital £'000	Share premium £'000	Share based payments reserve £'000	Retained earnings £'000	Revaluation reserve £'000	Total £'000
At 1 April 2013	253	1,243	3,701	139	(5,118)	23	241
Share re-organisation	-	-	-	-	-	-	-
Share issue	2,080	-	2,080	-	-	-	4,160
Total comprehensive loss for the period	-	-	-	-	(117)	(66)	(183)
At 1 April 2014	2,333	1,243	5,781	139	(5,235)	(43)	4,218
Share re-organisation	-	-	-	-	-	-	-
Share issue	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(115)	14	(101)
At 31 March 2015	2,333	1,243	5,781	139	(5,350)	(29)	4,117

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. General information

Hermes Pacific Investments Plc is a company incorporated in the United Kingdom under the Companies Act 2006. The nature of the company's operations and its principal activities are set out in the Directors' Report on page 3.

Statement of compliance

The financial statements comply with International Financial Reporting Standards as adopted by the European Union. At the date of approval of these financial statements, the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective (and in some cases had not been adopted by the EU):

		Effective for accounting periods beginning on or after:
IFRS 9	Financial Instruments – Classification and measurement of financial assets and liabilities	1 January 2013 (Not EU –adopted)
IFRS 14	Regulatory Deferral Accounts	1 January 2016 (Not EU –adopted)
IFRS 15	Revenue from Contracts with Customers	1 January 2017 (Not EU –adopted)

The Directors have considered these new standards and interpretations and do not expect them to have a material impact on the Group.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Going concern

The financial statements have been prepared on a going concern basis as, after making appropriate enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements.

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the company's accounting policies with respect to the carrying amounts of assets and liabilities at the date of the financial statements, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting year. The judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions. Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

The judgements, estimates and assumptions which are of most significance to the company are detailed below:

Valuation of share based payments

The charge for share based payments is calculated in accordance with the accounting policy as set out below. The model requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yield and risk-free interest rates.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is included in intangible assets and is tested annually for impairment or when there is an indication of impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Revenue recognition

Revenue represents the fair value of the consideration received or receivable, net of Value Added Tax, for goods sold and services provided to customers after deducting discounts. Revenue is recognised when the significant risks and rewards of ownership are transferred.

Deferred taxation

Deferred taxation is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Share based payments

The Company operates an employee share scheme under which it makes equity-settled share based payments to certain employees. For share based payments to employees of the Company, the fair value is determined at the date of grant using a Black Scholes model, and is expensed on a straight line basis together with a corresponding increase in equity over the vesting period, based on the group's estimate of the number of shares that will vest.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid funds with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities on the balance sheet.

Investments available for sale

Investments classified as available for sale are initially recorded at fair value including transaction costs. Quoted investments are held at fair value and measured either at bid price or latest traded price, depending on convention of the exchange on which the investment is quoted. Such instruments are subsequently measured at fair value with gains and losses being recognised directly in equity until the instrument is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is recycled to the income statement and recognised in profit or loss for the period. Impairment losses are recognised in the Income Statement when there is objective evidence of impairment.

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are measured at cost less any provision necessary when there is objective evidence that the company will not be able to collect all amounts due.

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Trade and other payables

Trade and other payables are not interest bearing and are measured at original invoice amount.

3. Operating loss

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
The operating loss is stated after charging the following, included in administrative expenses:		
Staff costs	65	59
Other admin costs	65	72
	<u>130</u>	<u>131</u>
	<u><u>130</u></u>	<u><u>131</u></u>

4. Auditors' remuneration

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Audit fees:		
- statutory audit of the accounts	15	15
- statutory audit of the company's subsidiaries	-	-
	<u>15</u>	<u>15</u>
	<u><u>15</u></u>	<u><u>15</u></u>

5. Directors' emoluments

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Emoluments for qualifying services	65	59
	<u>65</u>	<u>59</u>
	<u><u>65</u></u>	<u><u>59</u></u>

The above includes amounts paid to the highest paid director as follows:-

Emoluments for qualifying services	29	24
	<u>29</u>	<u>24</u>
	<u><u>29</u></u>	<u><u>24</u></u>

No directors exercised share options during the year (2014: nil)

HERMES PACIFIC INVESTMENTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

6. Employees and staff costs

The average number of employees was as follows:

	Year ended 31 March 2015 No.	Year ended 31 March 2014 No.
Management	1	1
	<u>1</u>	<u>1</u>

Staff costs for the above employees were as follows:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Wages and salaries	65	59
	<u>65</u>	<u>59</u>

7. Taxation

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Continuing operations:		
Current tax charge	-	-
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Current tax credit	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the period		
Loss from continuing operations before taxation	(115)	(117)
Loss from continuing operations before taxation multiplied by standard rate of corporation tax of 21% (2014: 23%)	(24)	(27)
Effects of:		
Temporary timing differences	-	-
Non deductible expenses	-	-
Depreciation in excess of capital allowances	-	-
Unutilised tax losses	24	27
	<u>-</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

The Group has approximately £3.4m (2014: £3.3m) of trading losses to carry forward and offset against future trading profits

HERMES PACIFIC INVESTMENTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

8. Loss per share

	Year ended 31 March 2015	Year ended 31 March 2014
Basic		
Loss from continuing activities (£'000)	(115)	(117)
	<u>(115)</u>	<u>(117)</u>
Number of shares	2,333,295	2,333,295
	<u>2,333,295</u>	<u>2,333,295</u>
Basic loss per share (p)		
From continuing operations	(4.9)p	(5)p
	<u>(4.9)p</u>	<u>(5)p</u>

There was no dilutive effect from the share options outstanding during the year.

9. Investments

	Investments £'000
Cost	
Brought forward	129
Revaluation	15
	<u>144</u>
At 31 March 2014	<u>144</u>

10. Cash and cash equivalents

	2015 £'000	2014 £'000
Cash at bank and in hand	4,008	4,127
	<u>4,008</u>	<u>4,127</u>

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	2015 £'000	2014 £'000
Cash and cash equivalents	4,008	4,127
	<u>4,008</u>	<u>4,127</u>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

11. Trade and other receivables	2015 £'000	2014 £'000
Other receivables	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

12. Trade and other payables	2015 £'000	2014 £'000
Trade payables	12	16
Accruals and deferred income	24	24
	<u>36</u>	<u>40</u>
	<u><u>36</u></u>	<u><u>40</u></u>

13. Share capital	2015 £'000	2014 £'000
Issued and fully paid		
2,333,295 ordinary shares of 100p each	2,333	2,333
13,079,850 deferred shares of 9.5p each	1,243	1,243
	<u>3,576</u>	<u>3,576</u>
	<u><u>3,576</u></u>	<u><u>3,576</u></u>

All ordinary shares rank equally in respect of shareholders' rights.

As at 31 March 2013 the authorised share capital were 700,000,000 ordinary shares of 0.5p and 200,000,000 deferred shares of 9.5p.

On 11 July 2013, 416,000,000 ordinary shares were issued for cash at 1p each.

At a General Meeting held on 9 September 2013, the shareholders approved a sub-division of the shares, whereby for every 200 ordinary shares held, one ordinary share of 100p each was given.

As at 31 March 2015 and 31 March 2014 the authorised share capital were 3,500,000 ordinary shares of 100p and 200,000,000 deferred shares of 9.5p.

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

14. Financial Instruments

Financial risk management

The company's activities expose the company to a number of risks including credit risk, interest rate risk and liquidity risk. The Board manages these risks through a risk management programme. The fair value of the company's assets and liabilities at 31 March 2015 are not materially different from their book value.

Financial assets	2015 £'000	2014 £'000
Loan and receivables:		
Trade and other receivables	1	1
Cash and cash equivalents	4,008	4,127
	<u>4,009</u>	<u>4,128</u>
At fair value through profit and loss		
	2015	2014
Financial liabilities at amortised cost	£'000	£'000
Trade and other payables	36	40
	<u>36</u>	<u>40</u>

Credit risk

The company monitors credit risk on an on-going basis and manages risk by concentrating on trading and placing bank deposits with reliable counterparties. The company has no significant concentration of credit risk associated with trading counterparties. Credit risk predominantly arises from cash and cash equivalents.

Interest rate risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at a variable rate. The financial liabilities in the current year are all non-interest bearing. The company has not entered into derivatives transactions and has not traded in financial instruments during the period under review. The entire company's debt is non-interest bearing there would be no effect on the company if interest rates changed.

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. All cash and cash equivalents are immediately accessible. All of the company's financial assets are recoverable within the next six months.

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The maturity dates of the company's financial liabilities are shown below and are based on the period outstanding at the balance sheet date up to the contractual maturity date.

	Less than 6 months £'000	Between 6 months and 1 year £'000	Between 1 and 5 years £'000	Total £'000
2015				
Financial Assets				
Variable interest rate instruments	4,008	-	-	4,008
Non-interest bearing	-	1	-	1
	<u>4,008</u>	<u>1</u>	<u>-</u>	<u>4,009</u>
Financial Liabilities				
Non-interest bearing	36	-	-	36
	<u>36</u>	<u>-</u>	<u>-</u>	<u>36</u>
2014				
Financial Assets				
Variable interest rate instruments	4,127	-	-	4,127
Non-interest bearing	-	1	-	1
	<u>4,127</u>	<u>1</u>	<u>-</u>	<u>4,128</u>
Financial Liabilities				
Non-interest bearing	40	-	-	40
	<u>40</u>	<u>-</u>	<u>-</u>	<u>40</u>

15. Cash flows from operating activities

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Loss on ordinary activities before tax	(130)	(131)
Depreciation of property, plant and equipment	-	-
Operating cash flows before movements in working capital	<u>(130)</u>	<u>(131)</u>
Decrease in trade and other receivables	-	12
(Decrease)/increase in trade and other payables	(4)	15
Cash flows from operating activities	<u>(134)</u>	<u>(104)</u>

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16. Related party transactions

Key Management Personnel and Director Transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial and operating policies of these entities.

A number of these entities transacted with the company during the year. The terms and conditions of these transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions related to key management personnel and entities over which they have control or significant influence was £64,800 (2014: £58,800).

During the year, the company used the services of Poonam & Roshni Limited totalling £28,800 (2014: £24,300). H Kanabar is a director of both companies. £1,800 (2014: £3,900) was outstanding at the year end.

During the year the company used the services of John Berry Associates Limited totalling £18,000 (2014: £18,000). J Berry is a director of both companies. £1,500 (2014: £1,500) was outstanding at the year end.

During the year the company used the services of Thirty Acre Stables totalling £18,000 (2014: £18,000). J Morton is a director of both companies. No balance was outstanding at the year end (2014: nil).