

HERMES PACIFIC INVESTMENTS PLC
(formerly Indian Restaurants Group PLC)

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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
Registered Office	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
Company number	05239281
Nominated adviser and Broker	W H Ireland Limited 4 Colston Avenue Bristol BS1 4ST
Auditors	Welbeck Associates 31 Harley Street London W1G 9QS
Solicitors	Charles Russell LLP 5 Fleet Place London EC4M 7RD
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

HERMES PACIFIC INVESTMENTS PLC

CONTENTS

	Page
Chairman's Statement	1
Directors' Report	4
Statement of Directors' Responsibilities	7
Independent Auditors' Report	8
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated Cash Flow Statement	13
Company Cash Flow Statement	14
Statements of Changes in Equity	15
Notes to the Financial Statements	16

HERMES PACIFIC INVESTMENTS PLC

CHAIRMAN'S STATEMENT

I am pleased to report the results of Hermes Pacific Investments Plc ("HPAC" or the "Company"), formerly Indian Restaurants Group Plc ("IRG"), following a change of name on 20 August 2012, for the 12 month period ended 31 March 2012.

Review of the Company's Operations

It has been a year of great change for the Company which has seen the Company dispose of its trading business and became an investing company. On 18 July 2011, the Company announced that it had entered into a conditional agreement to dispose of Chandan Limited ("Chandan"), through which directly or indirectly all of the Company's restaurant related business operated, to Swadha Limited (the "Sale"). The total consideration for the Sale was £250,000 of which £150,000 was paid on completion with the balance of £100,000 to be paid in 78 equal weekly installments ("Deferred Consideration"). To date, the Company has received £38,490 of the Deferred Consideration. As a term of the Sale and Purchase Agreement, the Company agreed to capitalise intercompany loans to the Chandan Group amounting to, in aggregate, £610,000.

In view of the size and the fundamental nature of the disposal of Chandan by the Company, it was a requirement of the AIM Rules for Companies ("AIM Rules") that the Sale be approved by shareholders of the Company ("Shareholders") at a general meeting of the Company. The Sale completed on 1 September 2011 following approval from Shareholders at a General Meeting of the Company on 26 August 2011 (the "2011 General Meeting"), at which time the Company became an investing company under the AIM Rules. An investing policy was also approved at the 2011 General Meeting. The investing policy was to acquire either minority interests or controlling stakes, either through the issue of securities or for cash, in quoted and non-quoted companies operating in the finance sector.

Since the Sale completed, the Company has attempted to maintain a low cost base whilst its directors endeavoured to raise further funds and began considering suitable investment opportunities and alternative sources of income for the Company.

Under the AIM Rules, the Company was required to make an acquisition or acquisitions which constitute a reverse takeover or otherwise to implement its investing policy to the satisfaction of the London Stock Exchange before 1 September 2012, being the anniversary of the Sale. On 27 July 2012, the Company was pleased to announce that it had raised new equity finance via a subscription, appointed three new members to the board of the Company and adopted a new investing policy focussing on investments in South East Asia. On 23 August 2012, the Company made its first investments under its new investment policy and made further investments on 31 August 2012, all in the financial services sector ("the Investments"). Following the Investments, the Company received confirmation that its investing policy had been implemented.

Financial Review

For the year under review, the Company recorded revenues of £0.9 million, all relating to the Chandan business disposed of during the year. The loss attributable to continued operations was £0.2 million. At the year end, the Company reported net assets of £0.04 million.

Subscription

On 27 July 2012, the Company announced that it completed a share subscription raising £320,000 (approximately £300,000 net of expenses) through the issue of 32,000,000 new ordinary shares of 0.5p each ("Ordinary Shares"), at a subscription price of 1p per new Ordinary Share ("Subscription

HERMES PACIFIC INVESTMENTS PLC

CHAIRMAN'S STATEMENT

Shares"). The net proceeds of the Subscription enabled the Company to implement its new Investing Policy approved by the Shareholders at the General Meeting held on 20 August 2012 (the "2012 General Meeting"), satisfy existing creditors and provide the Company with general working capital.

Investing Policy

The directors will be seeking re-approval of, inter alia, the investing policy as set out below at the annual general meeting of shareholders, which is to be held on 25 October 2012. The investing policy has not changed from that approved by shareholders at the 2012 General Meeting:

The proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition of an equity interest; may be in companies, partnerships, joint ventures; or direct interests in projects in South East Asia including, but not limited to, investments in the financial sector. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.

The Company will identify and assess potential investment targets and where it believes further investigation is required and subject to assessment of potential risk, intends to appoint appropriately qualified advisers to assist.

The Company proposes to carry out a project review process in which all material aspects of any potential investment will be subject to due diligence, as considered appropriate by the Board. It is likely that the Company's financial resources will be invested in a small number of projects or potentially in just one investment which may be deemed to be a reverse takeover under the AIM Rules.

Where this is the case, it is intended to mitigate risk by undertaking an appropriate due diligence process. Any transaction constituting a reverse takeover under the AIM Rules will require Shareholder approval. The possibility of building a broader portfolio of investment assets has not, however, been excluded.

The Company intends to deliver shareholder returns principally through capital growth rather than capital distribution via dividends. Given the nature of the Company's Investment Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value.

Appointment of Directors

On 27 July 2012, the board was strengthened by the appointment of two new non-executive directors, John Berry and John Morton, both of whom took part in the Subscription. It is envisaged that these new Directors will assist the Company in reviewing and assessing potential investments which will enable the Company to generate value for shareholders.

On 17 September 2012 it was announced that Alfredo Villa and Matt Wood resigned as non-executive directors.

Change of Name

At the 2012 General Meeting, the Shareholders approved the Company's change of name from Indian Restaurants Company plc to Hermes Pacific Investments plc to reflect the South East Asian focus of the Company's newly adopted Investing Policy.

HERMES PACIFIC INVESTMENTS PLC

CHAIRMAN'S STATEMENT

Investments

During August 2012, the Company took minority equity stakes in three quoted companies with exposure to South East Asia. £71,952 was invested in Deutsche Forfait AG, which is listed on the Deutsche Börse and is involved in trade finance with a focus on emerging markets, including South East Asia, £49,023 was invested in DBS Bank Limited (“DBS”) and £49,853 in Overseas Chinese Banking Corporation Limited (“OCBC”). Both DBS and OCBC are listed on the Singapore Stock Exchange and involved in the banking industry in South East Asia. All investments were made at market price.

Outlook

Following the significant changes in the year under review and those post year end, I am looking forward to assessing further investments in line with our Investing Policy. The board will continue to review potential investments and may undertake fundraisings in the future to facilitate such potential investments. I would like to thank our Shareholders for their continued support.

Haresh Kanabar

Chairman

27 September 2012

HERMES PACIFIC INVESTMENTS PLC

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2012.

Principal activities and review of the business

The Company is an AIM listed investment vehicle.

Key performance indicators

The directors consider that the key financial performance indicators are:

	2012	2011
Loss per share from continuing operations	(1.1)p	(9.6)p
Share price at 31 March	2.0p	2.0p
Cash at bank	£0.04m	£0.09m

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 limited cash resources following the investments made in August 2012. The Company will continue to review its operating costs and may seek to raise additional funds in the future to allow it to further implement its investment policy and generate returns for Shareholders.

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.

Results and dividends

The results for the period are set out on page 10.

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

Post balance sheet events

On 27 July 2012, the Company announced that it had completed a share subscription raising £320,000 through the issue of 32,000,000 new Ordinary Shares at 1p per share. The net proceeds of the Subscription enabled the Company to satisfy existing creditors, provided the Company with general working capital and enabled it to implement its new Investment Policy approved by the Shareholders at the 2012 General Meeting.

HERMES PACIFIC INVESTMENTS PLC

DIRECTORS' REPORT

At the 2012 General Meeting, the Shareholders approved the Company's change of name from Indian Restaurants Group plc to Hermes Pacific Investments plc to reflect the South East Asian focus of the Company's newly adopted investment policy. On 23 August 2012, the Company made its first investments under its new investment policy and made further investments on 31 August 2012, all in the financial services sector.

Directors

During the year to 31 March 2012 the directors of the Company were as follows:

Haresh Kanabar
Alfredo Villa
Amit Pau (resigned 14 April 2011)
Kuldeep Singh (resigned 14 April 2011)
Ashraf Rahman (resigned 14 April 2011)

Directors Appointments/Resignations

The following changes to the board occurred post the year end.

Matt Wood (appointed 27 July 2012) (resigned 14 September 2012)
John Morton (appointed 27 July 2012)
John Berry (appointed 27 July 2012)
Alfredo Villa (resigned 14 September 2012)

Substantial shareholdings

Interests in the share capital of the Company as at September 2012 were as follows:

	Number of shares	Percentage holding
Hermes Company Limited	14,000,000	27.64
Audley Registrars Limited	7,500,000	14.80
Marglaw Secretarial Services Limited	6,500,000	12.83

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 90 (2011: 65).

Financial Instruments

The Company's financial risk management objectives and policies are discussed in note 22 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

HERMES PACIFIC INVESTMENTS PLC

DIRECTORS' REPORT

reasonable steps to ensure compliance by Directors and applicable employees with the policy for dealings and the AIM Rules.

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 Welbeck Associates 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

27 September 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 are required to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the Group and Parent Company financial statements, under International Accounting Standard 1, the directors are 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; 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.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

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 2012 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity, and the related notes. The financial reporting framework that has been applied in the preparation of the group and parent company 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 7, 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 group's and of the parent company's affairs as at 31 March 2012 and of the group's loss for the year then ended;
- the group and 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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

HERMES PACIFIC INVESTMENTS PLC

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

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 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.

Jonathan Bradley Hoare (Senior statutory auditor)
for and on behalf of Welbeck Associates
Chartered Accountants and Statutory Auditor
London, United Kingdom

27 September 2012

HERMES PACIFIC INVESTMENTS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2012

	Note	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Continuing operations			
Revenue	3	-	3,598
Cost of sales		-	(810)
		<u>-</u>	<u>2,788</u>
Gross profit			
Other operating income		-	10
Administrative expenses	4	(196)	(4,417)
		<u>(196)</u>	<u>(1,619)</u>
Operating loss			
Finance income	7	-	3
Finance costs	7	-	(1)
		<u>(196)</u>	<u>(1,617)</u>
Loss on ordinary activities before tax			
Tax expense	10	-	-
		<u>(196)</u>	<u>(1,617)</u>
Loss for the year from continuing activities			
Discontinued operations			
Loss for the year from discontinued operations	11	(19)	-
		<u>(215)</u>	<u>(1,617)</u>
Loss for the year			
		<u><u>(215)</u></u>	<u><u>(1,617)</u></u>
Basic and diluted loss per share			
From continuing operations	12	(1.1)p	(9.6)p
From discontinuing operations	12	(0.1)p	-
		<u>(1.2)p</u>	<u>(9.6)p</u>
		<u><u>(1.2)p</u></u>	<u><u>(9.6)p</u></u>

HERMES PACIFIC INVESTMENTS PLC**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2012**

	Notes	As at 31 March 2012 £'000	As at 31 March 2011 £'000
ASSETS			
Non-current assets			
Goodwill	13	-	475
Property, plant and equipment	14	-	292
		<u>-</u>	<u>767</u>
Current assets			
Inventories	17	-	20
Trade and other receivables	18	61	295
Cash and cash equivalents	16	39	142
		<u>100</u>	<u>457</u>
LIABILITIES			
Current liabilities			
Trade and other payables	19	(58)	(755)
Financial liabilities - borrowings	20	-	(123)
		<u>(58)</u>	<u>(878)</u>
Net current (liabilities)/assets		<u>42</u>	<u>(421)</u>
Non-current liabilities			
Financial liabilities - borrowings	20	-	(89)
NET ASSETS		<u>42</u>	<u>257</u>
SHAREHOLDERS' EQUITY			
Issued share capital	21	1,336	1,336
Share premium account		3,563	3,563
Share based payments reserve		139	139
Retained earnings		(4,996)	(4,781)
TOTAL EQUITY		<u>42</u>	<u>257</u>

The financial statements were approved and authorised for issue by the board of directors on 27 September 2012 and signed on its behalf by:

Haresh Kanabar
Director

John Morton
Director

Company number: 05239281

HERMES PACIFIC INVESTMENTS PLC

COMPANY BALANCE SHEET AS AT 31 MARCH 2012

	Notes	As at 31 March 2012 £'000	As at 31 March 2011 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	-	2
		<hr/>	<hr/>
		-	2
Current assets			
Trade and other receivables	18	61	305
Cash and cash equivalents	16	39	88
		<hr/>	<hr/>
		100	393
LIABILITIES			
Current liabilities			
Trade and other payables	19	(58)	(139)
		<hr/>	<hr/>
		(58)	(139)
		<hr/>	<hr/>
Net current assets		42	254
		<hr/>	<hr/>
NET ASSETS		42	256
		<hr/>	<hr/>
SHAREHOLDERS' EQUITY			
Issued share capital	21	1,336	1,336
Share premium account		3,563	3,563
Share based payments reserve		139	139
Retained earnings		(4,996)	(4,782)
		<hr/>	<hr/>
TOTAL EQUITY		42	256
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the board of directors on 27 September 2012 and signed on its behalf by:

Haresh Kanabar
Director

John Morton
Director

Company number: 05239281

HERMES PACIFIC INVESTMENTS PLC**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Net cash flow from operating activities	23	(151)	(443)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(13)
Disposal/acquisition of subsidiaries, including overdraft		250	-
Interest received		-	3
		<hr/>	<hr/>
Net cash used in investing activities – continuing operations		250	(10)
Net cash used in investing activities – discontinued operations		(53)	-
		<hr/>	<hr/>
Net cash used in investing activities		197	(10)
Cash flows from financing activities			
Proceeds of share issues		-	140
Repayment of bank loans and finance leases		-	(100)
Interest paid		-	(1)
		<hr/>	<hr/>
Net cash from/(used in) financing activities – continuing operations		-	39
Net cash used in financing activities – discontinued activities		(141)	-
		<hr/>	<hr/>
Net cash from/(used in) financing activities		(141)	39
Decrease in cash and cash equivalents		(95)	(414)
Cash and cash equivalents at start of period	15	134	548
		<hr/>	<hr/>
Cash and cash equivalents at end of period	15	39	134
		<hr/> <hr/>	<hr/> <hr/>

HERMES PACIFIC INVESTMENTS PLC

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	Note	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Cash flows from operating activities	23	(309)	(630)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(4)
Income from disposal of subsidiary undertakings		260	(66)
Interest received		-	3
Net cash (used in)/from investing activities		<u>260</u>	<u>(67)</u>
Cash flows from financing activities			
Proceeds of share issues		-	140
Net cash from financing activities		<u>-</u>	<u>140</u>
Decrease in cash and cash equivalents		(49)	(557)
Cash and cash equivalents at start of period	15	88	645
Cash and cash equivalents at end of period	15	<u>39</u>	<u>88</u>

HERMES PACIFIC INVESTMENTS PLC

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012**

CONSOLIDATED

	Ordinary share capital £'000	Deferred share capital £'000	Share premium £'000	Share based payments reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2009	1,308	-	3,451	139	(3,164)	1,734
Share re-organisation	(1,243)	1,243	-	-	-	-
Share issue	28	-	112	-	-	140
Total comprehensive loss for the period	-	-	-	-	(1,617)	(1,617)
At 1 April 2011	93	1,243	3,563	139	(4,781)	257
Share re-organisation	-	-	-	-	-	-
Share issue	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(215)	(215)
At 31 March 2012	93	1,243	3,563	139	(4,996)	42

COMPANY

	Ordinary share capital £'000	Deferred share capital £'000	Share premium £'000	Share based payments reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2009	1,308	-	3,451	139	(2,882)	2,016
Share re-organisation	(1,243)	1,243	-	-	-	-
Share issue	28	-	112	-	-	140
Total comprehensive loss for the period	-	-	-	-	(1,900)	(1,900)
At 1 April 2011	93	1,243	3,563	139	(4,782)	256
Share re-organisation	-	-	-	-	-	-
Share issue	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(214)	(214)
At 31 March 2012	93	1,243	3,563	139	(4,996)	42

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. General information

Hermes Pacific Investments Plc is a company incorporated in the United Kingdom under the Companies Act 2006. The nature of the Group's operations and its principal activities are set out in the Directors' Report on page 4.

Statement of compliance

The financial statements comply with International Financial Reporting Standards as adopted by the European Union. At the date of authorisation 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 7 (amended)	Financial Instruments: Disclosures - Risk exposures relating to the transfers of Financial Assets and netting arrangements	1 July 2011
IFRS 9	Financial Instruments – Classification and measurement of financial assets and liabilities	1 January 2013
IFRS 10	Consolidated Financial Statements – Identification of the concept of control of an entity and the requirement to include in consolidated accounts	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
IAS 19 (revised)	Employee Benefits	1 January 2013
IAS 27 (revised)	Separate Financial Statements	1 January 2013
IAS 28 (revised)	Investments in Associates and Joint Ventures	1 January 2013
IAS32(amended)	Financial Instruments: Presentation	1 January 2014

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

2. Accounting policies

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

Going concern

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company made up to 31 March 2012. The excess of cost of acquisition over the fair values of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired is recognised directly in the income statement.

Business combinations

The Group adopts the purchase method in accounting for the acquisition of subsidiaries. On acquisition the cost is measured at the fair value of the assets given, plus equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the acquisition. The assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the date of acquisition. Any excess of the fair value of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill.

Any deficiency of the fair value of the consideration below the fair value of identifiable net assets acquired is credited to the income statement in the period of the acquisition.

The results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. Inter-company transactions and balances between group companies are eliminated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

2. Accounting policies (continued)

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 Group'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 ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

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

Goodwill

The Group tests goodwill for impairment on an annual basis or more frequently if there are indications that the amount may be impaired. The impairment analysis for such assets is principally based upon discounted estimated future cash flows based on value in use calculations. Such an analysis includes an estimation of the future anticipated results and cash flows, annual growth rates and the appropriate discount rates.

Valuation of share based payments

The charge for share based payments is calculated in accordance with the methodology described in note 21. 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.

Segmental Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group's primary reporting format is by business segment and its secondary format is by geographical segment.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The charge for depreciation is calculated to write down the cost of tangible fixed assets to their estimated residual values over their expected useful lives, as follows:

Leasehold premises	over the term of the lease
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

Impairment provisions are made where the carrying value of tangible fixed assets exceeds the recoverable amount.

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.

Leased assets

Expenditure on operating leases is charged to the income statement on a basis representative of the benefit derived from the asset, normally on a straight line basis over the lease period.

Where fixed assets are financed by financing arrangements which give rights approximating to ownership they are treated as if they had been purchased outright at their fair value and the corresponding commitments are shown in the balance sheet as obligations under finance leases and hire purchase contracts. Depreciation of fixed assets acquired under finance leases and hire purchase contracts is calculated to write off the attributed cost over the shorter of the lease or contract term and their estimated useful lives by equal annual instalments. The excess of the total rentals over the amount capitalised is treated as interest which is charged to the profit and loss account in proportion to the amounts outstanding under the lease and hire purchase contracts.

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.

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

2. Accounting policies (continued)

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.

Borrowing costs

All borrowing costs are recognised in the income statement for the period in which they are incurred.

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 Group 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 group will not be able to collect all amounts due.

Trade and other payables

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

Inventories

Inventories are stated at the lower of cost or net realisable value.

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

3. Segmental information

Segment information is presented in respect of the group's business segments. The primary business segments are based on the group's reporting structure. As all the Group's operations are in the UK no geographical analysis has been disclosed.

Segmental results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Restaurants	Head Office	Group
	£'000	£'000	£'000
Year ended 31 March 2012			
Revenue			
Sales to external customers	-	-	-
	<hr/>	<hr/>	<hr/>
Results			
Operating profit/(loss) before interest and tax	-	(196)	(196)
Net finance income/(expense)	-	-	-
	<hr/>	<hr/>	<hr/>
Profit/(loss) before tax	-	(196)	(196)
Taxation	-	-	-
	<hr/>	<hr/>	<hr/>
Profit/(loss) for the year from continuing activities	-	(196)	(196)
Loss for the year from discontinued operations			(19)
			<hr/>
Loss for the year			(215)
			<hr/> <hr/>
Assets and liabilities			
Segment assets	-	100	100
Segment liabilities	-	(58)	(58)
	<hr/>	<hr/>	<hr/>
Total net assets	-	(42)	42
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Other segment information			
Capital expenditure			
Property, plant & equipment	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation	-	2	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

3. Segmental information (continued)

	Restaurants £'000	Head Office £'000	Total Group £'000
18 months ended 31 March 2011			
Revenue			
Sales to external customers	3,598	-	3,598
Result			
Operating profit/(loss) before interest and tax	51	(1,670)	(1,619)
Net finance (cost) income	(1)	3	2
Loss before tax	50	(1,667)	(1,617)
Taxation	-	-	-
Loss for the year from continuing operations	50	(1,667)	(1,617)
Loss for the year from discontinued operations			-
Loss for the year			(1,617)
Assets and liabilities			
Segment assets	1,132	92	1,224
Segment liabilities	(828)	(139)	(967)
Total net assets	304	(47)	257
Other segment information			
Capital expenditure			
Property, plant & equipment	9	4	13
Depreciation	74	4	78

4. Operating loss

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
The operating loss is stated after charging the following, included in administrative expenses:		
Depreciation	2	78
Impairment of goodwill	-	998
Staff costs	75	1,845
Other admin costs	119	1,000
Operating lease rentals	-	496
	196	4,417

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

4. Operating loss (continued)

As permitted by section 408 of the Companies Act 2006 the income statement of the Parent Company is not presented as part of these financial statements. The Company made a loss for the period of £215,000 (18 months to 31 March 2011 - £1,617,000).

5. Auditors' remuneration

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Audit fees:		
- statutory audit of the Group accounts	9	6
- statutory audit of the company's subsidiaries	3	9
	<u>12</u>	<u>15</u>
	<u><u>12</u></u>	<u><u>15</u></u>

6. Other operating income

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Rent received	-	10
	<u>-</u>	<u>10</u>
	<u><u>-</u></u>	<u><u>10</u></u>

7 Finance income and costs

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Bank interest receivable	-	3
Interest payable on bank loans	-	(1)
	<u>-</u>	<u>2</u>
	<u><u>-</u></u>	<u><u>2</u></u>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

8. Directors' emoluments

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Emoluments for qualifying services	65	495
Pension contributions	5	11
	<u>70</u>	<u>506</u>
	<u><u>70</u></u>	<u><u>506</u></u>
The above includes amounts paid to the highest paid director as follows:-		
Emoluments for qualifying services	40	165
Pension contributions	-	11
	<u>40</u>	<u>176</u>
	<u><u>40</u></u>	<u><u>176</u></u>

No directors exercised share options during the year (2011: nil)

9. Employees and staff costs

The average number of employees was as follows:

	Year ended 31 March 2012 No.	18 months ended 31 March 2011 No.
Management	1	4
Restaurants	-	67
	<u>1</u>	<u>71</u>
	<u><u>1</u></u>	<u><u>71</u></u>

Staff costs for the above employees were as follows:

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Wages and salaries	65	1,771
Social security costs	5	63
Pension contributions	5	11
	<u>75</u>	<u>1,845</u>
	<u><u>75</u></u>	<u><u>1,845</u></u>

The pension contributions were made to the personal pension scheme of a director of the company.

10. Taxation

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Continuing operations:		
Current tax charge	-	-
Adjustment in respect of prior years	-	-
Current tax credit	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the period		
Loss from continuing operations before taxation	(196)	(1,617)
Loss from continuing operations before taxation multiplied by standard rate of corporation tax of 26% (2011: 28%)	(51)	(453)
Effects of:		
Temporary timing differences	-	6
Non deductible expenses	-	28
Depreciation in excess of capital allowances	-	10
Unutilised tax losses	51	130
Impairment of goodwill	-	279
Current tax charge	<u>-</u>	<u>-</u>

The Group has approximately £4.2m (2011: £4.0m) of trading losses to carry forward and offset against future trading profits.

11. Discontinued operations

Discontinued operations relate to Chandan Limited and Rice & Spice Limited which were sold on 1 September 2011.

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Revenue	869	-
Expenses	(843)	-
Profit before taxation	<u>26</u>	<u>-</u>
Income tax expense	-	-
Profit from discontinued operations for the year	<u>26</u>	<u>-</u>
Impairment of goodwill	-	-
Loss on disposal of investment	(45)	-
(Loss)/profit from discontinued operations	<u>(19)</u>	<u>-</u>

11. Discontinued operations (continued)

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Cash flows from discontinued operations included in the consolidated cash flow statements are as follows:

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Net cash flow from operating activities	104	-
Net cash flow from investing activities	(9)	-
Net cash flow from financing activities	(141)	-
Total cash flows	<u>(46)</u>	<u>-</u>

The major classes of assets and liabilities comprising operations that were disposed of on 1 September 2011 were as follows:

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Goodwill	475	-
Property, plant and equipment	269	-
Inventories	19	-
Trade and other receivables	219	-
Bank and cash	54	-
Total assets classified as held for sale	<u>1,036</u>	<u>-</u>
Trade and other payables	(688)	-
Bank overdrafts and loans	(53)	-
Net assets of disposal group	<u>295</u>	<u>-</u>
Consideration	(250)	-
Loss on disposal	<u>45</u>	<u>-</u>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

12. Loss per share

	Year ended 31 March 2012	18 months ended 31 March 2011
Basic		
Loss from continuing activities (£'000)	(196)	(1,617)
Loss from discontinued activities (£'000)	(19)	-
	<hr/>	<hr/>
	(215)	(1,617)
Number of shares	16,806,004	16,806,004
	<hr/>	<hr/>
Basic loss per share (p)		
From continuing operations	(1.1)p	(9.6)p
From discontinued operations	(0.1)p	-
	<hr/>	<hr/>
	(1.2)p	(9.6)p
	<hr/> <hr/>	<hr/> <hr/>

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

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

13. Goodwill

	2012 £'000
Cost	
At 1 April 2011	2,137
Derecognised on disposal of subsidiaries	<u>(475)</u>
At 31 March 2012	1,662
	=====
Impairment	
At 1 April 2011	(1,662)
	=====
At 31 March 2012	<u>(1,662)</u>
	=====
Net book value	
At 31 March 2012	-
	=====
	=====
	2011 £'000
Cost	
At 1 October 2009	2,137
	=====
At 31 March 2011	<u>2,137</u>
	=====
Impairment	
At 1 October 2009	(664)
Impairment charge	(998)
	=====
At 31 March 2011	<u>(1,662)</u>
	=====
Net book value	
At 31 March 2011	475
	=====

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

14. Property, plant and equipment

GROUP

	Leasehold buildings £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 October 2009	359	352	7	718
Additions		13	-	13
Disposals		-	-	-
At 31 March 2011	359	365	7	731
Additions	-	-	-	-
Disposals	(359)	(353)	(7)	(719)
At 31 March 2012	-	12	-	12
Accumulated depreciation				
At 1 October 2009	168	190	3	361
Charge for the year	29	48	1	78
On disposal	-	-	-	-
At 31 March 2011	197	238	4	439
Charge for the period	-	2	-	2
On disposal	(197)	(228)	(4)	(429)
At 31 March 2012	-	12	-	12
Net book value				
At 31 March 2012	-	-	-	-
At 31 March 2011	162	127	3	292

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

14. Property, plant and equipment (continued)

COMPANY

	Fixtures & Fittings £'000
Cost	
At 1 October 2009	10
Additions	2
	<hr/>
At 31 March 2011	12
Additions	-
	<hr/>
At 31 March 2012	12
	<hr/>
Accumulated depreciation	
At 1 October 2009	6
Charge for the year	4
	<hr/>
At 31 March 2011	10
Charge for the period	2
	<hr/>
At 31 March 2012	12
	<hr/> <hr/>
Net book value	
At 31 March 2012	-
	<hr/> <hr/>
At 31 March 2011	2
	<hr/> <hr/>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

15. Investments – available for sale

COMPANY

	Subsidiary undertakings	Total
	£'000	£'000
Cost and net book value		
At 1 April 2011	-	-
Impairment of investment	-	-
	-----	-----
At 31 March 2012	-	-
	=====	=====
	Subsidiary undertakings	Total
Cost and net book value		
At 1 October 2009	880	880
Impairment of investment	(880)	(880)
	-----	-----
At 31 March 2011	-	-
	=====	=====

16. Cash and cash equivalents

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Cash at bank and in hand	39	142	39	88
	-----	-----	-----	-----
	39	142	39	88
	=====	=====	=====	=====

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

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Cash and cash equivalents	39	142	39	88
Bank overdraft	-	(8)	-	-
	-----	-----	-----	-----
	39	134	39	88
	=====	=====	=====	=====

HERMES PACIFIC INVESTMENTS PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012****17. Inventories**

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Inventories	-	20	-	-
	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>

18. Trade and other receivables

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Trade receivables	-	9	-	-
Amounts due from subsidiary undertakings	-	-	-	303
Other receivables	61	84	61	2
Prepayments and accrued income	-	202	-	-
	<u>61</u>	<u>295</u>	<u>61</u>	<u>305</u>
	<u>61</u>	<u>295</u>	<u>61</u>	<u>305</u>

Included in other receivables are amounts of nil (2011: £2,000) due after more than one year.

19. Trade and other payables

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Trade payables	53	378	53	2
Taxation and social security	-	133	-	14
Other payables	-	67	-	33
Accruals and deferred income	5	177	5	90
	<u>58</u>	<u>755</u>	<u>58</u>	<u>139</u>
	<u>58</u>	<u>755</u>	<u>58</u>	<u>139</u>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

20. Financial liabilities - borrowings

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Current:				
Bank overdrafts	-	8	-	-
Bank loans	-	104	-	-
Obligations under finance leases	-	11	-	-
	<u>-</u>	<u>123</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>123</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Non current:				
Bank loans	-	89	-	-
Obligations under finance leases	-	-	-	-
	<u>-</u>	<u>89</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>89</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The maturity date of the Group's financial liabilities is provided in note 22.

The bank loans are secured against the assets of the subsidiary undertaking to which they relate. Interest on the loans is charged at base rate plus a margin of between 1.75 per cent and 2.5 per cent per annum.

21. Share capital

Group and Company

	2012	2011
	£'000	£'000
Authorised		
200,000,000 ordinary shares of 0.5p each	1,000	1,000
200,000,000 ordinary shares of 9.5p each	19,000	19,000
	<u>20,000</u>	<u>20,000</u>
	<u><u>20,000</u></u>	<u><u>20,000</u></u>
Issued and fully paid		
18,658,844 ordinary shares of 0.5p each	93	93
13,079,850 deferred shares of 9.5p each	1,243	1,243
	<u>1,336</u>	<u>1,336</u>
	<u><u>1,336</u></u>	<u><u>1,336</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**
22. Financial Instruments**Financial risk management**

The Group's activities expose the Group 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 group's assets and liabilities at 31 March 2012 are not materially different from their book value.

	2012	2011
	£'000	£'000
Financial assets		
Group:		
Loans and receivables:		
Trade and other receivables	61	295
Cash and cash equivalents	39	142
At fair value through profit and loss	100	437
	100	437
Company:		
Loan and receivables:		
Trade and other receivables	61	2
Cash and cash equivalents	39	88
At fair value through profit and loss	100	90
	100	90
Financial liabilities at amortised cost		
	2012	2011
	£'000	£'000
Group:		
Trade and other payables	58	755
Other financial liabilities - borrowings	-	212
	58	967
	58	967
Company:		
Trade and other payables	58	139
	58	139
	58	139

Credit risk

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

Interest rate risk

The group 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 Group has not entered into derivatives transactions and has not traded in financial instruments during the period under review. All the Group's debt is non-interest bearing there would be no effect on the Group if interest rates changed.

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

22. Financial Instruments (continued)

Liquidity risk

The Group 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 Group's financial assets are recoverable within the next six months.

The maturity dates of the Group'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
2012				
Financial Assets				
Variable interest rate instruments	39	-	-	39
Non-interest bearing	-	61	-	61
	<u>39</u>	<u>61</u>	<u>-</u>	<u>100</u>
	<u><u>39</u></u>	<u><u>61</u></u>	<u><u>-</u></u>	<u><u>100</u></u>
Financial Liabilities				
Non-interest bearing	-	-	-	-
	58	-	-	58
	<u>58</u>	<u>-</u>	<u>-</u>	<u>58</u>
	<u><u>58</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>58</u></u>
2011				
Financial Assets				
Variable interest rate instruments	142	-	-	142
Non-interest bearing	-	295	-	295
	<u>142</u>	<u>295</u>	<u>-</u>	<u>437</u>
	<u><u>142</u></u>	<u><u>295</u></u>	<u><u>-</u></u>	<u><u>437</u></u>
Financial Liabilities				
Variable interest rate instruments	73	39	89	201
Non-interest bearing	755	-	-	755
Fixed interest rate instruments	5	5	1	11
	<u>833</u>	<u>44</u>	<u>90</u>	<u>967</u>
	<u><u>833</u></u>	<u><u>44</u></u>	<u><u>90</u></u>	<u><u>967</u></u>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

23. Cash flows from operating activities

GROUP

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Loss before tax – (including discontinued operations)	(215)	(1,617)
Finance income	-	(3)
Finance costs	-	1
Depreciation of property, plant and equipment	22	78
Loss on disposal of subsidiaries	45	-
Impairment of goodwill	-	998
Reverse provision for liabilities and charges	-	(25)
	<u>(148)</u>	<u>(568)</u>
Operating cash flows before movements in working capital	(148)	(568)
Decrease in inventories	2	-
Decrease in trade and other receivables	14	(77)
(Decrease)/increase in trade and other payables	(19)	202
	<u>(151)</u>	<u>(443)</u>
Cash flows from operating activities	<u>(151)</u>	<u>(443)</u>

COMPANY

	Year ended 31 March 2012 £'000	18 months ended 31 March 2011 £'000
Loss on ordinary activities before tax	(214)	(1,900)
Share based payments	-	-
Finance income	-	(3)
Depreciation of property, plant and equipment	2	4
Impairment of investment in subsidiary undertakings	-	880
Impairment of loans to subsidiary undertakings	-	351
	<u>(212)</u>	<u>(668)</u>
Operating cash flows before movements in working capital	(212)	(668)
Decrease in trade and other receivables	(16)	5
Decrease in trade and other payables	(81)	33
	<u>(309)</u>	<u>(630)</u>
Cash flows from operating activities	<u>(309)</u>	<u>(630)</u>

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

24. Related party transactions

During the period to 31 August 2011, no purchases were made from Gandhi Imbibe Limited by the Group. (2011: £27,301). The balance owed to Gandhi Imbibe Limited as at 31 August 2011 was £nil (2011: £nil). Dinesh Mody, a director of Chandan Limited and Rice & Spice Limited, has a controlling interest in this company.

During the period to 31 August 2011, the Group purchased supplies from Gandhi Oriental Foods Limited totalling £36,089 (2011: £150,095). The amount owed to Gandhi Oriental Foods Limited at 31 August 2011 was £29,094 (2011: £24,476). Dinesh Mody, a director of Chandan Limited and Rice & Spice Limited, has a controlling interest in Gandhi Oriental Foods Limited.

During the period to 31 August 2011, the Group received marketing services from SHP Marketing Solutions Limited amounting to £1,200 (2011: £7,545). No amounts were outstanding at the period end. The wife of one of the directors is a director of SHP Marketing Solutions Limited.

25. Post balance sheet events

On 27 July 2012, the Company announced that it had completed a share subscription raising £320,000 through the issue of 32,000,000 new Ordinary Shares at 1p per share. The net proceeds of the Subscription enabled the Company to satisfy existing creditors, provided the Company with general working capital and enabled it to implement its new Investment Policy approved by the Shareholders at the 2012 General Meeting. On 27 July 2012, the board was also enlarged by the appointment of three new non-executive directors, John Berry, Matt Wood and John Morton, all of whom took part in the Subscription.

At the 2012 General Meeting, the Shareholders approved the Company's change of name from Indian Restaurants Group plc to Hermes Pacific Investments plc to reflect the South East Asian focus of the Company's newly adopted investment policy. Lastly, on 23 August 2012, the Company made its first investments under its new investment policy and made further investments on 31 August 2012, all in the financial services sector.