

HERMES PACIFIC INVESTMENTS PLC
(AIM: HPAC)

Unaudited interim results for the six months ended 30 September 2014

Chairman's Statement

I am pleased to report the results of Hermes Pacific Investments Plc ("HPAC" or the "Company") for the six-month period ended 30 September 2014. During the period the Company had no revenues as it does not have any operating business. The Company has once again carefully controlled its costs. During the period it has made a loss of £53,000 compared to a loss of £56,000 in the corresponding period last year. At the period end the Company had net assets of £4,165,000 of which cash was £4,066,000.

Review of the Company's activities

The Company has previously made some investments in line with its investing policy in companies involved in trade finance for emerging countries and also other financial activities operating from the Far East region. These investments have performed satisfactorily. No further investments were made in the period.

We are continuing to seek opportunities for investing our cash in emerging markets as we believe that these markets offer better prospects than those of the developed markets and given its cash balances, it is in a strong position to take advantage of any suitable investment opportunities as and when they arise. The plunge in international crude oil prices is forcing tectonic shifts in the global economy. In otherwise turbulent times, the implications of this setback are very unpredictable. We are therefore adopting a cautious approach to making investments.

Haresh Kanabar
Chairman

22 December 2014

Contacts:

Hermes Pacific Investments plc
Haresh Kanabar, Chairman

www.hermespacificinvestments.com
+44 (0) 207 290 3340

WH Ireland Limited
Mike Coe

www.wh-ireland.co.uk
+44 (0) 117 945 3470

Unaudited Income Statement for the year ended 30 September 2014

	Note	Unaudited 6 Months ended 30 September 2014 £'000	Unaudited 6 Months ended 30 September 2013 £'000	Audited Year ended 31 March 2014 £'000
Continuing activities				
Revenue		-	-	-
Cost of sales		-	-	-
		<hr/>	<hr/>	<hr/>
Gross loss/profit				
Other operating income		-	-	-
Administrative expenses		(59)	(64)	(131)
		<hr/>	<hr/>	<hr/>
Operating loss				
		(59)	(64)	(131)
Finance income		6	8	14
Finance costs		-	-	-
		<hr/>	<hr/>	<hr/>
Loss on ordinary activities before taxation				
		(53)	(56)	(117)
Tax expense		-	-	-
		<hr/>	<hr/>	<hr/>
Loss for the period from continuing activities				
		(53)	(56)	(117)
Other comprehensive income				
Gains arising in the year		-	-	(66)
		<hr/>	<hr/>	<hr/>
Loss for the period				
		(53)	(56)	(183)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Basic and diluted loss per share				
From continuing operations	3	(2.3)p	(0.2)p	(5)
		<hr/>	<hr/>	<hr/>
		(2.3)p	(0.2)p	(5)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Unaudited Balance Sheet as at 30 September 2014

	Note	Unaudited 6 Months ended 30 September 2014 £'000	Unaudited 6 Months ended 30 September 2013 £'000	Audited Year ended 31 March 2014 £'000
Assets				
Non-current assets				
Investments		129	196	129
		<hr/> 129	<hr/> 196	<hr/> 129
Current assets				
Trade and other receivables		5	10	2
Cash and cash equivalents		4,066	4,199	4,127
		<hr/> 4,071	<hr/> 4,209	<hr/> 4,129
Total current assets		<hr/> 4,071	<hr/> 4,209	<hr/> 4,129
		<hr/> 4,200	<hr/> 4,405	<hr/> 4,258
Total assets		<hr/> 4,200	<hr/> 4,405	<hr/> 4,258
Liabilities				
Current liabilities				
Trade and other Payables		(35)	(60)	(40)
		<hr/> (60)	<hr/> (60)	<hr/> (40)
Net assets		<hr/> 4,165	<hr/> 4,345	<hr/> 4,218
Equity				
Share Capital		2,333	2,333	2,333
Deferred Share capital		1,243	1,243	1,243
Share premium account		5,781	5,780	5,781
Share Based payments reserves		139	139	139
Revaluation reserve		(43)	23	(43)
Retained losses		(5,288)	(5,173)	(5,235)
		<hr/> 4,165	<hr/> 4,345	<hr/> 4,218
Equity attributable to equity holders of the parent		<hr/> 4,165	<hr/> 4,345	<hr/> 4,218

Unaudited Statement of Changes in Equity

	Ordinary share capital £'000	Deferred share capital £'000	Share premium £'000	Share Based payments reserves £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Six months ended 30 September 2013							
At 31 March 2013	253	1,243	3,701	139	23	(5,117)	241
Share issue	2,080	-	2,080	-	-	-	4,160
Total comprehensive loss for the period	-	-	-	-	-	(56)	(56)
At 30 September 2013	2,333	1,243	5,781	139	-	(5,173)	4,345
Period ended 31 March 2014							
At 30 September 2013	2,333	1,243	5,781	139	-	(5,173)	4,345
Total comprehensive loss for the period	-	-	-	-	(66)	(61)	(127)
At 31 March 2014	2,333	1,243	5,781	139	(43)	(5,235)	4,218
Six months ended 30 September 2014							
At 31 March 2014	2,333	1,243	5,781	139	(43)	(5,235)	4,218
Total comprehensive loss for the period	-	-	-	-	-	(53)	(53)
At 30 September 2014	2,333	1,243	5,780	139	(43)	(5,288)	4,165

Unaudited Cash Flow Statement for the Year ended 30 September 2014

	Unaudited 6 Months ended 30 September 2014 £'000	Unaudited 6 Months ended 30 September 2013 £'000	Audited Year ended 31 March 2014 £'000
Note			
Cash outflow from operating activities	(67)	(26)	(104)
Net cash flow from operating activities	<u>(67)</u>	<u>(26)</u>	<u>(104)</u>
Cash flows from financing activities			
Proceeds of share issues	-	4,160	4,160
Other income	6	8	14
Net cash used in financing activities-continuing operations	<u>6</u>	<u>4,168</u>	<u>4,174</u>
Net cash from/(used in) financing activities	<u>6</u>	<u>4,168</u>	<u>4,174</u>
Decrease in cash and cash equivalents	(61)	4,142	4,070
Cash and cash equivalents at start of the period	4,127	57	57
Cash and cash equivalents at end of the period	<u>4,066</u>	<u>4,199</u>	<u>4,127</u>

Notes to the unaudited consolidated interim statement for the period ended 30 September 2014

1. Basis of preparation

Hermes Pacific Investments Plc. is a public limited company incorporated and domiciled in United Kingdom. The Company is an AIM listed investment vehicle.

These Interim accounts have been prepared using the accounting policies to be applied in the annual report and accounts for the period ending 31 March 2015. These are consistent with those included in the previously published annual report and accounts for the period ended 31 March 2014, which have been prepared in accordance with IFRS as adopted by the European Union.

The preparation of the interim statement requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The interim financial statements are unaudited and do not constitute statutory accounts as defined in section 434(3) of the Companies Act 2006.

The figures for the year ended 31 March 2014 have been extracted from the audited annual report and accounts that have been delivered to the Registrar of Companies. BSG Valentine, the company's auditors, reported on those accounts. Their report was unqualified and did not contain a statement under section 498 of that Companies Act 2006.

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 period. 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.

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

Goodwill

The company 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 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.

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.

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 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.

Trade and other payables

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

3. Loss per ordinary share

	Unaudited 6 Months ended 30 September 2014 £'000	Unaudited 6 Months ended 30 September 2013 £'000	Audited Year ended 31 March 2014 £'000
Basic			
Loss from continuing activities	(53)	(56)	(117)
Total loss	<hr/> (53)	<hr/> (56)	<hr/> (117)
Basic loss per share (pence) From continuing operations	(2.3)p	(0.2)p	(5)p
	<hr/> (2.3)p	<hr/> (0.2)p	<hr/> (5)p
	<hr/>	<hr/>	<hr/>
Weighted average number of shares	2,333,295	29,717,772	2,333,295
	<hr/>	<hr/>	<hr/>

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

4. Copies of this statement will be available on the Company's website www.hermespacificinvestments.com.