

**HERMES PACIFIC INVESTMENTS PLC**

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2022**

# HERMES PACIFIC INVESTMENTS PLC

## COMPANY INFORMATION

<b>Directors</b>	Haresh Kanabar <i>Non-Executive Chairman</i> John Morton <i>Non-Executive Director</i>
<b>Company secretary</b>	Haresh Kanabar
<b>Registered Office</b>	22 Great James Street London WC1N 3ES
<b>Company number</b>	05239281
<b>Nominated adviser and Broker</b>	W H Ireland Limited 24 Martin Lane London EC4R ODR
<b>Auditors</b>	BSG Valentine (UK) LLP Chartered Accountants and Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9BQ
<b>Solicitors</b>	Gordons 22 Great James Street London WC1N 3ES
<b>Registrars</b>	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

# 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 year ended 31 March 2022 (“Period” or “Year”). During the Year, the Company had no revenues as it does not have any operating business and the Company made a loss of £105,000, which is marginally lower than the loss of £106,000 reported for the previous financial year. We continued our focus to minimise our costs whilst we looked for opportunities to deploy our cash. At the financial year end the Company had net assets of £3,486,000 (FY21: £3,554,000). During the Period we adopted a new investment policy focused principally, but not exclusively in the property sector and we are pleased that post the Period end we identified a suitable opportunity and purchased a two-bedroom leasehold flat and a single garage in Westcliff-on-sea, Southend-on-Sea.

### Review of the Company's activities

The Company is an investing company and has previously made some investments in line with its investing policy in companies involved in financial activities within the emerging market sector. These investments have performed in line with management's expectations. We are in a good position from a balance sheet perspective and our cash balance as at 31 March 2022 stood at £3.284 million (FY21: £3.395 million). During the Year we have continued to evaluate possible suitable opportunities to deploy our cash resources but did not identify any transaction that met our criteria. However, as mentioned above, we are delighted to have completed on the purchase of a two-bedroom leasehold flat and a single garage in Westcliff-on-sea, Southend-on-Sea post the Period end. Our total comprehensive loss for the year was £68,000 compared to a loss of £55,000 for the previous financial year. There was a gain of £37,000 on investments held by the Company.

During the Period no further investments were made. A new investment policy, focused principally, but not exclusively in the property sector, was adopted by the Company following shareholder approval on 14 December 2021. Further details of the new investment policy adopted during the Period are set out below. .

### **New investing policy**

The Company's new investing policy is to invest principally, but not exclusively in the property sector within Europe and the Middle East (“New Investment Policy”). Accordingly, the New Investing Policy is as follows:-

The investments to be made by the Company may be either quoted or unquoted; in debt and/or in equity instruments, may be in companies, partnerships, joint ventures; or direct interests in property or property projects (either residential or commercial property). The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.

The Directors believe there are opportunities to invest in and acquire commercial and/or residential properties where the properties may be undervalued and/or suitable for redevelopment to enhance capital value.

The Company will identify and assess potential properties and where it believes further investigation is required, and subject to assessment of potential risk, intends to appoint appropriately qualified advisers to assist. Where further investigation is required, the Company intends to carry out a comprehensive and thorough investment review process in which all material aspects of any potential property investment will be subject to due diligence.

The Company's financial resources may be invested in a small number of properties or investments or potentially in just one investment which may be deemed to be a reverse takeover of the Company under the AIM Rules. Where this is the case, it is intended to mitigate the risk by undertaking an appropriate due diligence process. Any transaction constituting a reverse takeover under the AIM Rules would require Shareholders' approval. The possibility of building a broader portfolio of properties has not, however, been excluded. The Company may also continue to review and investigate non-property related investments as it has done to date.

## **HERMES PACIFIC INVESTMENTS PLC**

### **CHAIRMAN'S STATEMENT**

The Company's investments may take the form of equity, debt or convertible instruments. Investments may be made in all types of assets falling within the remit of the New Investing Policy and there will be no investment restrictions. Proposed investments may be made in either quoted or unquoted companies and structured as a direct acquisition, joint venture or as a direct interest in a project or property. The Directors may consider it appropriate to take an equity interest in any proposed investment which may range from a minority position to 100 per cent ownership. The Company may be either an active investor or passive investor. Where the Company is an active investor, it may seek representation on the board of investee companies.

#### **Post Period end highlights**

The Company has purchased a two-bedroom leasehold flat and a single garage in Westcliff-on-sea, Southend-on-Sea as announced on 19 May 2022. The purchase price of £594,907 has been funded from the Company's existing cash resources. This flat has been now been rented out on assured shorthold tenancy agreement.

**Haresh Kanabar**  
Chairman

26 September 2022

# HERMES PACIFIC INVESTMENTS PLC

## STRATEGIC REPORT

### Key performance indicators

The directors consider that the key financial performance indicators are:

	2022	2021
Loss per share from continuing operations	(4.5)p	(4.5)p
Share price at 31 March	145.00p	100.05p
Cash at bank	£3.28m	£3.40m

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 New Investing Policy in the property sector. Post Period end the Company has purchased one residential property.

### 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. As the bulk of our assets are held in form of cash, there has been no significant impact on our business.

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.

### Section 172(1) statement

The board of directors of the company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act.

The directors of the company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the companies Act 2006 which is summarised below:

"A director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the shareholders as a whole and in doing so have regard (amongst other matters) to:

# HERMES PACIFIC INVESTMENTS PLC

## STRATEGIC REPORT

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers, and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company."

As part of the induction, directors are briefed on their duties and they can access professional advice on these from an independent adviser. It is important to recognise that in an organisation such as ours, directors fulfil their duties through a governance framework which does not require to delegate day to day decision making to employees of the company.

The following paragraphs summarise how the directors fulfil their duties:

### ***Risk management***

We are an investment Company. As we grow, our business and our risk environment will also become more complex. It is therefore vital that we effectively identify, evaluate, manage, and mitigate the risks we face, and we continue to evolve our approach to risk management.

For details of our principal risks and uncertainties, and how we manage our risks environment, please see page 2.

### ***Engaging with our employees***

Being a relatively small company of just two Directors, there is a high level of visibility of and direct engagement with the Board. We have a lower turnover of staff and the company provides all the latest available training and support that the staff require to carry out their duties.

### ***Business Relationships***

Our strategy prioritises growth through acquisition. We value all our suppliers and, over the years, have built up close and long-lasting relationships with them.

### ***Community and Environment***

Due to the nature and size of our business, the company's environmental footprint and its impact on the wellbeing of the wider community is understandably minimal. However, our philosophy is to always remain mindful of these matters and remain at the forefront of all our plans as we grow.

### ***Engaging with Shareholders***

We believe that communication with our shareholders is key. As such we employ independent professional registrars to maintain the shareholder relationship.

Signed on behalf of the directors

Haresh Kanabar  
Director

Approved by the directors on 26 September 2022

# HERMES PACIFIC INVESTMENTS PLC

## DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2022.

### Principal activities and review of the business

The Company is an AIM listed investment vehicle. The review of the business and future developments are disclosed in the Chairman's Statement.

### Results and dividends

The results for the period are set out on page 14.

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 2022 the directors of the Company were as follows:

Haresh Kanabar  
John Morton

### Substantial shareholdings

Interests in the share capital of the Company as at 26 September 2022 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 10 (2021: 34).

### Financial Instruments

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

### Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 17 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 of two 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 Market Abuse Regulations. 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**

#### **QCA Principles of Corporate Governance:**

As an AIM listed company, the Company is required to adopt a recognised corporate governance code and disclose any deviations from the chosen code. Hermes Pacific Investments has decided to adopt the Quoted Companies Alliance (“QCA”) code. High standards of Corporate Governance are a key priority of the Board and details of how the Company addresses key governance issues are set out below.

#### **Seek to understand and meet shareholder needs and expectations**

The Board is very aware of the real need to protect the interests of minority shareholders and balancing these interests with those of the more substantial shareholders. The Board does not consider that the Company currently has a dominant shareholder where special contractual arrangements would be necessary to protect the interests of minority shareholders.

The Board is comprised of a Non-Executive Chairman and a Non-Executive Director. Board meetings are held at least two times a year. The Company has a well-developed policy of appointing Non-Executive Directors who can provide an independent view of the Company’s activities.

In exceptional cases a Non-Executive Director may also be appointed to represent the interests of a major shareholder where the Board is satisfied that he or she has the requisite experience and is fully aware of his or her fiduciary duty to act in the wider interests of shareholders as a whole.

The Group encourages a good dialogue with shareholders and investors. Certainly, the Board attaches great importance to providing shareholders with clear and transparent information on the Group’s activities, strategy and financial position. Details of all shareholder communications are provided on the Group’s website in a timely fashion.

The Company lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate directly with the Board.

#### **Wider stakeholder and social responsibilities and their implications for long-term success**

The Company focused on achieving long term success in a sustainable fashion whilst also recognising the need to meet its responsibilities to stakeholders.

Feedback on issues of sustainability from stakeholders is encouraged and the AGM can provide a useful platform for such engagement.

#### **Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The Board has the responsibility for the overall monitoring of the Company’s systems of internal control. This role also encompasses the identification of risks along with taking the necessary action in order to either prevent, mitigate or managing such risks.

Relevant risks are discussed at each Board meeting where the Directors have a chance to provide their input to assess the severity of such risks to the overall performance of the Company. The Board is seeking to grow the business whilst at the same time ensuring that the Company’s activities do not expose the business to significant levels of risk. The Board meets at least two times a year.

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## DIRECTORS' REPORT

In order to effectively manage risk, the Board has established Audit, Remuneration, and Nominations Committees which are outlined below.

**Audit Committee** – The Audit Committee looks at any matters that concern the financial affairs of the Company as well as the Company's external audit that it believes are necessary. The Committee works to ensure proper monitoring of the adequacy of the Company's internal controls, accounting policies and financial reporting requirements. In addition, the Committee provides a channel by which the Company's external auditors can report to the Non-Executive directors. The current Audit Committee consists of John Morton (Chair of audit committee) and Haresh Kanabar.

**Remuneration Committee** – The Remuneration Committee is tasked with making recommendations to the Board concerning the remuneration of Directors. In making these recommendations, the Committee makes sure to consider a variety of factors including: the current level of remuneration for Directors within the industry as well as the differential that exists between Directors and employee remuneration. The current Remuneration Committee consist of Haresh Kanabar (Chairman) and John Morton.

**Nomination Committee** – The Nomination Committee has been formed to monitor the process and make recommendations, on all new Board appointments. Certainly, all new Board appointments are based on merit, with all candidates being judged against several objective criteria. This process is undertaken with regard for the benefits that come from gaining diversity on the board. The Committee is also responsible for ensuring the re-election of Directors who are retiring by rotation along with succession planning. The current Nomination Committee consists of Haresh Kanabar (Chairman) and John Morton.

### **Maintain the board as a well-functioning, balanced team led by the chair**

The Company is controlled by the Board of Directors. The Board is comprised of a Non-Executive Chairman and a Non-Executive Director. Haresh Kanabar, Non-Executive Chairman, heads up the board and the non-Executive Director is John Morton. The current board is made up of all independent Directors.

Directors must commit the time necessary to fulfil their roles. During the financial year four Board meetings were held with Board attendance as below

Haresh Kanabar 4

John Morton 4

During the year there were no meetings held by the Audit, Remuneration or the Nomination committees.

Information is provided in a timely fashion concerning the important aspects of the Company's operational and financial performance, which is provided to Directors on a regular basis, not just ahead of meetings. Importantly, all the Directors are encouraged to take independent professional advice to help in properly undertaking their duties, which is fully funded at the Company's expense.

The Company is guided by the provisions of the Combined Code in respect of the independence of Directors. Certainly, this highlights the overall effectiveness and the independence of the contribution made by Directors to the Board in considering their independence.

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### DIRECTORS' REPORT

Plus, the Code does not determine the independence of a Director based purely on the period of service in isolation. The Non-Executive Chairman and Non-Executive Director are seen to provide an independent judgement which does not relate to their varying lengths of service. The balance of skills within the Board is illustrated by the biographies of the Directors which is included on the Company website.

#### **Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**

At the heart of ensuring that the Directors have the necessary experience and expertise to help the Company achieve its goal of long-term sustainable growth is the Nomination Committee. This committee is charged with overseeing the complete process of appointing Directors and is charged with providing the Board with recommendations on each new appointment.

At the same time, the Nominations Committee is also responsible for ensuring the re-election of Directors who are retiring by rotation at the AGM. In this way the Committee can ensure that Directors who have been put up for re-election continue to have the up-to-date experience which is required. The Committee is also tasked with succession planning.

Directors who have been appointed to the Company have been chosen because of the skills and experience they offer. Full biographical details of all Directors are included on the Company website. For good corporate governance, the performance of the Board will be reviewed in due course.

#### **Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

The Non-Executive Chairman and the Non-Executive Director are tasked with the responsibility of assessing and monitoring the performance of each other.

The Board considers the need for the periodic refreshing of its membership following the recommendations made by the Nominations Committee. New Directors are appointed when deemed appropriate by the Board. All continuing Directors are required to stand for re-election on a 3-year basis. Succession planning is considered by the Nominations Committee.

#### **Promote a corporate culture that is based on ethical values and behaviours**

The Board and management conduct themselves ethically at all times and promote a strong corporate culture within the Company which includes environmental, social and community and relationships. The Board is tasked with making sure that such a culture is present in every aspect of the business, including recruitment, nominations, training, and engagement.

#### **Maintain governance structures and processes that are fit for purpose and support good decision-making by the board**

The Board is responsible for the governance of the Company, governance being the systems and procedures by which the Company is directed and controlled. A prescribed set of rules does not itself determine good governance or stewardship of a company and, in fulfilling their responsibilities, the Directors believe that they govern the Company in the best interests of the shareholders, whilst having due regard to the interests of other stakeholders in the Company.

#### **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Company encourages a good dialogue with shareholders and investors. Certainly, the Board attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy and

## **HERMES PACIFIC INVESTMENTS PLC**

### **DIRECTORS' REPORT**

financial position. Details of all shareholder communications are provided on the Company's website in a timely fashion.

The Board recognises that the Annual General Meeting as an important opportunity to communicate directly with shareholders via an open question and answer session.

The Company lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.

#### **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 (UK) LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

#### **Future Developments**

Hermes will continue to look for opportunities to invest in the property sector both on the residential side and also on the commercial property. The objective is to get a good return on investments through rental receipts and grow the value of the properties over a period of time.

On behalf of the board

**Haresh Kanabar**  
Director

26 September 2022

## **HERMES PACIFIC INVESTMENTS PLC**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with UK adopted international accounting standards and applicable UK Law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK accounting standards have been followed for the financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information 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.

# HERMES PACIFIC INVESTMENTS PLC

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PACIFIC INVESTMENTS PLC

### Opinion

We have audited the financial statements of Hermes Pacific Investments plc (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity, and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the company's available cash balances
- Consideration of the company's plans, current level of activity and expenditure
- Reviewing the company's post year end cash outgoings and cash position

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **HERMES PACIFIC INVESTMENTS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PACIFIC INVESTMENTS PLC**

#### **Our approach to the audit**

In carrying out our audit we obtained an understanding of the company and its environment, determined materiality and assessed the risks of material misstatement in the financial statements. Having determined where to focus our audit effort we tested and examined information, using sampling and other techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We reviewed the company's internal controls as part of our planning process and obtained our audit evidence through substantive procedures.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Valuation of investments

The company holds investments in listed entities, which must be included in the statement of financial position at fair value. We addressed this matter by reviewing third party investment reports and verifying stated values by reviewing the year end quoted share price.

- Valuation and existence of cash balances

Cash at bank is the company's largest asset and we therefore identified its correct statement as a key audit matter. The cash at bank was verified by reviewing bank statements, obtaining direct confirmation from the company's bankers and by verifying the credit worthiness of the bankers.

#### **Our application of materiality**

We determined materiality for the company to be £70,000, which is approximately 2% of gross assets. Given that the company is an investing entity we determined that gross assets was the appropriate benchmark on which to set materiality.

We calculated performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality level for the financial statements as a whole. We determined performance materiality to be £49,000, which was set at 70% of overall materiality. Performance materiality was determined based on our risk assessment, which took into account the lack of complexity of the company's activities and the low level of audit adjustments identified in prior years.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **HERMES PACIFIC INVESTMENTS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PACIFIC INVESTMENTS PLC**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

## **HERMES PACIFIC INVESTMENTS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PACIFIC INVESTMENTS PLC**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. We determined compliance with the Companies Act 2006 and with the rules of the London Stock Exchange for companies trading securities on AIM to be the most significant. Our procedures included enquiry of management, obtaining confirmations from external professional advisors and a review of board meeting minutes. We performed analytical review procedures to identify any unusual relationships that may indicate a material misstatement. We also tested the appropriateness of journals to address the risk of fraud through management override of controls. We also performed appropriate testing in respect of the valuation of balance sheet assets as described in key audit matters above. Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's 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.

Athanasios Athanasiou (Senior Statutory Auditor)

For and on behalf of  
BSG Valentine (UK) LLP  
Chartered Accountants & Statutory Auditor  
Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9BQ

26 September 2022

HERMES PACIFIC INVESTMENTS PLC

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
<b>Continuing operations</b>			
<b>Revenue</b>		-	-
Cost of sales		-	-
		<u>-</u>	<u>-</u>
<b>Gross profit</b>		-	-
Other operating income		-	-
Administrative expenses	3	(111)	(114)
		<u>(111)</u>	<u>(114)</u>
<b>Operating loss</b>		(111)	(114)
Finance income		6	8
Finance costs		-	-
		<u>(105)</u>	<u>(106)</u>
<b>Loss on ordinary activities before tax</b>		(105)	(106)
Tax expense	7	-	-
		<u>(105)</u>	<u>(106)</u>
<b>Loss for the year from continuing activities</b>		(105)	(106)
<b>Discontinued operations</b>			
Loss for the year from discontinued operations		-	-
		<u>(105)</u>	<u>(106)</u>
<b>Loss for the year</b>		(105)	(106)
<b>Other comprehensive income</b>			
Gain/(losses) arising in the year on investments		37	51
		<u>(68)</u>	<u>(55)</u>
<b>Total comprehensive loss for the year</b>		<u>(68)</u>	<u>(55)</u>
<b>Basic and diluted loss per share</b>			
From continuing operations	8	(4.5)p	(4.5)p

# HERMES PACIFIC INVESTMENTS PLC

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	As at 31 March 2022 £'000	As at 31 March 2021 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	9	211	173
		<u>211</u>	<u>173</u>
<b>Current assets</b>			
Trade and other receivables	11	10	9
Cash and cash equivalents	10	3,284	3,395
		<u>3,294</u>	<u>3,404</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	(19)	(23)
		<u>(19)</u>	<u>(23)</u>
<b>Net current assets</b>		<u>3,275</u>	<u>3,381</u>
<b>NET ASSETS</b>		<u>3,486</u>	<u>3,554</u>
<b>SHAREHOLDERS' EQUITY</b>			
Issued share capital	13	3,576	3,576
Share premium account		5,781	5,781
Share based payments reserve		139	139
Fair value reserve		38	1
Retained earnings		(6,048)	(5,943)
<b>TOTAL EQUITY</b>		<u>3,486</u>	<u>3,554</u>

The financial statements were approved and authorised for issue by the board of directors on 26 September 2022 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 2022**

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	Note	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
<b>Cash flows from operating activities</b>	15	(117)	(119)
<b>Cash flows from investing activities</b>			
Acquisition of investments		-	-
Income from disposal of subsidiary undertakings		-	-
Investment income		6	8
Net cash (used in)/from investing activities		<u>6</u>	<u>8</u>
<b>Cash flows from financing activities</b>			
Proceeds of share issues		-	-
Other operating activities		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		(111)	(111)
<b>Cash and cash equivalents at start of period</b>	10	<u>3,395</u>	<u>3,506</u>
<b>Cash and cash equivalents at end of period</b>	10	<u><u>3,284</u></u>	<u><u>3,395</u></u>

**HERMES PACIFIC INVESTMENTS PLC****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>Ordinary share capital</b>	<b>Deferred share capital</b>	<b>Share premiu m</b>	<b>Share based payments reserve</b>	<b>Retained earnings</b>	<b>Revaluation reserve</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2020	2,333	1,243	5,781	139	(5,837)	(50)	3,609
Total comprehensive loss/profit for the period	-	-	-	-	(106)	51	(55)
At 1 April 2021	2,333	1,243	5,781	139	(5,943)	1	3,554
Total comprehensive loss for the period	-	-	-	-	(105)	37	(68)
At 31 March 2022	2,333	1,243	5,781	139	(6,048)	38	3,486

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**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 4.

**Statement of compliance**

The Group financial statements were prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006.

At the date of approval of these financial statements, various Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective. The Directors have considered these new standards and interpretations and do not expect them to have a material impact on the company.

**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 UK adopted international accounting standards 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 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.

Management have not made any material estimates or judgements that may result in a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**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.

**Investments**

The company carries its investments at fair value. Gains and losses are either recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**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. Operating loss**

	<b>Year ended 31 March 2022 £'000</b>	<b>Year ended 31 March 2021 £'000</b>
The operating loss is stated after charging the following, included in administrative expenses:		
Staff costs	34	43
Other admin costs	77	71
	<u>111</u>	<u>114</u>
	<u><u>111</u></u>	<u><u>114</u></u>

**4. Auditors' remuneration**

	<b>Year ended 31 March 2022 £'000</b>	<b>Year ended 31 March 2021 £'000</b>
Audit fees:		
- statutory audit of the accounts	12	12
	<u>12</u>	<u>12</u>
	<u><u>12</u></u>	<u><u>12</u></u>

# HERMES PACIFIC INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 5. Directors' emoluments

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Emoluments for qualifying services:		
H Kanabar	22	22
J Berry (resigned)	0	9
J Morton	12	12
	<u>34</u>	<u>43</u>
	<u>34</u>	<u>43</u>

### 6. Employees and staff costs

The company has no employees. Staff costs comprises payments made in respect of services provided by the directors.

### 7. Taxation

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
<b>Continuing operations:</b>		
Current tax charge	-	-
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>-</u>
<b>Current tax credit</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Factors affecting the tax charge for the period</b>		
Loss from continuing operations before taxation	(105)	(106)
Loss from continuing operations before taxation multiplied by standard rate of corporation tax of 19% (2021: 19%)	(20)	(20)
Effects of:		
Temporary timing differences	-	-
Non deductible expenses	-	-
Depreciation in excess of capital allowances	-	-
Unutilised tax losses	20	20
	<u>-</u>	<u>-</u>
<b>Current tax charge</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The company has approximately £4.1m (2021: £4m) 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 2022

8. Loss per share

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Basic</b>		
Loss from continuing activities (£'000)	(105)	(106)
	<u>(105)</u>	<u>(106)</u>
Number of shares	2,333,295	2,333,295
	<u>2,333,295</u>	<u>2,333,295</u>
<b>Basic loss per share (p)</b>		
From continuing operations	(4.5)p	(4.5)p
	<u>(4.5)p</u>	<u>(4.5)p</u>
	<u><u>(4.5)p</u></u>	<u><u>(4.5)p</u></u>

9. Investments

	Investments £'000
<b>Cost or valuation</b>	
Brought forward	173
Fair value movement	38
	<u>211</u>
At 31 March 2022	<u><u>211</u></u>

The directors have elected to hold the investments at fair value through OCI as it is their intention to hold these for the long term

10. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	3,284	3,395
	<u>3,284</u>	<u>3,395</u>
	<u><u>3,284</u></u>	<u><u>3,395</u></u>

11. Trade and other receivables

	2022 £'000	2021 £'000
Other receivables	10	9
	<u>10</u>	<u>9</u>
	<u><u>10</u></u>	<u><u>9</u></u>

# HERMES PACIFIC INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 12. Trade and other payables

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	3	8
Accruals and deferred income	16	15
	<u>19</u>	<u>23</u>
	<u><u>19</u></u>	<u><u>23</u></u>

### 13. Share capital

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Issued and fully paid</b>		
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.

The deferred shares have no voting and dividend rights. On winding up of the company, they will be entitled to the nominal value only after all ordinary shareholders receive the nominal value of their shares plus £10m per share.

As at 31 March 2022 and 31 March 2021 the authorised share capital was 3,500,000 ordinary shares of 100p and 200,000,000 deferred shares of 9.5p.

### 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 2022 are not materially different from their book value.

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial assets at fair value through other comprehensive income</b>		
	211	173
	<u>211</u>	<u>173</u>
	<u><u>211</u></u>	<u><u>173</u></u>

The fair value measured is categorised within level 1 of the fair value hierarchy.

## HERMES PACIFIC INVESTMENTS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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<b>Financial assets at amortised cost</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Loan and receivables:		
Trade and other receivables	10	9
Cash and cash equivalents	3,284	3,395
	<u>3,294</u>	<u>3,404</u>
	<u><u>3,294</u></u>	<u><u>3,404</u></u>
<b>Financial liabilities at amortised cost</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Trade and other payables	19	23
	<u>19</u>	<u>23</u>
	<u><u>19</u></u>	<u><u>23</u></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 interest bearing assets. Interest bearing assets comprise 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.

#### **Price risk**

The company's exposure to equity securities price risk arises from investments held by the company and classified in the statement of financial position either as at fair value through other comprehensive income or at fair value through profit or loss. The risk is managed by regular reviews of the portfolio of investments held to ensure that exposure to price movements is within acceptable limits.

HERMES PACIFIC INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

The maturity dates of the company's financial instruments 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
<b>2022</b>				
<b>Financial Assets</b>				
Variable interest rate instruments	3,284	-	-	3,284
Non-interest bearing	-	10	-	10
	<u>3,284</u>	<u>10</u>	<u>-</u>	<u>3,294</u>
<b>Financial Liabilities</b>				
Non-interest bearing	19	-	-	19
	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>
<b>2021</b>				
<b>Financial Assets</b>				
Variable interest rate instruments	3,395	-	-	3,395
Non-interest bearing	-	9	-	9
	<u>3,395</u>	<u>9</u>	<u>-</u>	<u>3,404</u>
<b>Financial Liabilities</b>				
Non-interest bearing	23	-	-	23
	<u>23</u>	<u>-</u>	<u>-</u>	<u>23</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**15. Cash flows from operating activities**

	<b>Year ended 31 March 2022 £'000</b>	<b>Year ended 31 March 2021 £'000</b>
Operating loss	(111)	(114)
Depreciation of property, plant and equipment	-	-
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(111)	(114)
(Increase)/Decrease in trade and other receivables	(1)	-
(Decrease)/Increase in trade and other payables	(5)	(5)
	<hr/>	<hr/>
<b>Cash flows from operating activities</b>	<b>(117)</b>	<b>(119)</b>
	<hr/> <hr/>	<hr/> <hr/>

**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 £33,600 (2021: £42,800).

During the year, the company used the services of Poonam & Roshni Limited totalling £21,600 (2021: £21,600). H Kanabar is a director of both companies. No balance was outstanding at the year end (2021: Nil).

During the year the company used the services of Thirty Acre Stables totalling £12,000 (2021: £12,000). J Morton is the owner of that business. No balance was outstanding at the year end (2021: Nil).

The compensation of key management is as disclosed in the directors' emoluments note.

**17. Events after the end of the reporting period**

Subsequent to the reporting date, the company purchased an investment property for £594,907.