

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

20 December 2022

HERMES PACIFIC INVESTMENTS PLC
(AIM: HPAC)

Unaudited interim results for the six months ended 30 September 2022

Chairman's Statement

I am pleased to report the results for Hermes Pacific Investments plc ("HPAC" or the "Company") for the six months ended 30 September 2022 (the "Period"). During the Period the Company made a loss on ordinary activities before taxation of £44,000 which is marginally less than the loss reported for the corresponding period in the previous year. The Company's financial performance is in line with our expectations. HPAC has generated small amount of revenue in the Period through the rental income on our residential property. We continue to manage our costs effectively whilst keeping its spending to a minimum. There was no material change in the value of the Company's existing investments from that as at 31 March 2022. The Company is also considering possible investment opportunities which would be compatible with its investment strategy. As at 30 September 2022 the Company had net assets of £3,460,000 of which cash was £2,625,000.

Review of the Company's activities

Hermes Pacific Investments plc is an investing company and its focus is to invest principally, but not exclusively, in the property sector.

In the Period the Company 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 was funded from the Company's existing cash resources. This flat has been now been rented out on assured shorthold tenancy agreement.

Inflation levels are compared to historic levels quite high at the moment and in response the Bank of England has been increasing the base rate of interest during 2022 which is currently standing at 3.5% and this has also impacted the mortgage rates which have increased substantially compared to the recent past. The housing market is likely to slow down and some predict that property prices will fall in the near term. We will therefore proceed very carefully before we make further investments in the property sector.

I would like to thank shareholders for their continued support.

Haresh Kanabar
Chairman

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Unaudited Income Statement for the six months ended 30 September 2022

	Note	Unaudited 6 Months ended 30 September 2022 £'000	Unaudited 6 Months ended 30 September 2021 £'000	Audited Year ended 31 March 2022 £'000
Continuing activities				
Revenue		7	-	-
Cost of sales		-	-	-
		<hr/>	<hr/>	<hr/>
Gross loss/profit		7	-	-
Other operating income		-	-	-
Administrative expenses		(53)	(50)	(111)
		<hr/>	<hr/>	<hr/>
Operating loss		(46)	(50)	(111)
Finance income		2	-	6
Finance costs		-	-	-
		<hr/>	<hr/>	<hr/>
Loss on ordinary activities before taxation		(44)	(50)	(105)
Tax expense		-	-	-
		<hr/>	<hr/>	<hr/>
Loss for the period from continuing activities		(44)	(50)	(105)
Other comprehensive income				
Gain arising in the year		10	11	37
		<hr/>	<hr/>	<hr/>
Gain/(Loss) for the period		(34)	(39)	(68)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Basic and diluted loss per share				
From continuing operations	3	(1.9)p	(2.2)p	(4.5)p
		<hr/>	<hr/>	<hr/>

Unaudited Balance Sheet as at 30 September 2022

	Note	Unaudited 6 Months ended 30 September 2022 £'000	Unaudited 6 Months ended 30 September 2021 £'000	Audited Year ended 31 March 2022 £'000
Assets				
Investments and fixed assets				
Investments and property		856	180	211
		<hr/>	<hr/>	<hr/>
		856	180	211
Current assets				
Trade and other receivables		4	4	10
Cash and cash equivalents		2,625	3,358	3,284
		<hr/>	<hr/>	<hr/>
Total current assets		2,629	3,362	3,294
		<hr/>	<hr/>	<hr/>
Total assets		3,485	3,542	3,505
Liabilities				
Current liabilities				
Trade and other payables		(25)	(27)	(19)
		<hr/>	<hr/>	<hr/>
Net assets		3,460	3,515	3,486
		<hr/>	<hr/>	<hr/>
Equity				
Share capital		2,333	2,333	2,333
Deferred share capital		1,243	1,243	1,243
Share premium account		5,781	5,781	5,781
Share based payments reserves		139	139	139
Revaluation reserve		56	12	38
Retained losses		(6,092)	(5,993)	(6,048)
		<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the parent		3,460	3,515	3,486
		<hr/>	<hr/>	<hr/>

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 2021							
At 31 March 2021	2,333	1,243	5,781	139	1	(5,943)	3,554
Total comprehensive gain/(loss) for the period	-	-	-	-	11	(50)	(39)
At 30 September 2021	<u>2,333</u>	<u>1,243</u>	<u>5,781</u>	<u>139</u>	<u>12</u>	<u>(5,993)</u>	<u>3,515</u>
Period ended 31 March 2022							
At 30 September 2021	2,333	1,243	5,781	139	12	(5,993)	3,515
Total comprehensive gain/(loss) for the period	-	-	-	-	26	(55)	(29)
At 31 March 2022	<u>2,333</u>	<u>1,243</u>	<u>5,781</u>	<u>139</u>	<u>38</u>	<u>(6,048)</u>	<u>3,486</u>
Six months ended 30 September 2022							
At 31 March 2022	2,333	1,243	5,781	139	38	(6,048)	3,486
Total comprehensive gain/(loss) for the period	-	-	-	-	18	(44)	(26)
At 30 September 2022	<u>2,333</u>	<u>1,243</u>	<u>5,781</u>	<u>139</u>	<u>56</u>	<u>(6,092)</u>	<u>3,460</u>

Unaudited Cash Flow Statement for the six months ended 30 September 2022

	Unaudited 6 Months ended 30 September 2022 £'000	Unaudited 6 Months ended 30 September 2021 £'000	Audited Year ended 31 March 2022 £'000
Note			
Cash outflow from operating activities	(40)	(42)	(117)
Net cash flow from operating activities	<u>(40)</u>	<u>(42)</u>	<u>(117)</u>
Cash flows from financing activities			
Other income	16	5	6
Purchase of property	(635)	-	-
Net cash from financing activities	<u>(619)</u>	<u>5</u>	<u>6</u>
Decrease in cash and cash equivalents	(659)	(37)	(111)
Cash and cash equivalents at start of the period	3,284	3,395	3,395
Cash and cash equivalents at end of the period	<u><u>2,625</u></u>	<u><u>3,358</u></u>	<u><u>3,284</u></u>

Notes to the unaudited consolidated interim statement for the period ended 30 September 2022

1. Basis of preparation

Hermes Pacific Investments plc. is a public limited company incorporated and domiciled in the 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 2023. These are consistent with those included in the previously published annual report and accounts for the period ended 31 March 2022, 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 2022 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:

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.

Cash and cash equivalents

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

Investments available for sale

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

Financial instruments

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

Trade and other receivables

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

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 2022 £'000	Unaudited 6 Months ended 30 September 2021 £'000	Audited Year ended 31 March 2022 £'000
Basic			
Loss from continuing activities	(44)	(50)	(105)
Total loss	<u>(44)</u>	<u>(50)</u>	<u>(105)</u>
Basic loss per share (pence)			
From continuing operations	(1.9)p	(2.2)p	(4.5)p
	<u>(1.9)p</u>	<u>(2.2)p</u>	<u>(4.5)p</u>
Weighted average number of shares	2,333,295	2,333,295	2,333,295

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.