

Crown Agents Investment Management Limited

Annual Report and Financial Statements For the year ended 31 December 2019

Registered Number

02169973

Registered Office:

Quadrant House

The Quadrant

Sutton

Surrey SM2 5AS

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Chairman's Report for the year ended 31 December 2019

Overview

2019 has been another successful year for the business following the change of ownership in 2016. Following the acquisition of Crown Agents Investment Management Limited ("the Company") by Helios Investment Partners LLP, the Company has embarked on a path of growth and transformation.

2019 Financial Review

Following the change of control, the Company implemented an ambitious growth plan within a control environment, building on established long term relationships with Central Banks across our focus markets in Africa, the Caribbean and other selected developing markets. Many of these country relationships go back over 100 years reflecting the deep connections and strong level of confidence our clients have in us. We continue to support these relationships while forging new ones in our focus markets. Assets under management declined marginally in 2019 due to the loss of a pension fund client connected with our former parent offset by the growth in assets under management for Central Banks on the back of strong fund performance across all our Central Bank Reserves Management mandates. We are pleased to have added one new Central Bank mandate in 2019.

Our 2019 results reflect the benefits of deeper relationships we have built in our focus markets, as well as the investments we have made in key areas of our business over time.

In order to maximise the potential new income streams and ensure that internal procedures align with industry best practice, the Company continues to invest in staff, processes and the control environment. This investment has been made in the expectation of building a scalable platform and achieving meaningful but prudent business growth, as evidenced by increasing income flows and Assets Under Management ("AUM").

As we leverage the investment and drive top line revenue growth in the year ahead, cost containment is an important focal point for the management team and the Board. I am pleased to report that 2019 has started well and AUM have increased in line with expectations. Looking forwards, the Company will continue to benefit from the ongoing synergies with its sister company, Crown Agents Bank Limited, which have been built up over many years.

Our five year planning forecasts are based on seizing the opportunities that clearly exist for significant income and AUM growth from our target markets and we are scaling our business development efforts accordingly.

The hard work, commitment and collaboration of our people will remain cornerstones of our long-term success. I would like to thank the management and board for their ongoing commitment and dedication to the success of this organisation.



Jeremy Parrish
Chairman

15 June 2020

Chief Executive Officer's Report for the year ended 31 December 2019

Business Performance

Overall, 2019 showed continued progress as we develop and strengthen our focus on Central Bank Reserves Management. We added a new Central Bank client whilst a number of our existing Central Bank clients added additional funds on the back of good fund performance and enhanced client relationships. While total assets under management fell slightly in 2019 largely due to the expected loss of Pension assets of our former Parent Company, fund flows from Central Banks increased reflecting the impact and strength of the strategic investments we've made to enhance our platform to better serve this target sector.

We will continue to focus on providing reserves management solutions to Central Banks across our focus markets while developing multi asset strategies for pension funds in rapidly expanding markets across Africa and the Caribbean. With a young and growing population, Africa provides a significant opportunity for long term growth.

For a second year, we partnered with MEFMI, to support amongst other activities, the Central Bank Deputy Governors Forum held in Victoria Falls, Zimbabwe in May 2019. The theme of the Forum was Governance. The Forum was well attended with a large number of senior delegates from 11 countries across the MEFMI region. We are confident that the forum will help further strengthen our relationships with Central Banks in the region and reinforce our commitment to empower our clients through training and capacity building initiatives.

I would like to record my thanks for all of those involved in this very exciting process and we look forward with optimism to building the business steadily in the years ahead, continuing our long-term partnerships with our loyal client base.

Markets and Economies

Global bond markets performed very strongly over the course of 2019. The ICE Bank of America US Treasury Index generated a return of seven percent for calendar 2019, representing the strongest annual performance since 2011. Around two-thirds of this return derived from capital appreciation as bond prices increased while yields declined. One third of the total performance was attributable to coupon income.

The substantial decline in bond yields was principally driven by unexpected cuts in official interest rates by the US Federal Reserve, together with a markedly changed outlook for the path of monetary policy going into 2020. The Fed increased rates at the December 2018 Federal Open Markets Committee (FOMC) meeting, while indicating that there would be further rate increases expected in 2019. However, following unprecedented pressure from President Trump, early in 2019, the Federal Reserve reversed policy abruptly then delivered three interest rate cuts totalling 0.75% at the July, September and October FOMC meetings. As such, the lower band of the Funds rate was decreased from 2.25% to 1.50% over the course of 2019, marking a sharp reversal in the trajectory of interest rates.

US Treasury yields fell materially. The benchmark long bond (30-year maturity) yield to maturity declined from 3.01% to 2.38% resulting in price appreciation of almost fourteen percent. Shorter dated bonds also performed well, generating returns well in advance of cash deposit rates. The ICE Bank of America 1-3 Year US Treasury Index, a key performance yardstick for central bank reserve portfolios, returned 3.55% in 2019 which is the strongest performance since 2008.

Chief Executive Officer's Report for the year ended 31 December 2019 (continued)

Markets and Economies (continued)

The substantial changes in the US treasury yield curve, and other major sovereign bond markets, cannot be explained by economic developments. Risk assets performed extremely well over the course of 2019. For example, the Standard and Poor's 500 Index returned over thirty percent, suggesting a positive

macroeconomic outlook, which is normally associated with higher interest rates and upward pressure on bond yields.

2020 Outlook

The economic map for 2020 is far from clear. The outbreak of the coronavirus in China (COVID-19) is likely to have a significant negative impact on global growth. This combined with geopolitical uncertainty is likely to dampen growth further in 2020. Risk assets had an optimistic 2019, but stagnating earnings growth means valuations now look less supportive. Given pressure on margins, we struggle to see a significant reacceleration in earnings growth in 2020. Central banks are likely to remain a key pillar of market support, given their demonstrated willingness to push deeper into uncharted policy territory to keep the expansion going.

Several factors are likely to determine the path of interest rates going forward into 2020. The global economic backdrop clearly has vulnerabilities, in part due to the downside risks associated with protectionist trade policies, with the United States as the main protagonist. As such, many central banks have already made pre-emptive cuts to interest rates and monetary policy easing may continue into 2020. It has been noted by the European Central Bank that further reductions in official interest rates may be counterproductive and that an expansionary fiscal policy is the correct policy response going forward.

It should be highlighted that developed market equities are at historically high valuations. Events, economic or otherwise, that might precipitate a significant sell off in equities would almost certainly have a profound impact on fixed income markets, pushing yields lower and bond prices higher.

CEO recruitment.

A process has been launched to recruit a dedicated CEO for CAIM with deep domain experience specifically in the field of Reserves Management for Developing Nations. As at the signing of the accounts, we are pleased that we have identified a very high quality candidate who we expect will be appointed CAIM CEO subject to regulatory confirmation.



Albert Maasland
Group Chief Executive Officer

15 June 2020

Directors for the year ended 31 December 2019

Jeremy Parrish – Chairman and Independent Non-Executive Director

Jeremy Parrish joined the boards in 2017 with over four decades of banking experience. After starting his career with the ANZ Grindlays Group (which included postings to Hong Kong and Switzerland), he joined Standard Chartered Bank in 1994 as Head of Corporate Banking, Europe. Following further international postings to Singapore and Tokyo, he returned to London as the Regional Head of Wholesale Banking for Europe. In 2005, after five years in the role, he was transferred to Abu Dhabi as CEO and, from 2010, as CEO UAE with overall responsibility for the UAE area. In 2011 he returned to Switzerland as CEO of Standard Chartered Bank, Switzerland. He is currently a non-executive director and Chairman of Julius Baer International Ltd. He is also Chairman of both the Challenger Trust and Raphaels Bank plc, Chairman of Anglo Gulf Trade Bank in Abu Dhabi, UAE and an advisor to Deloitte Financial Advisory.

Rajesh Bhatia - Independent Non-Executive Director

Rajesh Bhatia joined the Bank's Board in 2016 bringing with him 30 years of international banking experience. He has held senior Risk Management positions at Standard Chartered, ING, and Australia New Zealand Bank. He was the Group Treasurer at Standard Chartered during the financial crisis.

Jennifer Johnson-Calari - Independent Non Executive Director

Jennifer Johnson-Calari joined the board of Crown Agents Investment Management Limited in June 2018 as non-executive director, with over four decades of experience in financial markets, portfolio and risk management, and bank supervision at the World Bank's Treasury, the US Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System (FRB). At the World Bank Treasury, Ms. Johnson-Calari was part of the Executive Committee responsible for the management of over \$110bn in global financial assets and led the Treasury's Reserves Advisory Management Program (RAMP), working globally with official sector asset managers in building capacity. She also contributed to the setting of standards of best practice for central bank reserves management and sovereign wealth funds. At the OCC and Federal Reserve Board, she contributed to bank supervisory policy governing multinational bank's market risk management and international harmonization of bank capital adequacy standards.

She has published extensively and spoken widely on governance and investment management issues. Ms. Johnson-Calari is a graduate of Harvard's General Management Program, earned an MA at Johns Hopkins University and is a Chartered Financial Analyst. She currently serves on the Advisory Committee of the World Gold Council and on the Board of Directors of two non-profit organizations.

Carole Machell - Independent Non-Executive Director

Carole Machell is a chartered accountant and experienced business leader combining P&L responsibility with end to end infrastructure experience. Carole has held senior executive roles in Merrill Lynch, JP Morgan and Barclays. She joined Barclays in 2006 in the Investment Bank then transitioned to the Corporate Bank in 2010. As global COO of the Corporate Bank she had responsibility for all infrastructure groups. Later as Head of the International Corporate Bank she had responsibility for Europe, Asia, Africa and North America. Later roles included COO and Deputy CEO of Barclay's Wealth Business.

Directors for the year ended 31 December 2019 (continued)

Carole Machell - Independent Non-Executive Director (continued)

Carole has extensive experience as a Non-Executive Director. She currently sits on the Board of Weatherby's Bank and Chairs their Risk Committee. She is also a member of their Audit and Remuneration Committees. She is a Trustee for the Charities Aid Foundation, 'CAF' and a Non-Executive Director for CAF Bank where she chairs the Risk Committee. She is a Non-Executive Director of Distribution Finance Capital Limited for which she chairs the Audit Committee and is a member of both the Risk and Remuneration Committees. She is also a Non-Executive Director of Sainsbury's Bank PLC for which she similarly chairs the Audit Committee and is a member of both the Risk and Remuneration Committees.

Arnold Ekpe – Non-Executive Director

Arnold Ekpe joined the boards in April 2016 and has degrees in engineering and business administration. He has over 30 years of experience of international banking. He has previously served as the CEO of the two leading Pan African banks, Ecobank and UBA and was responsible for developing Citibank's corporate and structured trade finance business in Sub Saharan Africa.

He is currently the Chairman of Baobab, the leading France based pan African Microfinance Banking Group; Senior Adviser to the Dangote Group, the leading pan-African industrial group; Senior Adviser and member of the Investment Committee of US based Equator Capital Partners LLC; non-executive director of Aavishkaar Venture Management Services, India; and Chairman of the Business Council for Africa.

Simon Poole - Non-Executive Director

Simon Poole joined the Board in April 2016 bringing with him broad finance and administration experience across a range of businesses in numerous African countries. Previously, he was a CFO with Intela Global Ltd, Lawson's Corporation and Celtel International (in Burkina Faso, Chad and DRC). Earlier in his career he held finance and accounting roles with Price Waterhouse, Bank of America and BT. He was previously a director of both Helios Towers Africa Limited and Vivo Energy Limited. He currently serves on the boards of directors of Link Commerce Limited (previously Mall for Africa Limited) and Solevo B.V.

He received his BSc in Geography from Exeter University, UK. He qualified as a Chartered Accountant with Price Waterhouse and is a member of the Institute of Chartered Accountants in England and Wales. Simon is fluent in French.

Directors for the year ended 31 December 2019 (continued)

Albert Maasland – Executive Director

Albert Maasland started his career in banking at Chase Manhattan Bank – later JP Morgan – and during his 11 years career was involved in transforming and building a range of highly successful and profitable business units. This included launching the first generation of cross-border electronic transaction banking services and setting up teams in global cash management, institutional and Custody areas before he moved to the Markets division as Head of FX sales for Chase.

Albert later became Global Head of Business Development at HSBC Markets before tackling the transformation of the FX business at Deutsche Bank, helping steer them from 24th to the number one FX provider worldwide. He took on various other roles before joining the Deutsche Bank Wholesale and the Investment Bank's Management Committee.

He founded or co-founded a number of start up businesses before returning to banking and helped establish the global e-commerce business at Standard Chartered before moving to Saxo Bank where he fulfilled numerous roles including CEO of Saxo Bank UK and then Chairman of Saxo Capital Markets UK. He was CEO of Knight Capital Europe and subsequently KCG Europe before becoming Group CEO of Crown Agents Bank and its sister Asset Management Business in February 2017.

Richard Hallett – Chief Financial Officer

Richard Hallett is the Chief Financial Officer of the Bank and of Crown Agents Investment Management Limited, having joined in June 2016. Richard's career spans more than 25 years in top tier financial services organizations with an extensive track record across Investment Banking, Commercial and Retail Banking sectors both regionally and globally. He was formally CFO of Barclays Africa and CFO of Absa Capital. Previous roles to this include UK & Europe CFO and Global Business Unit Controller at RBS, Managing Director, European Head of Fixed Income Product Control and Global Head of Interest Rates Product Control at Morgan Stanley, and Director and Global Head of Expense Management at Credit Suisse First Boston. Richard started his career at Price Waterhouse, is a qualified accountant and holds a BSc. (Hons) in Chemistry from the University of East Anglia.

Doug MacLennan – Chief Risk Officer

Doug MacLennan joined the Board in June 2013 having previously joined the Board of Crown Agents Bank Limited in December 2012, as both CFO and CRO. He stepped down from the CFO position in June 2016 to focus on the development of the risk management function within the group.

He has been involved in the UK Financial Services Industry for over 30 years within Investment Banking, Broking, and Global Custody, including previous appointments as Director of Finance at Merrill Lynch Limited; Deputy Managing Director at Sanwa International; Finance Director at the Bank of China International; and Senior Vice President of Risk Management at Northern Trust. Doug is a member of the Institute of Chartered Accountants of Scotland, and a Fellow of the Chartered Institute for Securities and Investments.

Strategic Report for the year ended 31 December 2019

Strategic Direction

The Company's strategy focuses activities in core areas of competence and in key geographical markets. The Company's annual re-assessment of its markets and its position in them confirms that this focus is broadly correct.

The Company expects to see growth through new funds under management and further investment will be made to support this growth. This will focus on improving client coverage, building broader investment strategies and products and ensuring best practice risk and operational processes and systems.

Review of Performance

The year saw another good investment performance. This performance was against a continuing challenging financial market background but did not detract from continuing to support clients' development plans by delivering high-quality, customised training programmes.

Key Performance Indicators	2019	2018*
Turnover (£'000)	3,282	3,045
Profit before tax (£'000)	61	116
Return on capital employed based on start of year shareholder's funds	1.9%	3.1%
Funds under management (£M)		
- discretionary	1,132	1,231
- non discretionary	555	818
Total	1,687	2,049

* restated

Strategic Report for the year ended 31 December 2019 (continued)

Financial Position of the Company

The Company's financial position at the end of the year was as follows:

	2019	2018*
	£'000	£'000
Total Assets	3,621	3,816
Total Shareholders' funds	2,878	2,825

* restated

Principle Risks and Uncertainties

The Company's Board determines overall strategy, the markets in which it will operate and the levels of risk acceptable to the Company.

Day to day management of risk is undertaken by the Company's management committees assisted by Risk Management. As part of its risk management strategy, management reviews the level of expected US dollar income and costs and may hedge part of the expected net US dollar income for the following year if the amounts involved are material. Such hedging is undertaken using forward foreign exchange deals and/or options to cover the anticipated net cash inflows.

The most significant risks to the Company's business are failure to manage clients' funds in accordance with agreed guidelines and the loss of key staff or the largest client accounts. Investment guidelines are discussed and agreed with clients and incorporated in client agreements and there are day to day controls in place to ensure guidelines are adhered to at all times. The Company recognises the importance of attracting and retaining staff with appropriate specialist knowledge and skill sets. It regularly monitors remuneration packages and ensures training needs are fully satisfied. Client relationships are managed closely by an executive director or senior fund manager to ensure delivery of the highest quality service.

The Board is also aware of the challenges and risks posed by the outbreak of Coronavirus19. As result, the Company has undertaken an assessment of its capital and liquidity needs going forwards. The matter is further discussed in Post Year End Events below.

Post Year End Events

In the first quarter of 2020 it became apparent that our home market in the UK and the World as a whole has been severely impacted by the Covid 19 Global Pandemic. The magnitude of the economic shock from the pandemic remains highly uncertain however we are confident the business model of the Company remains resilient and adaptable under the possible severe and plausible stress scenarios that may ensue in the future. The Company successfully transitioned to fully remote/work from home in March and has continued to operate in this manner since that time. As a Board we have fully considered the potential implications of Covid 19 on the Company's ability both to continue as a going concern and are confident of our ability to continue to successfully roll out our business strategy.

Strategic Report for the year ended 31 December 2019 (continued)

Other Matters

Management is conscious of the FCA's Pillar 3 Capital Adequacy disclosure requirements and the information, including remuneration, can be found on the Company website - www.caiml.co.uk.

On behalf of the Board,



Albert Maasland
Group Chief Executive Officer
15 June 2020

Directors’ Report for the year ended 31 December 2019

The directors submit their report and the audited financial statements of the Company for the year ended 31 December 2019.

Principal Activities

The principal activity of the Company is the provision of investment management services. The Company is authorised and regulated by the Financial Conduct Authority (FCA).

Future Developments

The Company will continue to provide investment management services.

Dividends

There were no dividends paid or proposed in the year (2018: £nil).

Political Donations

No political donations were made in 2019 or 2018.

Financial risk management

Details of financial risk management are set out on page 10 within the Strategic Report.

Employee Matters

(a) Employee Engagement Survey

On an annual basis the Company carries out an Employee Engagement Survey. Through a company-wide questionnaire and a series of focus groups, the Company explores how it measures up to its stated values/ industry benchmark and how well engaged employees are with their roles. The most recent survey, carried out in late 2019, concluded that the level of staff engagement compares well with the industry benchmark and is above benchmark in many areas.

(b) Disabled Persons

Our commitment is to attract talented individuals. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of persons fortunate enough not to suffer from a disability.

Directors' Report for the year ended 31 December 2019 (continued)

(c) Employee Involvement

The Company uses a variety of methods to disseminate relevant information to its employees. All managers hold regular meetings with their staff for this purpose, at which there are also opportunities for employees to contribute their ideas to the development of management policy. There is also Conduct and Culture Forum and a Culture Champion Forum sponsored by an executive manager and led by the employees. The purpose of these forums is to enable us to build an engaging, inclusive and collaborative culture. In addition, further information is given at quarterly townhall meetings hosted by the Chief Executive Officer, communication through the intranet, notices and via webinars/ training programmes.

(d) Gender diversity

The proportion of women and men employed by the business is 12.5% and 87.5% respectively.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J Parrish* (Chairman)
R Bhatia*
J Johnson-Calari*
C Machell*
A Ekpe**
S Poole**
A Maasland
R Hallett
D MacLennan (resigned 28.2.20)

*independent non-executive director

** non-executive director

Directors' Report for the year ended 31 December 2019 (continued)

Statement of Directors' Responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Annual Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable 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 United Kingdom Accounting Standards, comprising FRS 102, have been followed, 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

Each person who is a director at the date of approval of this report confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) the director has taken all the steps that the director ought to have taken as a director in order to make the director aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report for the year ended 31 December 2019 (continued)

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Shareholders Matters

As laid out in its Articles Of Association, the Company has dispensed with holding annual general meetings and with the laying of financial statements before shareholders in general meeting.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the Board,



A Maasland
Group Chief Executive Officer
15 June 2020

Independent Auditors' Report to the members of Crown Agents Investment Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Crown Agents Investment Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the income statement, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditors' Report to the members of Crown Agents Investment Management Limited (continued)

Report on the audit of the financial statements (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities in respect of the Financial Statements set out on page 14, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Independent Auditors' Report to the members of Crown Agents Investment Management Limited (continued)

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Liam Thompson-Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 June 2020

Income Statement for the year ended 31 December 2019

	Not e	2019 £'000	Restate d2018 £'000
Turnover	2	3,282	3,045
Currency loss		(28)	(18)
Administrative expenses	3	(3,198)	(2,918)
OPERATING PROFIT		56	109
Interest receivable and similar income	4	5	7
PROFIT BEFORE TAXATION		61	116
Tax on profit	6,18	(8)	(32)
PROFIT FOR THE FINANCIAL YEAR		53	84

There were no other items of Comprehensive Income (2018: £nil).

The results for the year are wholly attributable to continuing operations.

The notes on pages 24-43 form part of these financial statements.

Balance Sheet as at 31 December 2019

	Note	2019 £'000	2019 £'000	Restated - 2018 £'000	Restated - 2018 £'000
FIXED ASSETS					
Intangible assets	7		547		418
Tangible assets	8		1		2
TOTAL FIXED ASSETS			548		420
CURRENT ASSETS					
Debtors	9	739		1,153	
Derivatives	10	18		-	
Cash at bank and in hand	11	2,316		2,243	
		3,073		3,396	
Creditors – amounts falling due within one year	12,18	(742)		(951)	
Derivatives	10	(1)		(40)	
		(743)		(991)	
NET CURRENT ASSETS			2,330		2,405
TOTAL ASSETS LESS CURRENT LIABILITIES			2,878		2,825
CAPITAL AND RESERVES					
Called up share capital	13,18		1,650		1,650
Profit and loss account			1,228		1,175
TOTAL SHAREHOLDERS' FUNDS			2,878		2,825

The notes on pages 24-43 form part of these financial statements.

The Board of Directors approved the financial statements on 15 June 2020.



A Maasland
Director



R Hallett
Director

Statement of Changes in Equity for the year ended 31 December 2019

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2018	1,650	1,091	2,741
Profit for the financial year (reported)	-	126	126
Restatement (Note 18)	-	(42)	(42)
Balance as at 31 December 2018	<u>1,650</u>	<u>1,175</u>	<u>2,825</u>
 Balance as at 1 January 2019	 1,650	 1,175	 2,825
Profit for the financial year	-	53	53
Balance as at 31 December 2019	<u>1,650</u>	<u>1,228</u>	<u>2,878</u>

There were no dividends paid or proposed in the year (2018: £nil).

Cash Flow Statement for the year ended 31 December 2019

	Note	2019 £'000	Restated 2018 £'000
Net cash inflow from Operating Activities	17	254	217
Cash flow from Investing Activities			
Purchase of intangible assets	7	(178)	(315)
Purchase of tangible assets	8	-	(3)
Interest received		5	7
Net cash used in investing activities		(173)	(311)
Net increase/ (decrease) in cash at bank		81	(94)
Cash at bank at the beginning of the year		2,243	2,333
Exchange (loss)/ gain on cash at bank		(8)	4
Cash at bank and in hand at the end of the year	11	2,316	2,243

Notes to the Financial Statements for the year ended 31 December 2019 – Contents

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Notes to the Financial Statements for the year ended 31 December 2019

1. STATEMENT OF ACCOUNTING POLICIES

(a) General information

Crown Agents Investment Management Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS

The principal activity of the Company is the provision of investment management services.

(b) Statement of compliance

The financial statements of Crown Agents Investment Management Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The principal accounting policies are set out below and have been consistently applied throughout the year.

(c) Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The derivative financial assets and liabilities are held at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(o).

(d) Going concern

The directors have considered the financial position of the Company, including the net current asset position, regulatory capital requirements, and estimated future cash flows and have concluded that the Company will be able to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

(e) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company has taken advantage of certain disclosure exemptions.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(f) Foreign currency translation

i) Functional and presentation currency

The financial statements are presented in pounds sterling and rounded to thousands.
The Company's functional and presentation currency is pounds sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within Currency Gain/ Loss.

(g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred taxation is provided at anticipated tax rates, using the full provision method, on all timing differences that are differences between taxable profits and total comprehensive income as stated

in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(g) Taxation (continued)

Deferred tax is recognised on all timing differences at the reporting date with certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

(h) Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. The directors have decided that amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Core system software – 10 years.

Other software – 5 years (or the life of the license which ever less).

Brand/name – 50 years.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(i) Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use. Assets are depreciated from the date they are brought into use. Depreciation is calculated to write down assets to their residual value in equal instalments over their estimated useful lives, which are:

Computer equipment

5 years

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(j) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable

as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the operating profit, unless the asset has been revalued when the amount is recognised in the income statement to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(l) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(I) Financial instruments (continued)

(i) Financial assets (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including creditors and short-term loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction.

Derivatives

The Company uses forward foreign exchange contracts to manage the cash flow exposures of forecast transactions denominated in foreign currencies. Derivatives are initially at fair value on the date the derivative contract is entered into and are subsequently re-valued at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement in Currency Gain/Loss.

Trade Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently, where appropriate, measured at amortised cost using the effective interest method.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

(ii) Financial liabilities (continued)

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, medical insurance, paid holiday arrangements and pension contributions.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

All the pension contributions are accounted for as defined contributions and paid over on a monthly basis. No liability for pension entitlement accrues to the Company.

(o) Recognition of income

Turnover represents fee income from the provision of investment management services. Fee income is recognised as the related services are provided.

(p) Critical accounting judgements and key source of estimation uncertainty

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

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(q) Critical accounting judgements and key source of estimation uncertainty (continued)

estimates are revised and in any future periods affected. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Directors are of the view that there are no critical accounting judgements or key sources of estimation uncertainty.

2. TURNOVER

Turnover represents amounts receivable in respect of investment management and associated activities, being the Company's only class of business.

A geographical analysis of the source of turnover by the clients' location is:

	2019 %	Restated 2018 %
Africa	38	34
Caribbean, Atlantic and the Americas	26	26
UK	18	19
Rest of Europe	18	21
	<u>100</u>	<u>100</u>

Notes to the Financial Statements for the year ended 31 December 2019(continued)

3. ADMINISTRATIVE EXPENSES

	2019 £'000	Restated 2018 £'000
Staff costs and directors' emoluments* (Note 5)	1,363	1,307
Amortisation	49	9
Depreciation	0	1
Management fees charged*	606	570
Administrative and other expenses*	1,180	1,031
	3,198	2,918

* payable through/ to other group companies

The administrative expenses, and other expenses payable to/through group companies, include remuneration for the auditors. The fees payable to the auditors were £25,000 (2018: £24,000) for auditing the financial statements, £38,000 (2018: £36,000) for audit related assurance services and £nil (2018: £nil) for other services.

The Company operates in one area, that of investment management in the United Kingdom.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable arises from monies deposited with Crown Agents Bank Limited, a fellow group company.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff Costs and Directors' Emoluments	2019 £'000	Restated 2018 £'000
Wages and salaries	959	920
Social security costs	142	133
Pension costs	70	60
Other costs (inc bonus accrual and external consultants)	192	194
	<u>1,363</u>	<u>1,307</u>

The aggregate emoluments and pension contributions of the directors were £40,000 (2018: 20,000) and key management were £246,303 (2018: £200,608).

The aggregate emoluments and pension contributions of the highest paid director were £40,000 (2018: £20,000) and £nil (2018: £nil) respectively.

No retirement benefits (2018: £nil) accrued to directors under defined benefits pension schemes during the year.

The monthly average number of full time staff, including executive directors, was 15 (2018: 13).

The Company operates a defined contribution pension scheme. The Company contributed £69,931 (2018: £60,251) to this scheme during the year of which £5,826 (2018 - £5,365) was paid after the year end.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

6. TAX ON PROFIT

A Analysis of Charge for the Year

	2019 £'000	Restated 2018 £'000
Corporation tax based on the profit for the year at 19.00% (2018: 19.00%)	8	12
Prior year adjustment	(1)	6
Deferred tax (Note 14)	1	14
Total tax charge	8	32

B Factors Affecting Tax Charge for the Year

	2019 £'000	Restated 2018 £'000
Profit before taxation	61	116
Profit before taxation multiplied by standard rate of corporation tax of 19.00% (2018: 19.00%)	12	22
Other adjustments	(4)	(10)
Prior year adjustment	(1)	6
Tax sheltered by group relief	-	-
Corporation tax	7	18
Deferred tax – timing differences	1	14
Total tax charge	8	32

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

7. INTANGIBLE ASSETS

	Brand/ Name £'000	Intangible Assets – Core Software £'000	Total £'000
Cost			
At 1 January	-	437	437
Additions	125	53	178
Disposals	-	-	-
At 31 December	125	490	615
Accumulated amortisation			
At 1 January	-	19	19
Charge	1	48	49
Disposals	-	-	-
At 31 December	1	67	68
Net Book Value at 31 December 2019	124	423	547
Net Book Value at 31 December 2018	-	418	418

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

8. TANGIBLE ASSETS

	Tangible Assets – Computer Equipment £'000
Cost	
At 1 January	3
Additions	-
Disposals	-
At 31 December	3
Accumulated depreciation	
At 1 January	1
Charge	-
Disposals	-
At 31 December	1
Net Book Value at 31 December 2019	2
Net Book Value at 31 December 2018	2

9. DEBTORS

	2019 £'000	Restated 2018 £'000
Trade debtors	17	293
Prepayments	27	56
Accrued income	695	804
	739	1,153

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

10. DERIVATIVES

A proportion of the US dollar management fee income received quarterly is economically hedged using a series of forward foreign exchange contracts with a notional value of US\$ 979,000 (2018: US \$864,000) as at 31 December 2019. The positive fair value of the remaining outstanding forward deals at 31 December 2019 was £18,496 (2018: £nil). The negative fair value of the remaining outstanding forward deals at 31 December 2019 was £979 (2018: £40,114). Such gain/losses are reported net of foreign exchange (profit)/ loss arises from gains/ losses on holding US dollar balances which are revalued monthly. The resulting loss (2018: loss) is included within Currency Gain /Loss in the Income statement.

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction. Fair values are determined at prices quoted in active markets. In some instances, such price information is not available for all instruments and the Company applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data but in some cases, management estimate other than observable market inputs within the valuation model. There is no standard model and different assumptions would generate different results.

Level 1 - Quoted price for an identical asset in an active market

Inputs to level 1 fair value are quoted prices (unadjusted) in active markets for identical assets. An active market is one in which transactions for the asset occurs with sufficient frequency and volume to provide pricing information on an on-going basis. The Company did not have any such instruments.

Level 2 – Price of a recent transaction for an identical asset

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Derivatives contracts are included in level 2.

Level 3 – Valuation technique (ie internal models with significant unobservable market parameters)

Inputs to level 3 fair values are based on unobservable inputs for the assets at the last measurement date. If all significant inputs required to fair value an instrument are observable then the instrument is included in level 2, if not it is included in level 3. The Company did not have any such instruments.

11. CASH AT BANK AND IN HAND

The amounts relate to call accounts with a fellow group company, Crown Agents Bank Limited.

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	Restate d 2018 £'000
Amounts owed to group undertakings	222	310
Corporation tax	-	18
Deferred tax (Note 14)	17	16
Other creditors, accrued expenses and deferred income	503	607
	<u>742</u>	<u>951</u>

13. CALLED UP SHARE CAPITAL

	2019 £'000	Restate d 2018 £'000
Issue, allotted and fully paid (ordinary shares of £1 each)		
As at 1 January and 31 December	<u>1,650</u>	<u>1,650</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

14. DEFERRED TAX

The deferred tax liability (2018 – liability) recognised in the financial statements, calculated at 17% (2018: 19%) is:

	2019 £'000	Restate d 2018 £'000
Capital allowances in excess of depreciation	<u>(17)</u>	<u>(16)</u>

There was a charge of £1,037 to the income statement during the year (2018: £13,577 charge). There are no un-provided deferred tax assets or liabilities (2018: nil).

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

15. RISK MANAGEMENT

(i) Liquidity Risk: the Company seeks to ensure that, at all times, it has sufficient cash resources to meet its liabilities as they fall due. The liquidity position is monitored on a daily basis.

The liquidity profile of the Company is as follows:

Assets 2019	Less than 3 months £'000	More than 3 months less than 1 year £'000	Total £'000
Debtors, prepayments and accrued income	739	-	739
Derivatives	2	16	18
Cash at bank	2,316	-	2,316
	<u>3,057</u>	<u>16</u>	<u>3,073</u>
Intangible assets			547
Tangible assets			1
			<u>3,621</u>
 Liabilities 2019	 Less than 3 months £'000	 More than 3 months less than 1 year £'000	 Total £'000
Creditors	742	-	742
Derivatives	-	1	1
	<u>742</u>	<u>1</u>	<u>743</u>
Shareholder's funds			2,878
			<u>3,621</u>

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

15. RISK MANAGEMENT (continued)

Assets 2018 (Restated)	Less than 3 months £'000	More than 3 months less than 1 year £'000	Total £'000
Debtors, prepayments and accrued income	1,153	-	1,153
Cash at bank	2,243	-	2,243
	<u>3,396</u>	<u>-</u>	<u>3,396</u>
Intangible assets			418
Tangible assets			<u>2</u>
			<u>3,816</u>

Liabilities 2018 (Restated)	Less than 3 months £'000	More than 3 months less than 1 year £'000	Total £'000
Creditors	951	-	951
Derivatives	14	26	40
	<u>965</u>	<u>26</u>	<u>991</u>
			2,825
Shareholder's funds			<u>3,816</u>

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

15. RISK MANAGEMENT (continued)

(ii) Currency Risk: the Company's currency risk is largely hedged by forward foreign exchange contracts (see note 10).

The foreign currency profile of the Company is as follows:

	2019 £'000	Restated 2018 £'000
Assets		
Denominated in sterling	2,954	3,528
Denominated in other currencies	667	288
	<u>3,621</u>	<u>3,816</u>
Liabilities and equity		
Denominated in sterling	3,621	3,816
Denominated in other currencies	-	-
	<u>3,621</u>	<u>3,816</u>

16. FINANCIAL INSTRUMENTS

The carrying value of the Company's financial assets and liabilities is as follows:

Financial assets	Note	Assets at FVTPL¹ £'000	Financial assets at amortised cost £'000	Total £'000
2019				
Debtors	9	-	17	17
Derivative financial instruments		18	-	18
Cash at bank and in hand	11	-	2,316	2,316
		<u>18</u>	<u>2,333</u>	<u>2,351</u>
2018 (Restated)				
Trade debtors	9	-	293	293
Cash at bank and in hand	11	-	2,243	2,243
		<u>-</u>	<u>2,536</u>	<u>2,536</u>

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

16. FINANCIAL INSTRUMENTS (continued)

Financial liabilities	Note	Liabilities at FVTPL¹ £'000	Financial liabilities at amortised cost £'000	Total £'000
2019				
Amounts owed to group undertakings	12	-	222	222
Derivative financial instruments	10	1	-	1
Other creditors and accrued expenses	12	-	503	503
		<u>1</u>	<u>725</u>	<u>726</u>
2018 (Restated)				
Amounts owed to group undertakings	12	-	310	310
Derivative financial instruments	10	40	-	40
Other creditors and accrued expenses	12	-	626	626
		<u>40</u>	<u>936</u>	<u>976</u>

¹ FVTPL – Fair value through profit or loss

17. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of profit before taxation to net cash flow from operating activities

	2019 £'000	Restated 2018 £'000
Profit before taxation		116
	61	
Less - interest receivable	(5)	(7)
Effect of currency exchange rate changes	(48)	70
Amortisation of intangible assets	49	9
Depreciation of tangible assets		1
Decrease/ (Increase) in debtors	414	(163)
(Decrease)/ Increase in creditors	(217)	191
Net cash inflow from operating activities	<u>254</u>	<u>217</u>

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

18. PRIOR YEAR ADJUSTMENTS

Following a review of management fees during the year, the Company uncovered an immaterial error dating back to 2018 in relation to one particular customer for which the management fee had been incorrectly calculated. The item has been treated as a prior year adjustment, the effect of which is summarised below:

Reconciliation of pre tax profit for the year	2018
	£'000
Pre tax profit for the year as reported previously	168
Reduction in income	(52)
Revised pre tax profit for the year	<u>116</u>

Reconciliation of tax charge for the year	2018
	£'000
Tax charge for the year as reported previously	42
Reduction in tax charge	(10)
Revised tax charge for the year	<u>32</u>

Reconciliation of creditors	2018
	£'000
Creditors as reported previously	909
Increase	42
Revised creditors	<u>951</u>

Notes to the Financial Statements for the year ended 31 December 2019 (continued)

18. PRIOR YEAR ADJUSTMENTS (continued)

19. HOLDING COMPANY

Reconciliation of equity

	2018 - £'000		
	Share Capital	P&L Reserve	Total
Equity as reported previously	1,650	1,217	2,867
Reduction in income (net of tax)	-	(42)	(42)
Revised equity	1,650	1,175	2,825

The immediate parent undertaking is CABIM Limited which is the smallest and largest group to consolidate these financial statements as at 31 December 2019. The ultimate parent undertaking and controlling party is Helios Investors III LP, acting through its general partner Helios Investors Genpar III LP. Helios Investors Genpar III LP is registered in the Cayman Islands with its registered office at PO Box 309GT, Ugland House, South Church Street, Grand Cayman, Cayman Islands KY1-1104.

Copies of the financial statements of CABIM Limited may be obtained from Quadrant House, The Quadrant, Sutton, Surrey SM2 5AS.

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption provided under section 33.1A of FRS 102 "Related Party Transactions", because it is a wholly owned subsidiary of CABIM Limited.

21. POST BALANCE SHEET EVENTS

The Company is currently facing the challenges posed by Coronavirus 19 which is causing widespread disruption to financial markets and normal patterns of business activity across the world, including the UK.

The Directors assess this event to be a non-adjusting post balance sheet event. In view of its currently evolving nature, the Directors are unable to estimate its financial and other effects.

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