

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER
2022

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ANNUAL REPORT AND FINANCIAL STATEMENTS - 31 DECEMBER 2022

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Chairman's Report for the year ended 31 December 2022

Overview

While 2022 presented a new set of global challenges, including volatile capital markets, historically adverse outcomes in fixed income markets and new and significant geopolitical uncertainty, Crown Agents Investment Management Limited ("CAIM" or "the Company") braved the turbulence and continued to deliver on its multi-year strategic plan. Despite the significant headwinds, CAIM's team of seasoned professionals, ongoing process improvements and client outreach led to positive relative portfolio performance across accounts and continued increases in assets under management.

2022 Review

Since change of control in 2016, when Helios Investment Partners LLP acquired the Company, we have been building on established long-term relationships with central banks, pension funds and public and private sector financial institutions across our focus markets in Africa, the Caribbean and other selected geographies. 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.

CAIM CEO Roberts Grava, with the firm since 2020, has continued to lead the team in executing on a strategic business plan designed to strengthen teams and processes, increase client engagement, broaden investment offerings and drive robust business growth. Investments in resources in 2021 led to encouraging results in 2022, as the firm onboarded client assets in focus strategies like Chinese fixed income (both onshore and offshore) and SDR-based investment, and delivered positive relative returns.

But many clients in 2022 experienced poor absolute returns, particularly in fixed income, as rapid rate rises by central banks in developed markets, meant to combat worrisome inflation trends, resulted in rising yields, falling bond prices and negative investment benchmark returns to an extent not seen in modern history. Here, CAIM's focus on client engagement enabled thoughtful discussions with the Boards and Investment Committees of key clients, and allowed the Company to share hard-won market expertise and perspective, as well as analytics from CAIM's proprietary asset allocation tools, to give clients comfort on the value of their long-term investment decisions, as well as materials and narrative for these institutions to share with their stakeholders. These efforts strengthened already robust relationships, and further efforts to expand CAIM's presence, brand and thought leadership via relationships with regional institutions have strengthened the pipeline.

The Company reported a small loss in 2022, as market turbulence disincentivised clients from awarding larger new investment mandates, but financial results were essentially on track with respect to the strategic plan in place since 2020. Furthermore, as planned, 2022 results were materially better than 2021 and reflect the success of the Company's execution of this strategy. Discretionary AUM rose by 23% in 2022, an impressive result by itself and even more so given the challenges over the past year. CAIM was profitable throughout the last quarter of 2022, and a continued focus on expense management should put CAIM on an excellent footing as we work towards increasing profitability in 2023 by converting the many pipeline opportunities, in significantly more favourable markets.

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

31 March 2023

Chief Executive Officer's Report for the year ended 31 December 2022

2022 was both a very challenging year, yet also a successful one for CAIM. Financial markets were generally characterised by tremendous volatility, driven by investor responses to developed market central banks rapidly tightening monetary policy in an effort to curb inflation. Yields rose dramatically, leading to discouraging returns across markets, but particularly in fixed income, which delivered literally historic adverse results. CAIM met these challenges on the investment front, delivering positive relative portfolio returns across accounts, and on the business risk front by continually engaging with clients, providing perspective and analysis on investment strategies and their benefits over relevant horizons. Regarding business development, falling markets significantly dampened investor appetite to fund new mandates, but the Company nevertheless delivered 20% growth in total assets under management (AUM) and 27% growth in turnover in 2022. The team worked selflessly and diligently to deliver positive active portfolio returns to clients in a risk-appropriate manner during difficult markets, and from a business perspective demonstrated its continued success in executing CAIM's strategic plan, which remains on track.

Strategic considerations

Following strategic investment in resources in 2021 (supported by a £500k capital injection) designed to bolster our capabilities and increase bandwidth while strengthening efforts to further improve investment and operational processes and client engagement, 2022 was about putting these changes to work. We believe we were successful on all fronts. In the face of historically adverse fixed income markets, we onboarded significant amounts of new assets under management, in new investment strategies developed since the inception of the strategic plan. Asset growth came from both existing clients and new ones, a testament to our deepening of client relationships, and a broadening of our reach. Enhanced investment and risk management processes, implemented with an already successful and seasoned investment team, enabled us to deliver positive active returns across accounts, with risk budgeting tailored to each client's objectives, in an extremely difficult market environment. As the market begins to stabilise in 2023, we believe there are ample opportunities to accelerate business growth, while continuing to deliver positive investment outcomes in prudently managed portfolios.

Investment offerings

Continuing improvements in our proprietary analytical tools, coupled with our knowledge of market developments and opportunities, as well as clients' investment objectives, have allowed us to broaden the range of investment strategies we offer. Two notable examples include our new SDR- and CNY-based strategies. In 2021 the International Monetary Fund implemented a new global allocation of Special Drawing Rights (SDRs) to its member countries. In essence, this resulted in a one-time rise in national balance sheet size for recipient nations, but not necessarily a new income source, without converting the SDRs to investable currencies. A number of CAIM's investment professionals have years of experience managing SDR-based investment portfolios, and following an educational webinar and follow-on direct discussions with clients and prospects, CAIM has won and onboarded AUM in the SDR strategy, which remains an interest for numerous institutions in our pipeline. Similarly, with the increasing size and importance of Chinese investment assets in global capital markets, and their utility in providing income and diversification, CAIM now manages renminbi fixed income portfolios for an increasing amount of clients. Clients value not only our ability to navigate this relatively new market successfully, in the context of broader global rates portfolios, but also overcome the operational complexities and high barriers to entry in this market on their behalf. Finally, for our financial institution clients, we have been helping them navigate evolving markets by providing further bespoke investment strategies to meet their specific investment needs.

Chief Executive Officer's Report for the year ended 31 December 2022 (cont)

Client engagement

CAIM is not simply an institutional investment manager; we aim to be a trusted advisor to each of our clients, helping them reach their unique objectives. We don't sell pre-packaged investment "products" to our clientele, we discuss and agree on bespoke solutions from our initial conversations, through account design and onboarding, and regularly review strategies as markets, and client needs, evolve. We like to have good relationships at all seniority levels at client institutions, but recently have focused on even more engagement with senior stakeholders, helping them think through the policies which drive investment management decisions. We have had an increasing number of interactions with Investment Committees and Boards, while continuing our thorough outreach with investment management practitioners at client institutions. These types of discussions are especially important during volatile environments such as seen in 2022, and it was helpful that a post-pandemic return to business travel allowed us to have many of these discussions in person. Several clients last year expressed their appreciation that CAIM was the first firm to visit them since the pandemic's inception. We believe this type of open communication and collaboration is mutually beneficial and indeed crucial to our continued success.

Brand awareness / thought leadership

CAIM has been running a successful set of investment webinars since the pandemic began, and these continue, as they are an efficient way to communicate CAIM's investment insights to a broad range of clients and prospects. Despite "Zoom fatigue" setting in after seemingly endless video conferences over recent years, our webinars still manage to attract an impressive number of participants. We have had a successful relationship over several years with regional institutions like MEFMI, the Macroeconomic and Financial Management Institute of Southern and Eastern Africa, which continues. In addition, we have extended our collaboration to other similar institutions, such as WAMA and WAIFEM in Africa, and PICDPR in the South Pacific. These are mutually beneficial relationships, as these organisations can bring the expertise of CAIM's investment professionals to their member institutions efficiently, while wider exposure to CAIM's brand and thought leadership has markedly increased pipeline opportunities.

Conclusions

It's challenging to manage investment assets, much less win and onboard new AUM when markets are volatile and falling, as they were throughout 2022. CAIM met these challenges and delivered positive active portfolio returns with tailored and disciplined risk budget utilisation across accounts, as well as discretionary AUM growth of 23%, notably into new focus strategies like SDR, CNY and fully customised mandates allowing clients to meet their specific asset-liability management goals. Our pipeline is strong, and we expect excellent opportunities to drive further business growth during more favourable markets in 2023 and beyond, with a continued focus on disciplined investment, risk and operations management.

Our victories in 2022 were very hard-fought, and the result of the dedication of every single member of the CAIM team. I want to take this opportunity to thank the entire team for their great efforts, very often going above and beyond expectations. I look forward to working with you in 2023 and beyond to continue delivering successful outcomes to a growing number of clients.



Roberts Grava
Chief Executive Officer

31 March 2023

Directors for the year ended 31 December 2022

Jeremy Parrish – Chairman and Independent Non-executive director

Jeremy Parrish joined the Board 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 Anglo Gulf Trade Bank in Abu Dhabi, UAE.

Roberts Grava – Chief Executive Officer

Roberts Grava is Chief Executive Officer of Crown Agents Investment Management Limited, having joined in June 2021. Roberts has nearly 30 years of experience in institutional investment management, having served in senior roles in both the public and private sectors, on the buy- and sell-sides. While he has experience working with clients and portfolios across industries globally, Roberts has particular expertise with central banks, sovereign wealth funds, national pension funds and other official institutions. He has been Head of Official Institutions and Managing Director at J.P. Morgan Asset Management, first in the global Fixed Income team in London, and later in the Multi-Asset Institutional Solutions and Advisory group, based in the USA. Roberts has worked at the World Bank twice, first as Principal Financial Officer and one of the original engagement managers of the RAMP program, and later as Director of Quantitative Strategies, Risk and Analytics at the World Bank Treasury. He spent 11 years at Latvijas Banka, the Central Bank of Latvia, in roles including Chief Investment Officer, Head of Reserves Management, Head of Market Operations and Member of the Board. During this time, he represented Latvia on various committees at the European Central Bank. Roberts has been a frequent speaker at institutional investment events globally and has written on topics relevant to official institution investors. He has a degree in Economics from Columbia University, and is a CFA charterholder.

Richard Hallett – Chief Financial Officer

Richard Hallett is the Chief Financial Officer of the Company, 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 formerly 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.

Chris Green – Chief Risk Officer

Chris joined the Board in 2021 as Chief Risk Officer and Head of Compliance. Chris has over 25 years of corporate financial services experience mainly in senior risk leadership roles. He joined the Company from Royal Bank of Scotland where his senior roles included: Head of Portfolio Management for Commercial Banking, Head of Commercial Credit, and Head of Risk for Business and Commercial Banking. Prior to that, he worked for GE Capital where he held Chief Risk Officer roles for several of their businesses both in France and EMEA.

Directors for the year ended 31 December 2022 (continued)

Jennifer Johnson-Calari – Independent Non-executive director

Jennifer Johnson-Calari joined the Board in June 2019 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 a non-profit organization.

Karen Jordan – Independent Non-executive director

Karen has an auditing background and qualified as a Chartered Certified Accountant in 1992. Specialising in banking and asset management, Karen's executive roles included stints at PwC, Barclays and an international role at State Street, covering Europe and Asia. She has advised on global and cross-border regulatory and law enforcement matters involving a range of complex governance, regulatory and reputational challenges. She also took the lead role in ensuring that projects to provide redress to customers due to mis-selling or wrongdoing were well-managed and produced fair outcomes for those customers.

Karen now holds a small number of roles as an independent non-executive director and Committee Chair. These roles include, in addition to Crown, two financial services companies and the whistleblower protection charity, Protect.

Albert Maasland – Independent Non -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. In February 2017 he became Group CEO of Crown Agents Investment Management Limited and its sister company, Crown Agents Bank Limited.

Albert retired as Group CEO in 2022 after overseeing the significant transformation of the business. He continues as a Non-Executive Director of the Group holding company CABIM Limited and of Crown Agents Investment Management Limited as well as providing advisory services to a variety of Fintech and other businesses.

Directors for the year ended 31 December 2022 (continued)

Arnold Ekpe – Non-executive director

Arnold Ekpe joined the Board 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; a Non-executive director of 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 brings to the Board finance and administration experience across a range of businesses in numerous African countries. He has worked as an Operating Partner for Helios Investment Partners since 2011 and in this role he has served on Boards of Directors of Helios Towers Africa, Vivo Energy, Interswitch and Fawry. Earlier in his career he was CFO of Intela Global Ltd, Celtel International (in Burkina Faso, Chad and DRC). He started his career in London with finance and accounting roles with Price Waterhouse, Bank of America and BT.

He qualified as a Chartered Accountant with Price Waterhouse and is a member of the Institute of Chartered Accountants in England and Wales.

Strategic Report for the year ended 31 December 2022

Strategic Direction

The Company's strategy will continue to emphasize continual improvement of its investment, operational and risk management processes, and a particular focus on client engagement, in order to drive AUM and revenue growth, as well as positive investment results and continued value-added client advisory work. Having laid the groundwork during the initial years of CAIM's multi-year strategic plan, in place since 2020, and with the turbulent financial markets of 2022 now largely behind us, we believe we are well-positioned to convert opportunities in an increasingly robust pipeline and accelerate AUM growth, while continuing to ensure best practice risk and operational processes and systems.

Review of Performance

2022 was a demonstration of CAIM's strategic plan, and its execution, beginning to bear fruit. Where 2021 was characterised by increased investment in resources, particularly headcount, to support investment decision-making and business growth, incurring a subsequent planned financial loss for the year, 2022 saw the Company win and onboard several material pipeline opportunities and very nearly return to profitability for the year. Despite significant headwinds resulting from historic volatility in global capital markets, particularly in fixed income, we grew discretionary assets under management from £1,164mn. at the end of 2021 to £1,428mn. at the end of 2022 (a 23% increase), and total assets under management from £1,929mn. at the end of 2021 to £2,310mn. at the end of 2022 (20%). Turnover increased by 27% over the same period, from £2,640mn. to £3,363mn, with the Company delivering several profitable months in 2022, including the entirety of the fourth quarter. We expect revenues and profitability to increase as a markedly more favourable market developments provide a better environment to convert pipeline opportunities in 2023 and beyond.

Key Performance Indicators	2022	2021
Turnover (£'000)	3,363	2,640
Loss before tax (£'000)	(75)	(803)
Return on capital employed based on start of year shareholder's funds	-3.0%	-29.9%
Funds under management (£M)		
- discretionary	1,428	1,164
- non discretionary	882	765
Total	2,310	1,929

Strategic Report for the year ended 31 December 2022 (continued)

Financial Position of the Company

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

	2022	2021
	£'000	£'000
Total Assets	3,578	3,418
Total Shareholder's Funds	2,472	2,539

Principal 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 with oversight of the group's second line risk and compliance. 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.

Financial market disruption always has the potential to increase business-at-risk, as clients re-evaluate the attractiveness of investment strategies and awarded investment mandates. Our client-facing team addressed these challenges head-on, interacting with client Boards and Investment Committees to highlight the benefits of existing investment strategies over an appropriate horizon, as well as our success in delivering positive relative returns. There were no performance-related closures on any discretionary investment accounts in 2022.

The Company successfully navigated the risks, complexities and uncertainties of the Coronavirus 19 pandemic, and our clients are largely recovering from the economic shocks that came with it. Ultimately, the disruptions that accompanied the pandemic allowed the Company strengthen the robustness of its operations, allowing remote work, communicating with clients via video and webinars, and the implementation of hybrid working (part of the week in the office, part at home), which is likely to continue for the foreseeable future. At the same time, face-to-face human interaction is very important, and we have welcomed the opportunity to spend more time in the office, interacting with colleagues, as well as resumption of business travel, so we can engage with our clients more directly.

Strategic Report for the year ended 31 December 2022 (continued)

Conflict In Ukraine

Following the Russian invasion of Ukraine on Thursday 24th February 2022, governments around the world reacted with unprecedented unity in imposing financial sanctions on Russia and Belarus, expanding sanctions regimes with significant scale and speed. The Company reacted swiftly to changes in sanctions legislation and implemented additional compliance controls and checks to mitigate financial crime risk.

CAIM does not have any clients located in Russia, Belarus and Ukraine. Only a limited amount of discretionary investment management accounts managed by CAIM allow potential investments in securities issued by entities in Russia, Belarus and Ukraine; no CAIM investment management accounts had exposures to Russian, Belarussian or Ukrainian issuers during 2022. Management have therefore concluded that there will be limited financial and business impact on CAIM.

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,



Roberts Grava
Chief Executive Officer
31 March 2023

Directors' Report for the year ended 31 December 2022

The directors submit their report and the audited financial statements of the Company for the year ended 31 December 2022.

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, advisory, training and capacity building services. With recent investments in key personnel, we plan to broaden our product offering, maintain strong risk-adjusted investment performance, strengthen client engagement and drive AUM and revenue growth. We plan further investment in personnel, systems and the control environment in line with the pace of growth, to adequately support all aspects of the business.

Dividends

There were no dividends paid or proposed in the year (2021: £nil).

Political Donations

No political donations were made in 2022 or 2021.

Financial risk management

Details of financial risk management are set out on page 12 within the Strategic Report.

Employee Matters

(a) Employee Engagement Survey

On an annual basis the Group carries out an Employee Engagement Survey. Through a company-wide questionnaire and a series of focus groups, the Group explores how we live up to our values and in comparison, to industry benchmarks and how well engaged employees are with their roles, line manager, and the company. Our main survey typically conducted in January and pulse surveys conducted, as required provides us with data to our track year on year progress based on a set of standard question and additional questions are designed to seek employees' experience and feedback on internal and external factors that may be affecting employees. Our focus on 2022 was supporting employees in relation health and wellbeing and a specific focus on financial wellbeing.

(b) Disabled Persons

Our commitment is to promote diversity and inclusion in the workplace to attract talented individuals. Our process is to treat all applications for employment in a fair and consistent manner. In the event of members of staff becoming disabled we make every effort to identify ways of adapting the workplace for those with disabilities.

Directors' Report for the year ended 31 December 2022 (continued)

Employee Matters (continued)

(c) Employee Involvement

The Group 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. We continue to engage employees through our Diversity, Inclusion, Culture and Equality forum (DICE) established in 2022 with employee representatives across the business to raise awareness and advocate diversity, inclusivity and a collaborative culture. In addition, further information is given at quarterly townhall meetings hosted by the Group Chief Executive Officer and the Executive Committee members, through the intranet, notices and via webinars/ training programmes.

(d) Gender diversity

The proportion of women and men employed by the Company (including board directors) is 27% and 73% respectively. We are committed to annual review and publication of our progress and ensure our policies and processes are regularly reviewed to support gender diversity within the business, which actively focusses on recruitment, flexible working, mentoring and the senior management sponsorship of diversity throughout its business.

Climate Change

We recognise that the risks associated with climate change are subject to rapidly increasing prudential, regulatory, political, and societal focus both in the UK and internationally.

Based on our current strategy and business model we consider that we are more likely to be impacted by one-off Climate-related events such as hurricanes and flooding, rather than by the long term goal of a low-carbon economy.

We will continue to use the Task Force On Climate Related Financial Disclosures industry guidance and other publicly available indices to assess relevant countries and their relative vulnerability to climate change.

We are very aware that some of the clients that we provide services to may be more susceptible to Climate-related events in the short term, which may have an impact on the size of the portfolio held with us. However, we have not yet seen any evidence of this, and we will continue to monitor the situation as appropriate.

The Company is conscious of the Streamlined Energy and Carbon Reporting requirements. The Company rents floor space off its sister company, Crown Agents Bank Limited. The Company uses 1,000 sq ft of office space out of a total floor space of 18,150 sq ft. Crown Agents Bank Limited's energy usage for 2022 totalled 490,140 KWH. Since the Company's energy use for 2022, on a pro-rata basis, totalled 27,005 KWH, which is less than the minimum reporting level of 40,000 KWH, no Climate Change Disclosures are required.

Directors' Report for the year ended 31 December 2022 (continued)

Directors

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

	Gender
J Parrish* (Chairman)	M
J Johnson-Calari*	F
K Jordan*	F
A Ekpe**	M
S Poole**	M
A Maasland*	M
R Grava	M
R Hallett	M
C Green	M

*independent non-executive director ** non-executive director

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, 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.

Directors' Report for the year ended 31 December 2022 (continued)

Statement of Directors' Responsibilities in respect of the Financial Statements (continued)

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.

Directors' Confirmations

In the case of each director in office at the date the directors' report is approved:

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

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 Company will be announcing the auditors for the year ended 31 December 2023 at the next annual general meeting.

On behalf of the Board,



R Grava

Chief Executive Officer

31 March 2023

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

Opinion

We have audited the financial statements of Crown Agents Investment Management Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, 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 United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Financial Reporting Council's ('FRC') Ethical Standard, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

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

Other information

The other information comprises the information included in the annual report and financial statement, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 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.

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

Responsibilities of Directors

As explained more fully in the Statement Of Directors' Responsibilities In Respect Of The Financial Statements set out on page 14, 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. 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: regulatory and supervisory requirements of the Financial Conduct Authority ('FCA') and financial crime regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the company, the industry in which it operates, and considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with the FCA;
- Inspecting minutes of directors' meetings in the year; and

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

Auditor's responsibilities for the audit of the financial statements (continued)

- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, and revenue recognition (which we related to the occurrence, accuracy and cut off assertions).

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing and performing procedures to respond to the fraud risk in revenue recognition.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

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

Use of the audit 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.



Maximiliano Bark (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

30 Old Bailey

London, EC4M 7AU

31 March 2023

Income Statement for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover	2	3,363	2,640
Currency gain/ (loss)		26	(20)
Administrative expenses	3	<u>(3,464)</u>	<u>(3,426)</u>
Operating loss		(75)	(806)
Interest receivable and similar income	4	<u>-</u>	<u>3</u>
Loss before tax		(75)	(803)
Tax credit on loss	6	<u>8</u>	<u>152</u>
Loss after tax for the financial year		<u>(67)</u>	<u>(651)</u>

There were no other items of Comprehensive Income (2021: £nil).

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

The notes on pages 26-44 form part of these financial statements.

Balance Sheet as at 31 December 2022

		2022		2021	
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	7		395		447
Tangible assets	8		3		3
Total Fixed Assets			398		450
Current Assets					
Debtors, prepayments and accrued income	9	1,010		969	
Deferred tax	14	-		-	
Derivatives	10	23		-	
Cash at bank and in hand	11	2,147		1,999	
		3,180		2,968	
Creditors – amounts falling due within one year*	12	(1,037)		(842)	
Derivatives	10	(45)		(16)	
Deferred tax*	14	(24)		(21)	
		(1,106)		(879)	
Net Current Assets			2,074		2,089
Total Assets Less Current Liabilities			2,472		2,539
Capital and reserves					
Called up share capital	13		2,150		2,150
Profit and loss account			322		389
Total Shareholder's Funds			2,472		2,539

*The figures for 2021 have been re-presented to show Deferred tax separately from Creditors.

The notes on pages 26-44 form part of these financial statements.

The Board of Directors approved the financial statements on 31 March 2023.



R Grava
Director



R Hallett
Director

Company registration number 02169973

Statement of changes in Equity for the year ended 31 December 2022

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2021	1,650	1,040	2,690
Capital injection	500	-	500
Loss after tax for the financial year	-	(651)	(651)
Balance as at 31 December 2021	<u>2,150</u>	<u>389</u>	<u>2,539</u>
Balance as at 1 January 2022	2,150	389	2,539
Loss after tax for the financial year	-	(67)	(67)
Balance as at 31 December 2022	<u>2,150</u>	<u>322</u>	<u>2,472</u>

There were no dividends paid or proposed in the year (2021: £nil).

Cash Flow Statement for the year ended 31 December 2022

	Note	£'000	£'000
Net cash inflow/(outflow) from Operating Activities	17	128	(1,013)
Cash flow from Investing Activities			
Disposal of intangible assets	7	1	(2)
Purchase of tangible assets	8	(1)	(2)
Interest received		-	3
Net cash used in investing activities		-	(1)
Cash flow from Financing Activities			
Capital injection	13	-	500
Net cash received from financing activities		-	500
Net increase/ (decrease) in cash at bank		128	(514)
Cash at bank at the beginning of the year		1,999	2,522
Exchange gain/ (loss) on cash at bank		20	(9)
Cash at bank at the end of the year	11	2,147	1,999

ANNUAL REPORT AND FINANCIAL STATEMENTS - 31 DECEMBER 2022

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Notes to the Financial Statements for the year ended 31 December 2022

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 or 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(p).

(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 there is reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from when these financial statements are authorised for issue and 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. In making this conclusion the directors have considered key risks and uncertainties in the environment, including the impact of Covid-19. CAIM does not have any clients located in Russia, Belarus and Ukraine. Only a limited amount of discretionary investment management accounts managed by CAIM allow potential investments in securities issued by entities in Russia, Belarus and Ukraine; no CAIM investment management accounts had exposures to Russian, Belarussian or Ukrainian issuers during 2022. Management have therefore concluded that there will be limited financial and business impact on CAIM.

(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 2022 (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 profit and loss account, 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 2022 (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 initially measured at cost and subsequently measured 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.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(i) Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at historical 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
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(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 and amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

(k) Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(I) 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.

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 profit and loss account.

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 profit and loss account.

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, 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 recognised 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). Hedge accounting is not applied.

Creditors

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. 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 2022 (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.

(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.

Termination benefits

Termination benefits are recognised in the profit and loss account when legally binding.

(n) Turnover

Turnover represents fee income from the provision of investment management services and this is recognized in arrears. Custody fee income is recognised as the related services are provided.

(o) Interest Income

Interest income for all interest-bearing financial instruments, including interest accruals on related foreign exchange contracts and income from money market funds, are recognised within Interest Income in the profit and loss account using the effective interest method.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(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 they arose.

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 assumptions by nature therefore incorporate judgement over uncertain future events and are therefore subject to change.

Capitalisation Of Intangible Assets

The Company is conscious of the need to ensure a clear delineation between research costs, which can not be capitalised, and development costs. Particularly with respect to internal costs, the control of the process is maintained by the completion and authorisation of time sheets.

Intangible Asset Impairment Review

The carrying value of the intangible assets has been reviewed against the higher of the fair value and the value in use of the appropriate cash generating unit. The cash generating unit is deemed to be the Company. Impairments are applied as appropriate.

No impairment was deemed necessary in 2022 (2021 – none).

In addition, the useful economic life of each category of the intangible assets has been reviewed to ensure that the period of amortisation as set out in the accounting policy remains appropriate.

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

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**2. TURNOVER**

The Company's turnover comprises investment management and custody fees as follows:

	2022	2021
	£'000	£'000
Investment management fees	2,713	2,111
Custody fees	650	529
	<u>3,363</u>	<u>2,640</u>

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

	2022	2021
	%	%
Africa	31	40
Caribbean, Atlantic and the Americas	49	38
UK	3	2
Rest of Europe	17	20
	<u>100</u>	<u>100</u>

3. ADMINISTRATIVE EXPENSES

	2022	2021
	£'000	£'000
Staff costs and directors' emoluments* (Note 5)	1,815	1,982
Amortisation and depreciation	51	51
Management fees charged*	430	430
Administrative and other expenses*	1,168	963
	<u>3,464</u>	<u>3,426</u>

* payable through/ to other group companies

The administrative and other expenses include remuneration for the auditors. The fees payable to the auditors were £33K (2021: £33K) for external audit services, £50K (2021: £35K) for audit related assurance services and £nil (2021: £nil) for other services.

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

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**4. INTEREST AND SIMILAR INCOME**

Interest income of £nil (2021 – £3K) arises from funds deposited with Crown Agents Bank Limited, a fellow group company.

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff Costs and Directors' Emoluments

	2022 £'000	2021 £'000
Wages and salaries	1,218	1,200
Social security costs	207	194
Pension costs	82	82
Other costs (inc redundancies, bonuses and external consultants)	308	506
	<u>1,815</u>	<u>1,982</u>

The aggregate emoluments and pension contributions of the directors were £529K (2021: £468K) and key management were £408K (2021: £226K).

The aggregate emoluments and pension contributions of the highest paid director were £388K (2021: £695K) and £20K (2021: £4K) respectively.

The monthly average number of full time staff, including executive directors, was 13 (2021: 13). The number of directors is 9 (2021:8) and 3 (2021: 3) are executive Directors.

The Company operates a defined contribution pension scheme. The Company contributed £82K (2021: £82K) to this scheme during the year of which £7K (2021 - £7K) was paid after the year end.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**6. TAX CREDIT ON LOSS****A Analysis of Charge for the Year**

	2022 £'000	2021 £'000
Current Tax		
Corporation tax based on the loss after tax for the year	<u>(11)</u>	<u>(152)</u>
	<u>(11)</u>	<u>(152)</u>
Deferred Tax (Note 14)		
- Due to change in tax rates	5	-
- Other	<u>(2)</u>	<u>-</u>
	<u>3</u>	<u>-</u>
Total tax credit	<u><u>(8)</u></u>	<u><u>(152)</u></u>

B Factors Affecting Tax Charge for the Year

	2022 £'000	2021 £'000
Loss before taxation	<u>(75)</u>	<u>(803)</u>
Standard rate of corporation tax of 19% (2021 – 19%)	(14)	(153)
Other adjustments	3	-
Effect of change in tax rates	5	-
Deferred tax – timing differences	<u>(2)</u>	<u>1</u>
Total tax credit	<u><u>(8)</u></u>	<u><u>(152)</u></u>

The Finance Act 2021 enacted that from 1 April 2023 the main corporation tax rate will increase to 25%. The effects of this increase are reflected in these financial statements.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**7. INTANGIBLE ASSETS**

	Brand/ Name £'000	Intangible Assets – Core Software £'000	Total £'000
Cost			
At 1 January	125	480	605
Additions	-	-	-
Disposals	-	(1)	(1)
At 31 December	125	479	604
Accumulated amortisation			
At 1 January	6	152	158
Charge	3	48	51
Disposals	-	-	-
At 31 December	9	200	209
Net Book Value at 31 December 2022	116	279	395
Net Book Value at 31 December 2021	119	328	447

An impairment review was performed by management on the intangible assets based on the Company being the appropriate cash generating unit and no impairment was required (2021 - £nil). Useful lives and residual values were re-assessed and now changes were required.

Notes to the Financial Statements for the year ended 31 December 2022 continued)**8. TANGIBLE ASSETS**

	Tangible Assets – Computer Equipment £'000
Cost	
At 1 January	5
Additions	1
Disposals	-
At 31 December	<u><u>6</u></u>
Accumulated depreciation	
At 1 January	2
Charge	1
Disposals	-
At 31 December	<u><u>3</u></u>
Net Book Value at 31 December 2022	<u><u>3</u></u>
Net Book Value at 31 December 2021	<u><u>3</u></u>

9. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2022 £'000	2021 £'000
Trade debtors	136	67
Amounts due from group companies	-	195
Prepayments	44	40
Accrued income	830	667
	<u><u>1,010</u></u>	<u><u>969</u></u>

Notes to the Financial Statements for the year ended 31 December 2022(continued)**10. DERIVATIVES**

A proportion of the US dollar management fee income received quarterly is economically hedged using a series of forward foreign exchange as follows:

	Notional Principal £'000	Positive Fair Value £'000	Negative Fair Value £'000
Forward Foreign Exchange			
2022	<u>1,101</u>	<u>23</u>	<u>45</u>
2021	<u>689</u>	<u>-</u>	<u>16</u>

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

The amount, £2,147K (2021 - £1,999K) relate to call accounts with a fellow group company, Crown Agents Bank Limited.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £'000	2021 £'000
Other creditors, accrued expenses and deferred income	1,037	842
	<u>1,037</u>	<u>842</u>

13. CALLED UP SHARE CAPITAL

	2022 £'000	2021 £'000
Issued, allotted and fully paid (ordinary shares of £1 each)		
As at 1 January	2,150	1,650
New share capital	-	500
As 31 December	<u>2,150</u>	<u>2,150</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 TAXDeferred Tax Asset

	2022 £'000	2021 £'000
As at 1 January	-	44
Surrendered as group relief	-	(44)
Charge to Profit or loss	-	-
As at 31 December	<u>-</u>	<u>-</u>

Deferred Tax Liability

	2022 £'000	2021 £'000
As at 1 January	(21)	(21)
Charge to profit and loss	(3)	-
As at 31 December	<u>(24)</u>	<u>(21)</u>

Of the deferred tax liability, £19K (2021: £18K) is expected to reverse in the financial year following the current financial period.

Notes to the Financial Statements for the year ended 31 December 2022 (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 2022	Less than 3 months £'000	More than 3 months less than 1 year £'000	Total £'000
Debtors, prepayments and accrued income	1,010	-	1,010
Derivatives	-	23	23
Cash at bank	2,147	-	2,147
	3,157	23	3,180
Liabilities 2022	Less than 3 months £'000	More than 3 months less than 1 year £'000	Total £'000
Creditors	1,037	-	1,037
Derivatives	23	22	45
	1,084	22	1,106

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Notes to the Financial Statements for the year ended 31 December 2022 (continued)

15. RISK MANAGEMENT (continued)

Assets 2021	Less than 3 months £'000	More than 3 months less than 1 year £'000	Total £'000
Debtors, prepayments and accrued income	969	-	969
Cash at bank	1,999	-	1,999
	<u>2,968</u>	<u>-</u>	<u>2,968</u>
Liabilities 2021	Less than 3 months £'000	More than 3 months less than 1 year £'000	Total £'000
Creditors	842	-	842
Derivatives	2	14	16
	<u>844</u>	<u>14</u>	<u>858</u>

(ii) Currency Risk: the Company does not engage in currency speculation. The Company's currency risk is largely hedged by forward foreign exchange contracts (see note 10). The table below shows the Company's transactional currency exposure (USD only) in its book; that is those non-structural exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Company that are not denominated in sterling.

As at 31 December, these exposures were as follows:

2022 - Currency (£'000 equivalent)	US\$	Total
Assets	317	317
Net forward purchases	<u>1,101</u>	<u>1,101</u>
	<u>1,418</u>	<u>1,418</u>

2021 - Currency (£'000 equivalent)	US\$	Total
Assets	169	169
Net forward purchases	<u>177</u>	<u>177</u>
	<u>346</u>	<u>346</u>

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**15. RISK MANAGEMENT (continued)**

The foreign currency profile of the Company is as follows:

	2022	2021
	£'000	£'000
Assets		
Denominated in sterling	3,261	3,249
Denominated in other currencies	317	169
	<u>3,578</u>	<u>3,418</u>
Liabilities and equity		
Denominated in sterling	3,578	3,418
Denominated in other currencies	-	-
	<u>3,578</u>	<u>3,418</u>

A 10% depreciation in the value of £ against all other currencies would increase the Company's net asset value by £85K (2021: £85K). A 10% appreciation in the value of £ against all other currencies would decrease the Company's net asset value by £85K (2021: £85K). The exchange rate applicable to USD balances is GBP:USD – 1:1.22. The exchange rate applicable to EURO balances is GBP: EUR – 1:1.17.

16. FINANCIAL INSTRUMENTS

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

Financial assets	Note	Assets at FVTPL* £'000	Financial assets at amortised cost £'000	Total £'000
2022				
Debtors, and accrued income	9	-	966	966
Derivatives	10	23	-	23
Cash at bank	11	-	2,147	2,147
		<u>23</u>	<u>3,113</u>	<u>3,136</u>
		£'000	£'000	£'000
2021				
Debtors, Amounts due from group companies and accrued income	9	-	929	929
Cash at bank	11	-	1,999	1,999
		<u>-</u>	<u>2,928</u>	<u>2,928</u>

* FVTPL - Fair value through profit and loss

Notes to the Financial Statements for the year ended 31 December 2022. (continued)**16. FINANCIAL INSTRUMENTS (continued)**

Financial liabilities	Note	Liabilities at FVTPL*	Financial liabilities at amortised cost	Total
		£'000	£'000	£'000
2022				
Derivatives	10	45	-	45
Creditors: Amounts falling due within one year	12	-	1,037	1,037
		<u>45</u>	<u>1,037</u>	<u>1,082</u>
		£'000	£'000	£'000
2021				
Derivatives	10	16	-	16
Creditors: Amounts falling due within one year	12	-	842	842
		<u>16</u>	<u>842</u>	<u>858</u>

* FVTPL - Fair value through profit and loss

Notes to the Financial Statements for the year ended 31 December 2022 (continued)**17. NOTES TO THE CASH FLOW STATEMENT****Reconciliation of profit before taxation to net cash flow from operating activities**

	2022 £'000	2021 £'000
Loss before tax	(75)	(803)
Adjust for non cash items and changes in working capital- interest receivable	-	(3)
Currency gain/(loss)	(14)	62
Amortisation of intangible assets and depreciation	52	51
Increase in debtors, prepayments and accrued income	(30)	(69)
Increase/(decrease) in creditors	195	(251)
Net cash inflow/ (outflow) from operating activities	<u>128</u>	<u>(1,013)</u>

18. HOLDING COMPANY

The immediate parent undertaking is CAB Payments Holdings Limited which is the smallest and largest group to consolidate these financial statements as at 31 December 2022. 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, Uglund House, South Church Street, Grand Cayman, Cayman Islands KY1-1104.

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

19. 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 CAB Payments Holdings Limited. The Company's Directors and key management personnel are listed on the Directors Report and their remuneration is disclosed on Note 5.

20. CREDIT EXPOSURES

The Company's credit exposures are its Cash At Bank (Note 12) and its Trade Debtors and Accrued Income (see Note 9).

21. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

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