

British International Investment Holdings Limited
Annual Report and Financial Statements
Year ended 31 December 2022

Company Number: 03855059



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Directors' Report

The Directors are pleased to present their report together with the audited financial statements of British International Investment Holdings Limited (the "Company") for the year ended 31 December 2022.

Directors

Jane Earl
Colin Hugh Buckley
Carolyn Sims

Principal activity

The principal activity of the Company is to provide investment advisory services to its intermediate parent company.

Business and performance review

The Company recorded a profit for the year of £819,783 for the year ended 31 December 2022 (2021: £182,363). The net asset value of the Company was £2,023,736 at 31 December 2022 (2021: £1,203,953).

Employees

The average monthly number of employees during the year was 15 (2021: 11).

Proposed dividend

The Directors do not recommend payment of a dividend for the year.

Change of name

The Company was renamed from CDC Limited to British International Investment Holdings Limited on 19 October 2022. The name of CDC Group plc, the Company's intermediate parent company, was changed to British International Investment plc ("BII") on 29 March 2022.

Going Concern

With support from BII, the Directors have a reasonable expectation that the Company will have adequate financial resources to continue in operational existence for at least the next 12 months. The Directors have considered the Company's position and note that current assets are less than the current liabilities and therefore relies on BII to cover any ongoing expenses. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

BII has issued a letter of support which confirms that BII will cover any ongoing expenses incurred by the Company as they fall due and will not demand repayment of amounts due for a period of at least twelve months from the date of approval of the financial statements. Whilst the letter of support is not a legal contract, the Directors have full confidence that BII will continue to support the Company.

In assessing the going concern status for the Company, the Directors have closely monitored the Company's activities throughout the year and has considered the cash flow forecasts of the intermediate parent company, BII. Current forecasts demonstrate that BII and its subsidiaries (the "Group") have sufficient liquid resources available to maintain planned investment pace until the end of 2024 without needing to call on the revolving credit facility.

Having performed the assessment on going concern, the Directors consider it appropriate to prepare the financial statements of the Company on a going concern basis. The Directors consider the Company has adequate financial resources and liquidity and is well placed to manage business risks in the current economic environment to continue operations for a period of at least 12 months from the date of issue of the financial statements.

Principal risks

The Company invests in developing countries. Investments are valued at fair value, which is the price which would be received in an orderly transaction between market participants at the measurement date. The valuation methodology has been developed in accordance with IFRS 13 Fair Value Measurement and the International Private Equity and Venture Capital Valuation Guidelines. Refer to note 18.

The detailed valuation methodology sets out best practice with respect to valuing investments (note 18). Valuation risks are mitigated by comprehensive reviews of the application of the valuation methodology. For further detail on other risks affecting the entity refer to note 15.

Subsequent events

There have been no material events since the reporting date that would require adjustment to these financial statements. Refer to note 19.

Financial statements

The Company has taken advantage of section 414B of the Companies Act 2006 not to produce a strategic report on the grounds that it is a small company.

Directors' Report

Disclosure of information to auditor

So far as each Director is aware at the date of approval of this report, there is no relevant audit information of which the Company's auditor is unaware and each Director confirms that 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 auditor is aware of that information. Each Director benefits from an indemnity which includes provisions in relation to duties as a Director of the Company or an associated company and protection against derivative actions.

Appointment of auditor

Deloitte LLP have been appointed by the Company as auditor in accordance with sections 485 and 487 of the Companies Act.

The Company has taken advantage of the small companies' exemption per section 419(2) of the Companies Act 2006. This Directors' report has been prepared in accordance with the provisions and is exempt from preparing a strategic report.

Approved by the Board of Directors on 8 June 2023 and signed on behalf of the Board on 8 June 2023.



Carolyn Sims
Director

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board ("IASB"). 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 these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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. They 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 the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the members of British International Investment Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of British International Investment Holdings Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial position;
- the statement of comprehensive income;
- the statement of cash flows;
- the statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted IFRSs as issued by the IASB.

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 (the 'FRC's') 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Company is in net current liability position and therefore it relies on British International Investment plc, the intermediate parent Company, to cover any ongoing expenses. As stated in note 1, these events or conditions along with the other matters as set forth in note 1, indicate that a material uncertainty related to going concern exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other information

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the members of British International Investment Holdings Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report; or
- 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Yasir Aziz ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

08 June 2023

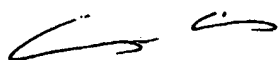
Statement of Financial Position

As at 31 December 2022

	Notes	2022 £	2021 £
Assets			
Non-current assets			
Equity investments	2	1,185,626	504,763
Loan investments	2	967,697	309,184
Property and equipment	9	-	50,297
Right of use asset	17	93,832	138,292
Other receivables		29,923	29,493
Deferred tax asset	8	82,322	55,212
		2,359,400	1,087,241
Current assets			
Amounts due from parent company	16	3,285,732	556,672
Cash and cash equivalents	3	1,309,430	2,689,705
Taxation receivable	7	4,577	-
Other receivables	5	140,252	780,421
		4,739,991	4,026,798
Total assets		7,099,391	5,114,039
Equity and liabilities			
Shareholders' equity			
Issued capital	4	2	2
Retained earnings		2,023,734	1,203,951
		2,023,736	1,203,953
Non-current liabilities			
Long term lease liability	17	54,385	104,426
		54,385	104,426
Current liabilities			
Amounts due to parent company	16	3,855,869	3,002,284
Taxation payable	7	-	17,826
Current lease liability	17	55,509	50,752
Trade and other payables	10	1,109,892	734,798
		5,021,270	3,805,660
Total liabilities		5,075,655	3,910,086
Total equity and liabilities		7,099,391	5,114,039

The accompanying notes form part of the financial statements. The Company has taken advantage of the small companies' regime in accordance with The Companies Act 2006.

The accounts were approved by the members of the Board on 8 June 2023 and were signed on their behalf on 8 June 2023 by:



Carolyn Sims
Director
Registered in England No 03855059

Statement of Comprehensive Income

For the 12 months to 31 December 2022

	Notes	2022 £	2021 £
Advisory fee income	13	9,505,825	6,131,706
Other income		4	4
Fair value gains	2	452,224	128,374
Administrative and other expenses	11	(8,962,921)	(5,860,267)
Profit from operations before tax and finance costs		995,132	399,817
Finance income		18,244	-
Finance costs		(4,848)	-
Net foreign exchange differences	12	(153,675)	(167,828)
Profit from operations before tax		854,853	231,989
Taxation expense	6	(35,070)	(49,626)
Total comprehensive income for the year		819,783	182,363

All the above items are derived from continuing operations.

The Company has no items of other comprehensive income or expense for the current year or the previous year and therefore a separate statement of other comprehensive income is not prepared.

The accompanying notes form part of the financial statements.

Statement of Cash Flows

For the 12 months to 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Profit from operations before tax		854,853	231,989
Finance income		(18,244)	-
Finance costs		4,848	-
Fair value gains	2	(452,224)	(128,374)
Depreciation		107,130	137,809
Foreign exchange movements	12	(384,860)	(30,357)
Profit from operations before changes in working capital		111,503	211,067
Change in other receivables		639,739	(278,080)
Change in amounts due to parent company	13	(1,875,475)	1,470,552
Change in lease liability		(12,311)	(8,351)
Change in trade and other payables		389,071	132,753
Cash flows from/(used in) operations		(747,473)	1,527,941
Tax paid		(85,897)	(56,371)
Cash flows from/(used in) operating activities		(833,370)	1,471,570
Cash flows from investing activities			
Loan advances	2	(1,000,000)	-
Loan repayments		133,225	-
Cash flows from investing activities		(866,775)	-
Cash flows from financing activities			
Lease payments		(57,595)	(50,881)
Finance cost		(4,848)	-
Loan advances from the intermediate parent company		-	371,085
Cash flows from financing activities		(62,443)	320,204
Net change in cash and cash equivalents		(1,796,361)	1,791,774
Cash and cash equivalents at 1 January	3	2,689,705	867,574
Effect of exchange rate fluctuations on cash held		382,313	30,357
Cash and cash equivalents at 31 December 2022		1,309,430	2,689,705

The accompanying notes form part of the financial statements.

Statement of Changes in Equity

	Notes	Share capital £	Retained earnings £	Total £
At 1 January 2021	4	2	1,021,588	1,021,590
Total comprehensive income for the year		-	182,363	182,363
At 31 December 2021		2	1,203,951	1,203,953
Changes in equity for 2022				
Total comprehensive income for the year		-	819,783	819,783
At 31 December 2022	4	2	2,023,734	2,023,736

The accompanying notes form part of the financial statements.

Notes to the Accounts

1. Corporate information and accounts preparation

Corporate information

British International Investment Holding Limited (the "Company") is a private limited company incorporated in England and Wales, limited by shares. It is a wholly owned subsidiary of British International Investment plc ("BII"), a public limited company incorporated in England and Wales. BII acts as the intermediate and immediate parent company of the Company and its financial statements are publicly available on www.bii.co.uk. The ultimate parent and controlling party of the Company is the Secretary of State for Foreign, Commonwealth and Development Affairs.

The Company's registered office is located at 123 Victoria Street, London SW1E 6DE, England. The principal activity of the Company is to provide investment advisory services to its intermediate parent company.

Statement of compliance

The financial statements of the Company have been prepared in accordance with United Kingdom adopted international accounting standards and with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

Basis of preparation

The financial statements have been prepared on a historical cost basis, and other financial instruments that have been presented and measured at fair value in accordance with relevant accounting standards.

The financial statements are presented in Pounds Sterling, which is also the Company's functional currency. Assets and liabilities are retranslated at spot rates at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of assets and liabilities denominated in foreign currencies at the year-end exchange rate are recognised in the statement of comprehensive income.

The Company was included in the consolidated audited accounts of BII for the year ended 31 December 2022. In accordance with Section 400 of the Companies Act 2006, the Company is therefore not required to produce, and has not published, consolidated accounts.

The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised. A summary of the significant accounting policies can be found in note 18.

Going Concern

With support from BII, the Directors have a reasonable expectation that the Company will have adequate financial resources to continue in operational existence for at least the next 12 months. The Directors have considered the Company's position and note that current assets are less than the current liabilities and therefore relies on BII to cover any ongoing expenses. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

BII has issued a letter of support which confirms that BII will cover any ongoing expenses incurred by the Company as they fall due and will not demand repayment of amounts due for a period of at least twelve months from the date of approval of the financial statements. Whilst the letter of support is not a legal contract, the Directors have full confidence that BII will continue to support the Company.

In assessing the going concern status for the Company, the Directors have closely monitored the Company's activities throughout the year and has considered the cash flow forecasts of the intermediate parent company, BII. Current forecasts demonstrate that BII and its subsidiaries (the "Group") have sufficient liquid resources available to maintain planned investment pace until the end of 2024 without needing to call on the revolving credit facility.

Having performed the assessment on going concern, the Directors consider it appropriate to prepare the financial statements of the Company on a going concern basis. The Directors consider the Company has adequate financial resources and liquidity and is well placed to manage business risks in the current economic environment to continue operations for a period of at least 12 months from the date of issue of the financial statements.

Notes to the Accounts

2. Investments

Equity Investments

	Unlisted Shares 2022 £	Unlisted Shares 2021 £
At 1 January, at fair value	504,763	357,956
Additions	245,464	144
Disposals	-	-
Increase in fair value for the year	435,399	146,663
At 31 December, at fair value	1,185,626	504,763

Unlisted shares are included within Level 3 of the fair value hierarchy, the Company holds no Level 1 or Level 2 equity investments. There have been no transfers between levels during the year.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The Company's fair value methodology for equity investments is disclosed in note 18.

The Company's investments are as follows:

The Company holds 10.36 shares in BMCE Bank which were allocated from the subscription by BII and paid for by the intermediate parent. BMCE Bank is listed on the Casablanca Stock Exchange and the total cost of the shares amounts to £144. The following table shows the holdings in the subsidiaries (non-group accounts), all shares held are ordinary shares.

Name of Subsidiary	2022 NAV £	2022 % Holding	2021 % Holding	Country of registration
British International Investment East Africa Advisers Limited	460,619	100%	100%	Kenya
BII Pakistan (Private) Limited	130,947	100%	100%	Pakistan
BII West Africa Investments Limited	328,002	100%	100%	Nigeria
BII Bangladesh Advisers (Private) Limited	-	70%	70%	Bangladesh
British International Investment (Singapore) Pte. Ltd.	34,889	100%	-	Singapore
BII LLC	-	100%	-	Egypt
	954,457			

Sensitivity analysis	2022 £	2021 £
A 10% increase in the net asset value of the holdings would impact profit by	95,446	50,462
A 10% decrease in the net asset value of the holdings would impact profit by	(95,446)	(50,462)

Loan Investments

	2022 £	2021 £
At 1 January	309,184	327,473
Loan advances	788,889	-
Loan repayments	(147,201)	-
Increase/(decrease) in fair value for the year	16,825	(18,289)
At 31 December	967,697	309,184

The Company's loans which are payable on demand are measured at amortised cost. The Company's loans which are repayable in periods more than 12 months are measured at fair value. The loan advance above relates to the West Africa loan of £1million and is measured at fair value.

Notes to the Accounts

3. Cash and cash equivalents

	2022 £	2021 £
Cash at bank	1,309,430	2,689,705
Total cash and cash equivalents	1,309,430	2,689,705

Cash at bank earns no interest. The fair value of cash and cash equivalents is £1,309,430 (2021: £2,689,705). There is no restricted cash.

4. Capital and reserves

Issued capital

	2022 No. of shares	2021 No. of shares
Authorised		
Ordinary shares of £1 each	2	2

	2022 No. of shares	2022 £	2021 No. of shares	2021 £
Allotted, called up and fully paid Ordinary shares				
At 1 January, Ordinary shares of £1 each	2	2	2	2
At 31 December, Ordinary shares of £1 each	2	2	2	2

5. Other receivables

	2022 £	2021 £
Amounts due from subsidiaries	3,278	62,086
VAT recoverable	65,446	590,132
Other receivables	71,528	128,203
Other receivables	140,252	780,421

Amounts due from subsidiaries relate to expenses paid by the Company on behalf of its subsidiaries, which are payable on demand.

6. Taxation expense

	2022 £	2021 £
Current tax		
Current overseas tax charge	102,148	56,757
Prior year tax charge/(credit)	(42,218)	1,617
Deferred tax		
Current year charge/(credit)	-	-
Prior year charge/(credit)	(11,110)	(7,038)
Overseas deferred tax charge/(credit)	(13,750)	(1,709)
Total	35,070	49,626

Notes to the Accounts

6. Taxation expense (continued)

The taxation expense is reconciled as follows:

	2022 £	2021 £
Income/(Expense) before tax	854,853	231,989
@19%	162,422	44,078
Disallowed expenses	(9)	-
Fair Value movements	(85,924)	-
Prior year adjustment	-	1,617
Effect of Overseas tax	(37,470)	3,931
Effect of rate change on deferred tax- overseas tax	(483)	-
IFRS adjustment	(3,466)	-
Effective tax rate for the year	35,070	49,626

The Chancellor in the Budget 2021 had announced an increase in the UK corporation tax rate from 19% to 25% which has been substantively enacted and has come into force since 1 April 2023. This has been reflected where required in the Company's income tax balances for the period ended 31 December 2022.

7. Taxation receivable/payable

	2022 £	2021 £
Current Overseas taxation (receivable)/payable	(4,577)	17,826
Taxation payable	(4,577)	17,826

8. Deferred tax

The following are the deferred tax assets/(liabilities) recognised by the Company and movements thereon during the current and prior year.

	Provisions £	ROU assets £	Tax losses £	Total £
Deferred tax asset/(liability) as at 1 January	50,223	4,988	-	55,212
Credit/(charge) to the profit or loss account	14,103	59	10,698	24,072
Prior year fx on translation	2,047	203	-	2,250
Deferred tax asset/(liability) as at 31 December	66,374	5,251	10,698	82,322

Deferred tax assets and liabilities would be offset wherever the Company has a legally enforceable right to do so. During the current reporting period, the Company has only deferred tax asset balances and therefore, it is not offsetting these against any deferred tax liabilities.

	2022 £	2021 £
Deferred tax asset	82,322	55,212
Deferred tax asset	82,322	55,212

As at 31 December 2022, the Company has unused tax losses available for offset against future profits. The Company reported a profit of £819,783 (2021: £182,363). Management is of the opinion that there will be future taxable profits against which the deferred tax asset will be utilised. A deferred tax asset has been recognised in respect of £82,322 (2021: £55,212) of such losses. These losses may be carried forward indefinitely.

Notes to the Accounts

9. Property and equipment

Cost	2022 £	2021 £
At 1 January	199,376	214,197
Additions	-	-
FX on consolidation	9,590	(14,821)
At 31 December	208,966	199,376

Depreciation

	2021 £	2021 £
At 1 January	149,079	88,762
Charge for the year	54,064	70,119
FX on consolidation	5,823	(9,802)
At 31 December	208,966	149,079
Net book Value	-	50,297

Refer to note 18 for the Company's fixed asset policy.

10. Trade and other payables

	2022 £	2021 £
Trade payables	2,101	27,374
Amounts owed to subsidiaries	567,274	287,635
Accruals	535,588	417,524
Withholding tax	4,929	2,265
Total trade and other payables	1,109,892	734,798

Amounts owed to subsidiaries represents the advisory fees payable to the subsidiary, the terms of which are 30 days from invoice date.

11. Administrative and other expenses

	2022 £	2021 £
Wages and salaries	1,634,780	1,172,697
Social security costs	3,194	2,509
Pension costs – defined contribution	185,844	127,809
Long Term Development Performance Plan accrual	425,278	354,570
Total employee benefits expense	2,249,096	1,657,585
Professional services	184,618	127,862
Auditor's remuneration	22,113	16,230
Advisory fees	5,508,658	3,432,427
Other administrative expenses	998,436	614,460
Total administrative and other expenses	8,962,921	5,848,564

The average monthly number of employees during the period was 15 (2021: 11). The Directors did not receive any emoluments in respect of services to this Company in the current or prior year. Professional services expenses are incurred for consultancy, legal, tax compliance, payroll processing and bookkeeping services by external service providers. Auditor's remuneration represents the cost for the annual statutory audits of the financial statements of the Company, and no non-audit services have been performed in the current or prior year.

Notes to the Accounts

12. Net foreign exchange differences

	2022 £	2021 £
Exchange gains arising on cash and current accounts	(384,860)	(30,357)
Other exchange differences	231,185	(137,471)
Total net foreign exchange differences	(153,675)	(167,828)

13. Related party transactions

During the year, the Company entered into transactions with its intermediate parent company and subsidiaries, all of which were carried out on an arm's length basis.

The transactions entered into and trading balances outstanding at 31 December were as follows:

	2022 £	2021 £
Statement of comprehensive income		
Advisory fee income	9,505,825	6,131,706
Advisory fee expense	5,508,658	3,432,427
Statement of financial position		
Amounts due by parent company	3,285,732	556,672
Amounts owed by subsidiaries	17,424	62,086
Amounts owed to subsidiaries	(523,247)	(287,635)
Amounts due to parent company	(3,855,869)	(3,002,284)

The related party transactions are invoiced and payable and receivable within 14 days.

14. Financial instruments

The Company's principal financial assets comprise of cash and amounts due from subsidiaries. Financial liabilities comprise amounts due to the parent company and subsidiaries.

Interest rate exposures

	Fixed rate £	Floating rate £	No interest £	Total £	Fixed rate weighted average interest rate %	Fixed rate weighted period to full maturity Years	No interest maximum period to full maturity Years
Financial assets: Cash							
2022	-	-	1,309,430	1,309,430	-	-	-
2021	-	-	2,689,705	2,689,705	-	-	-

Foreign currency exposures

The tables below show the Company's foreign currency exposures that give rise to exchange rate gains and losses that are recognised in the statement of comprehensive income. Such exposures comprise those monetary assets and liabilities that are not denominated in the Company's functional currency.

The following table shows the Company's foreign currency denominated cash balances:

Functional currency	2022 £	2021 £
US Dollar	59,532	142,635
South African Rand	1,137,312	429,386
Egyptian Pound	2,632	648
Ghanian Cedi	4,884	365,016
Total	1,204,360	937,685

Notes to the Accounts

14. Financial instruments (continued)

Liquidity risk

The following tables show the maturity profile of the Company's financial assets and liabilities other than cash:

Financial assets: Maturity profile	2022 Amounts owed by parent company £	2022 Other receivables £	2022 Deferred tax asset £	2022 Loan investments £
Due within one year	3,285,732	140,252	-	-
Due between one and five years			82,322	967,697
Total	3,285,732	140,252	82,322	967,697

Financial assets: Maturity profile	2021 Amounts owed by parent company £	2021 Other receivables £	2021 Deferred tax asset £	2021 Loan investments £
Due within one year	556,672	780,421	-	-
Due between one and five years			55,212	309,184
Total	556,672	780,421	55,212	309,184

Financial liabilities: Maturity profile	2022 Amounts owed to parent company £	2022 Amounts owed to subsidiaries £	2022 Lease Liability £	2022 Accruals £
Due within one year	3,855,869	523,247	54,385	535,588
Due between one and five years	-	-	55,509	-
Total	3,855,869	523,247	109,894	535,588

Financial liabilities: Maturity profile	2021 Amounts owed to parent company £	2021 Amounts owed to subsidiaries £	2021 Lease Liability £	2021 Accruals £
Due within one year	3,002,284	287,635	50,752	417,525
Due between one and five years	-	-	104,426	-
Total	3,002,284	287,635	155,178	417,525

The Company does not net off contractual amounts of financial assets and liabilities.

Fair value of financial assets and liabilities

Financial assets

There is no material difference between the fair value and the book value of the Company's cash and amounts receivable from the intermediate parent company.

Financial liabilities

There is no material difference between the fair value and the book value of the Company's amounts payable to intermediate parent company.

Notes to the Accounts

15. Financial risk management

The Company's activities expose them to a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk. Market risk includes foreign currency risk, interest rate risk and price risk. The main financial risks managed by the Company are foreign currency risk, interest rate risk, liquidity risk and credit risk. The Company does not undertake any trading activity in financial instruments.

Liquidity risk

The Company's policy on liquidity risk is to ensure that they always have sufficient funding to meet all short to medium-term funding requirements. The Company's cash balance at 31 December 2022 was £1,309,430 (2021: £2,689,705) and its capital commitments including long-term commitments were nil (2021: nil). BII has issued a letter of support which confirms that BII will cover any ongoing expenses incurred by the Company as they fall due and will not demand repayment of amounts due for a period of at least twelve months from the date of approval of the financial statements.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

Credit risk

	Notes	2022 £	2021 £
Cash and cash equivalents	3	1,309,430	2,689,705
Other receivables	5	140,252	780,421
Intercompany receivables	13	3,285,732	556,672
Deposits		29,923	29,923
Loan investments	2	967,697	309,184
Total		5,733,034	4,365,475

The Company's policy is to recognise an impairment loss when objective evidence exists that the estimated future cash flows of the asset have decreased and that this decrease can be reliably estimated. Several factors are considered when identifying indicators of impairment including breach of contract or financial difficulties being experienced by the obligor. Based on historical trends the Company believes no impairment allowance is necessary in respect of financial assets not past due.

Credit risk on the Company's cash balances is mitigated as the Company transacts with institutions with high credit ratings. If possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by Moody's of A2 or above.

Market risk

Foreign currency risk

Exposure to currency risk arises in the normal course of the Company's activities. The Company has exposure to the US dollar, South African rand, Egyptian pound and the Ghanaian cedi.

In preparing the sensitivity analysis a movement of 10% has been used as it represents a reasonable and realistic potential change in value. The sensitivity analysis is based on the assumption that all other variables remain constant, a 10% change in the relevant exchange rate would impact the Company's profit by +/-£120,436 in 2022 (2021: +/-£93,769).

Capital management

The Company considers its capital to be the total equity shown in statement of changes of equity. The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns and benefits for stakeholders;
- to maintain a strong capital base to support the development of the Company's businesses; and
- the entity is not subject to any externally imposed capital requirements.

BII monitors the results of the Company and its financial position.

Notes to the Accounts

16. Amounts due to/(from) parent company

	2022 £	2021 £
Loan due to BII	1,121,085	1,121,085
Current account due to BII	2,734,784	1,881,199
Total amounts due to parent company	3,855,869	3,002,284
Current account receivable from BII	(3,285,732)	(556,672)
Total amounts due from parent company	(3,285,732)	(556,672)

The loan agreement provides for a facility up to £5million which attracts no interest. It is repayable on demand subject to having the sufficient liquid resources to do so, the company may also prepay any amounts outstanding as agreed with the lender.

17. Leases

	2022 £	2021 £
Right of use of assets	257,263	276,387
FX on consolidation	12,374	(19,124)
Total	269,637	257,263

Right of use assets depreciation

	2022 £	2021 £
Balance at 1 January	118,971	75,424
Depreciation charged for the year	56,834	43,547
Balance at 31 December	175,805	118,971
Net book Value	93,832	138,292

Lease Liabilities

	2022 £	2021 £
Lease liabilities	54,385	104,426
Current liabilities	55,509	50,752
Non-current liabilities	109,894	155,178

	2022 £	2021 £
Interest on lease liabilities/finance costs	4,848	11,703
Total	4,848	11,703

The lease is for the Company's office in South Africa and runs until August 2024. The rent will increase by 8% each year, the following table shows the liability in South African Rand (millions).

From	Jan 22	Jan 23	Jan 24
To	Dec 22	Dec 23	Aug 24
ZAR (m)	1,178	1,273	892

Notes to the Accounts

18. Summary of significant accounting policies

Non-current assets

Investments

The Company classifies equity investments as financial assets at fair value through profit and loss. Management determines the classification of its investments at initial recognition. The Company's loans which are payable on demand are measured at amortised cost. The Company's loans which are repayable in periods more than 12 months are measured at fair value.

Loan investments which are recognised at the fair value of the consideration given to originate the loan and are subsequently measured at fair value. Specifically, the Company classifies loans at fair value through profit and loss when they are managed, and their performance evaluated, on a fair value basis. In determining the fair value of the loans, the Company has elected to use the discounted cash flow method. Cash flows are discounted at a rate which is benchmarked against market data, where possible, or adjusted from the rate at the initial investment based on changes in the risk profile of the investment including past events, current market conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Financial assets through profit and loss

These financial assets are designated as assets held at fair value through profit and loss by management at inception. Except for Cash and other receivables, assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

The Company's fair value methodology has been derived using the International Private Equity and Venture Capital Valuation Guidelines. This methodology is applied to direct investments.

The approach to calculating the fair value is as follows:

- the enterprise value is determined for the investee company or fund using a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable assumptions and estimates;
- the enterprise value is adjusted for surplus assets or liabilities or any other relevant factor;
- higher ranking financial instruments are deducted taking into account any financial structuring that may dilute the investment holding;
- the net attributable enterprise value is apportioned between the financial instruments held according to their ranking; and
- the amounts derived are allocated according to the holding in each financial instrument, representing their fair value.

Valuation methodologies used are as follows:

- investments where fair value derives mainly from the underlying assets, such as funds managed by fund managers, are valued at net asset value using appropriate valuation measures for the underlying assets and liabilities;
- early stage companies without positive cash flow or profit are valued using an appropriate industry benchmark if that gives a reliable estimate of fair value;
- companies with maintainable profits or cash flows are valued on an earnings basis using an appropriate earnings multiple from companies in similar sectors and markets;
- companies in industries with specific valuation metrics are valued using those specific valuation metrics where they provide the most reliable estimate of fair value;
- companies with no maintainable profits or cash flows at present, but whose cash flows can be forecast with confidence, are valued using future cash flows discounted at the appropriate risk-adjusted discount rate; and
- in exceptional cases, where fair value cannot be reliably measured, the investment is valued at the previous carrying value unless there is evidence of value impairment, in which case value is reduced to reflect the extent of estimated impairment.

Gains and losses realised on disposal or redemption, by reference to the valuation at the previous statement of financial position date and unrealised gains and losses from changes in the fair values of the equity portfolio are taken to the statement of comprehensive income.

The Company uses settlement date accounting when accounting for regular purchases or sales. When the Company becomes party to a sales contract of an equity investment, it de-recognises the asset on the day ownership is transferred. Any gains or losses arising on purchases between trade and settlement date are accounted for in the statement of comprehensive income.

Notes to the Accounts

18. Summary of significant accounting policies (continued)

Fixed Assets

Property and Equipment

Recognition and measurement

IT equipment and fixtures and fittings are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

IT equipment and fixtures and fittings are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of IT equipment and other equipment. The Company applies a 3-year useful life.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Impairment of assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and;
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

A '12-month expected credit loss' is recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The carrying amounts of assets and financial instruments are reviewed at each statement of financial position date to determine whether there is any indication of impairment.

If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of the Company's assets is the greater of their fair value less costs to sell and value in use, calculated as the present value of expected future cash flows. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of all assets is reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised or if there has been a change in the estimates used to calculate the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Operating leases

IFRS 16 applies to all leases except for licences of intellectual property, rights held by licensing agreement within the scope of IAS 38 Intangible Assets, service concession arrangements, leases of biological assets within the scope of IAS 41 Agriculture, and leases of minerals, oil, natural gas and similar non-regenerative resources.

IFRS 16 does not result in a significant change to lessor accounting; however, for lessee accounting there is no longer a distinction between operating and finance leases.

Lessees will be required to recognise both: 1) A lease liability, measured at the present value of remaining cash flows on the lease, and

Notes to the Accounts

18. Summary of significant accounting policies (continued)

2) A right of use asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made.

The right of use asset will amortise to the income statement over the life of the lease.

There is a recognition exemption in IFRS 16 for short term leases and leases of low-value assets which allows the lessee to apply similar accounting as an operating lease under IAS 17.

The Company has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Property and equipment comprise owned and leased assets that do not meet the definition of investment property. Refer to note 17 for further details.

Financial liabilities

Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, contractual obligations, to deliver cash or another financial asset to another entity are measured at amortised cost using the effective interest method.

Provisions, contingent liabilities and contingent assets

Provisions are recognised if there is a present obligation, whether legal or constructive, which has arisen as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability.

Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Interest is recognised as earned on an accrual basis, but is excluded if it becomes more than ninety days overdue.

Income primarily relates to advisory fee services provided to BII. The advisory fees are calculated on a cost-plus model which accounts for the fully loaded direct and indirect costs incurred in the provision of the services. The mark-up is set at a level which satisfies relevant transfer pricing requirements. Income is recognised for these advisory services in the accounting period when services are rendered.

Administrative and other expenses

Expenses are recognised in the period they are incurred. Where no invoice or expense claim available expenses are recognised on an accrual basis.

Income tax

Income tax expense comprises current and deferred tax. Current tax is recognised as income or expense and is included in the net profit for the year, unless it relates to a transaction or event which is recognised directly in equity, whereupon the current tax is charged or credited to equity accordingly.

Current and deferred tax assets and liabilities are offset only when they arise from the same tax reporting Company and relate to the same tax authority and when the legal right to offset exists.

Current and deferred taxes are recognised as a tax credit or expense in the year in which they arise except for deferred taxes recognised or disposed of upon the acquisition or disposal of a subsidiary.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company financial statements. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantially enacted at the statement of financial position date.

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Notes to the Accounts

18. Summary of significant accounting policies (continued)

Critical accounting judgments

The preparation of financial statements in accordance with IFRS requires management to exercise judgment in applying relevant accounting policies. The key areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the individual financial statements, include the determination of the functional currency.

The Company primarily derives its income from the provision of advisory services to BII which operates in GBP as its functional currency. There are income and expenses incurred by the Company which are denominated in foreign currencies depending on the jurisdiction of the branches and representatives' offices, but management have made a judgement that these are supplementary transactions to the core business of the Company. Therefore, the currency of the primary economic environment in which the Company operates is GBP which is the Company's functional and presentation currency.

Sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the use of estimates. The key accounting estimates are the carrying value of our investment assets, which are stated at fair value. The fair value is determined using Net Asset Value as the investments are in subsidiary entities. Refer to note 2 for sensitivity analysis.

New and amended IFRS Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Standards in issue but not yet effective

The accounting policies set out in these financial statements have been applied consistently to all periods presented.

The following standards are issued but not yet effective and have not been applied to these financial statements. The Company intends to adopt these standards when they become effective. These are not expected to have any material impact on the Company's financial statements:

- IFRS 17 Insurance Contracts. IFRS 17 applies to all types of insurance contracts regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard is currently effective from 1 January 2023.
- Amendments to IAS 1 Classification of liabilities as Current or Non-Current effective from 1 January 2024.
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture effective from 1 January 2024.
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies effective from 1 January 2023.
- Amendments to IAS 8 – Definition of Accounting Estimates effective from 1 January 2023.
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction effective from 1 January 2023.

19. Subsequent Events

There have been no material events since the reporting period that would require adjustment to these financial statements. Events after the reporting period that would require adjustment to these financial statements are those that provide evidence of conditions that existed at 31 December 2022. Events after the reporting period that are indicative of conditions that arose after the reporting period do not lead to adjustment of the financial statements but are disclosed in the event that they are material.

Notes to the Accounts

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