Crown Agents Investment Management Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

Registered Number

02169973

Registered Office:

Quadrant House

The Quadrant

Sutton

Surrey SM2 5AS

Contents

Chairman's Report for the year ended 31 December 2020

Overview

Despite the economic, market and business challenges presented by the Covid-19 global pandemic Crown Agents Investment Management Limited ("the Company") continued on its path of transformation, strengthening client relationships and internal processes, and embarked on an ambitious plan to drive growth, within a controlled environment.

2020 Financial 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 across our focus markets in Africa, the Caribbean and other selected developing markets. Many of these country relationships go back over 100 years, reflecting the deep connections and strong level of confidence our clients have in us. We continue to support these relationships while forging new ones in our focus markets.

The Covid-19 global pandemic presented the Company, and countless others, with numerous challenges, including a global economic shock adversely affecting the finances of many of our client nations, significant financial market turmoil and the operational challenges of running the business under lockdown. I am pleased to report that we responded well to these challenges. In late March, almost all of our staff moved to working from home, with no discernible impact on service delivery.

The market disruptions during the spring of 2020 initially resulted in investment portfolio performance challenges, but our portfolio manager team delivered positive performance versus benchmark across all of our key Central Bank accounts. Our increased client engagement efforts, throughout the initial market turmoil and throughout the year were also rewarded. While discretionary assets under management declined marginally in 2020 due to the previously announced withdrawal of a pension fund account connected with our former parent, and some partial redemptions in individual Central Bank accounts to finance local pandemic relief efforts, we did not lose any Central Bank accounts.

I am pleased to report that our CEO recruitment efforts were successful; we hired Roberts Grava into the role in June 2020. Roberts brings deep domain expertise in institutional investment management and the management of Central Bank and other official institution investment assets. With over 25 years of market experience, Roberts has previously held several senior roles at JP Morgan Asset Management and the World Bank, and has been a Central Bank reserves manager himself, having spent over 10 years as Chief Investment Officer and Head of Reserves Management at the Central Bank of Latvia, and serving on the Executive Board there. Roberts has already been hard at work transforming and strengthening investment and risk management processes, and together with the team has already made key strides in broadening brand awareness and strengthening client engagement. I would like to thank Albert Maasland, outgoing CEO for his dedication and commitment to the business and wish him every success in the future.

The Company reported a marginal financial loss in 2020, due to increased costs from investments to support the business, in combination with the revenue growth challenges resulting from the pandemic. We have agreed an ambitious strategic plan to continue to invest in the business - in people, systems and the control environment - to drive and support client and revenue growth. Our investor has supported this effort with a contribution of additional capital to strengthen our balance sheet and position the Company for long-term growth. Looking forward, the Company will continue to benefit from the ongoing synergies with its sister company, Crown Agents Bank Limited, which have been built up over many years.

Chairman's Report for the year ended 31 December 2020 (continued)

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

30 March 2021

Chief Executive Officer's Report for the year ended 31 December 2020

Business Performance

In the face of dramatic external events in 2020, with the global pandemic materially affecting economies, capital markets and client balance sheets, we are pleased to report stable business results, solid investment performance and substantially increased internal transformation. Total firm assets under management rose slightly, with inflows into non-discretionary accounts offsetting slight outflows from discretionary accounts, due to some partial redemptions from individual clients needing assets to support local economies. A modest financial loss in 2020 reflected continued strategic investment to enhance our platform.

We undertook several initiatives to further strengthen investment and risk management processes in 2020. In conjunction with our senior experienced portfolio management team, we were able to overcome initial portfolio performance challenges during the market turbulence at the onset of the pandemic, to end the year with positive returns vs. benchmarks for all our key Central Bank accounts. A sharp focus on enhanced client engagement throughout the year strengthened client confidence in our seasoned investment team, enabling them to deliver positive results.

Global travel restrictions materially changed the way we interact with clients. We rose to the challenge not only by increasing the use of video calls with clients, but also launched a well-received series of webinars, allowing us to efficiently share thought leadership and capacity building efforts with our clients. Many of these events were open to the broader Central Bank community, and strengthened CAIM brand awareness in this institutional universe. We were pleased to have been able to partner with MEFMI individual Central Banks in delivering some of our webinars, and benefitted from the contributions of a number of external experts – academics, practitioners and Central Bank representatives. We expect further such productive collaboration as we continue our webinar series.

We will continue to focus on providing reserves management solutions to Central Banks across our focus markets while developing multi asset strategies for pension funds, sovereign wealth funds and other institutional investors in Africa, the Caribbean and beyond. We continue to note to clients and prospective clients that CAIM is not simply an arm's-length investment management provider, but strives to be a trusted advisor with our partner institutions, on matters of asset management and beyond. Beyond the capacity building and training we provide to client institutions, we are also increasing efforts in investment solutions and advisory.

Markets and Economies

Global bonds performed very strongly over the course of 2020. The ICE Bank of America US Treasury Index (G0Q0) returned an impressive 8.2% - a remarkable result given that the average yield to maturity at the start of the year was just 1.82%. The two main drivers of this performance were aggressive rate cuts and asset purchases. In response to the deepening coronavirus pandemic, central banks across the world aggressively eased monetary policy resulting in significantly lower government bond yields and steeper yield curves. Consequently, many government bond indices generated record positive returns in the first quarter of 2020 – particularly shorter dated benchmarks. The ICE Bank of America 1-3 Year US Treasury Index returned 2.8% in 2020 Q1, representing the strongest return in recent history. This equated to ten times the average quarterly return over the previous decade.

Initially, towards the end of 2020 Q1, the positive backdrop for government bonds, such as US Treasuries, did not translate to other fixed income asset classes, where an unprecedented market dislocation, characterised by an almost limitless drop in liquidity, resulted in very aggressive credit spread widening. Corporate bond indices therefore underperformed comparable sovereign benchmarks by sizeable margin, presenting active managers with one of the most challenging environments in living memory.

Chief Executive Officer's Report for the year ended 31 December 2020 (continued)

Markets and Economies (continued)

In response to this liquidity crisis, central banks engaged in very large asset purchase programmes that were remarkable in both their scale and breadth. In the United States, the Federal Reserve expanded its balance sheet by over three trillion dollars – from 19% to 35% of US GDP. These actions proved to be highly effective as market liquidity improved materially. The ballooning of credit spreads that occurred in March began to reverse, risk assets started to recover and corporate bonds outperformed governments. Many capital markets transactions printed at historically high yield spread levels as investors, including Crown Agents Investment Management, were able to negotiate more favourable terms in the primary market. Consequently, portfolio underperformance from earlier in the year recovered strongly in subsequent quarters.

The factors that drove bonds yields lower in 2020 are likely to remain in place for a prolonged period - well past the end of 2022. In the United States, the Federal Reserve has pledged to maintain significant asset purchases and to not increase interest rates until late 2023. However, the improving outlook for economic growth, which can be attributed to many factors, including fiscal stimulus packages and successful vaccination programmes, will inevitably push inflation expectations higher. These elevated inflation expectations, coupled with other technical factors such as sharply increased bond supply, may, to some extent, reverse the very positive price action that was observed last year for the fixed income asset class.

In equities, the coronavirus pandemic and the subsequent policy responses led to major swings in asset prices. By late February, as it became clear that the pandemic was not going to be contained within China, markets saw some of the biggest sell-offs since the global financial crisis, as lockdowns led to closed businesses, furloughed workers and people were forced to adapt to a new way of living. In the US, the S&P 500 index price declined 20.0% in the first quarter as all 11 sectors posted negative returns compared to the end of 4Q19, as the coronavirus outbreak spread. Confirmed US cases of Covid-19 rose from 150 to over 100,000 between 4 March and 27 March, and the economic impact grew clearer. Jobless claims rocketed by over three million in the last week of March and economic indicators suggest more pain will follow, with US real GDP declining by 9.0% (-31.4% q-o-q annualised) in Q2 2020.

Nevertheless, the unprecedented fiscal and monetary stimulus that was unleashed helped to support a strong recovery in economic growth, with US growth rebounding by 7.4% (+33.1% q-o-q annualised) in Q3, assisting the positive moves in asset prices. Positive vaccine news in November, came with the approval and roll out of the Pfizer-BioNTech vaccine, and a new incoming Presidential administration in the US encouraged more confidence in economic growth going froward. This promoted an end of year rotation in equity investing with investors moving from defensive growth into cyclical value sectors such as financials and energy.

Performance across global equity markets was mixed. The S&P 500 index in the US advanced to an all-time high by the close on New Year's Eve, and finished the year up 18.4% in total returns terms. However, the best performance came from tech stocks, with the NASDAQ seeing a +45.1% return over the year. In Europe it was a different story for equities, with a number of the major indices on the continent ending the year lower. The UK's FTSE 100 declined by 11.4% ,even with the signing of the Brexit Agreement, as it large exposure to energy and financials were negatively impacted by falling commodity prices and declining yields, while Spain's IBEX 35 and Italy's FTSE MIB declined by 12.7% and 3.3% respectively. Even the German DAX saw muted gains, 3.5%, by comparison with the US indices mentioned above.

The outlook is quite dependent on the path of the Covid-19 virus and the success of the vaccine roll-out, as well as economic stimulus efforts; at present economic growth expectations have mainly risen. Corporate earnings will play a crucial role in determining equity returns as stock prices will be driven by the real state of the economy and its corporate sector. Valuations appear quite stretched, but look more

Chief Executive Officer's Report for the year ended 31 December 2020 (continued)

Markets and Economies (continued)

reasonable if we consider the backdrop of low interest rates. Rising yields could pose downside risks to expensive valuations, but should not cause a sharp de-rating unless the moves are uncontrolled. While the fundamental outlook is improving, valuations are not likely to meaningfully deteriorate in the absence of inflationary or economic shocks.

Capital Injection

We have developed and agreed an ambitious strategic plan to further drive and support client and revenue growth. We will continue to invest in the business - in people, systems and the control environment, and our investor has demonstrated support and commitment to this effort with a post year-end contribution of GBP 500k additional capital to strengthen our balance sheet and position the Company for long-term growth.

Concluding remarks

I would like to extend my sincere thanks to the entire CAIM team, both for their extraordinary efforts in meeting the external challenges of 2020, and for keeping focus and energy on our transformational initiatives as we implement our ambitious strategy in the years ahead. We look forward to continuing and broadening our long-term partnerships with our loyal client base, and bringing a growing amount of new institutions into the fold.

Roberts Grava
Chief Executive Officer

30 March 2021

Directors for the year ended 31 December 2020

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 and an advisor to Deloitte Financial Advisory.

Rajesh Bhatia - Independent Non-executive director (resigned 25 June 2020)

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

Jennifer Johnson-Calari - Independent Non Executive Director

Jennifer Johnson-Calari joined the Board 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 two non-profit organizations.

Carole Machell - Independent Non-executive director (resigned 17 December 2020)

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

Directors for the year ended 31 December 2020 (continued)

Carole Machell - Independent Non-executive director (continued)

Carole has extensive experience as a Non-executive director. She currently sits on the Board of Weatherby's Bank and Chairs their Risk Committee. She is also a member of their Audit and Remuneration Committees. She is a Non-executive director of Distribution Finance Capital Limited for which she chairs the Audit Committee and is a member of both the Risk and Remuneration Committees. She is also a Non-executive director of Sainsbury's Bank PLC for which she similarly chairs the Audit Committee and is a member of both the Risk and Remuneration Committees. She has recently joined the Board of the London Clearing House where she chairs the Audit Committee.

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 Poole joined the Board in April 2016 bringing with him broad finance and administration experience across a range of businesses in numerous African countries. Previously, he was a CFO with Intela Global Ltd, Lawson's Corporation and Celtel International (in Burkina Faso, Chad and DRC). Earlier in his career he held finance and accounting roles with Price Waterhouse, Bank of America and BT. Since 2011, he has been an Operating Partner with Helios Investment Partners. He was previously a director of both Helios Towers Africa Limited and Vivo Energy Limited. He currently serves on the boards of directors of Link Commerce Limited (previously Mall for Africa Limited) and Solevo B.V.

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

Directors for the year ended 31 December 2020 (continued)

Roberts Grava – Chief Executive Officer

Roberts Grava is Chief Executive Officer of Crown Agents Investment Management Limited, having joined in June 2020. Roberts has over 25 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.

Albert Maasland – Executive Director

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

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

He founded or co-founded a number of start up businesses before returning to banking and helped establish the global e-commerce business at Standard Chartered before moving to Saxo Bank where he fulfilled numerous roles including CEO of Saxo Bank UK and then Chairman of Saxo Capital Markets UK. He was CEO of Knight Capital Europe and subsequently KCG Europe. In February 2017 he became Group CEO of Crown Agents Bank and its sister company, Crown agents Investments Management Ltd before stepping down as Group CEO in February 2021.

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 formally CFO of Barclays Africa and CFO of Absa Capital. Previous roles to this include UK & Europe CFO and Global Business Unit Controller at RBS, Managing Director, European Head of Fixed Income Product Control and Global Head of Interest Rates Product Control at Morgan Stanley, and Director and Global Head of Expense Management at Credit Suisse First Boston. Richard started his career at Price Waterhouse, is a qualified accountant and holds a BSc. (Hons) in Chemistry from the University of East Anglia.

Directors for the year ended 31 December 2020 (continued)

Chris Green – Chief Risk Officer (from 30 March 2020)

Chris joined the Board on 30 March 2020 as Chief Risk Officer and Head of Compliance. Chris has 25 years of corporate financial services experience mainly in senior risk leadership roles. He joined the Company from Royal Bank of Scotland where 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.

At GE Capital, Chris led the operational delivery and process transformation for credit origination, transaction management and in-life credit risk stewardship, managing an SME and corporate portfolio of ~£100Bn across the suite of lending products and industry sectors. He is passionate about people leadership, development and inclusiveness, leading end-to-end lending journey transformation activities including digital and automated credit decisioning.

Doug MacLennan – Chief Risk Officer (resigned 28 February 2020)

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

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

Strategic Report for the year ended 31 December 2020

Strategic Direction

The Company's strategy will focus on expanding its range of products/solutions as well as its geographical focus as outlined in our five-year strategic plan. The Company's annual re-assessment of its markets and its position in them confirms that this focus is broadly appropriate.

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

Review of Performance

Turnover declined in 2020 due to the previously announced withdrawal of a pension fund account connected with our former parent, and some partial redemptions in individual Central Bank accounts to finance local pandemic relief efforts. We did not lose any Central Bank accounts. Profitability decreased to a minor loss in 2020. After further planned investment we expect both revenues and profitability to improve significantly in the coming years as economic activity improves post the pandemic and we accelerate our business development efforts.

Key Performance Indicators	2020	2019
Turnover (£'000)	**2,696**	3,282
(Loss)/ profit before tax (£'000)	**(228)**	61
Return on capital employed based on start of year shareholder's funds	**(8.0)%**	1.9%
Funds under management (£M)		
- discretionary	**1,100**	1,265
- non discretionary	**596**	669
Total	**1,696**	1,934

CAIM CROWN AGENTS INVESTMENT MANAGEMENT

Strategic Report for the year ended 31 December 2020 (continued)

Financial Position of the Company

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

	2020 **£'000**	2019 £'000
Total Assets	**3,804**	3,621
Total Shareholders' funds	**2,690**	2,878

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

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

The Board continues to be aware of the challenges and risks posed by the outbreak of Coronavirus19. The global pandemic presented the Company with operational and business challenges which have been met and managed. From an operational perspective, the move to a remote working environment during initial lockdowns worked well, with staff able to communicate via video calls, and able to access key systems remotely and securely. The remote environment transitioned to a hybrid one as some lockdown restrictions loosened throughout the year. A majority of Company staff worked at the Sutton office from one to several days per week, telecommuting on the other days. At the office, desks and work stations were set up to allow for adequate distance between employees, and social distancing and mask guidelines were observed in public areas and conference rooms.

Client engagement became more difficult as travel restrictions stopped international business travel, but clients quickly adopted to virtual meetings via Zoom, Teams and other communications methods. The Company designed and implemented a successful webinar series to communicate investment views and thought leadership to clients and prospects, as well as deliver capacity building and training commitments. We expect the webinar series to continue, as it presents an efficient way to communicate with a broad array of institutions efficiently.

Strategic Report for the year ended 31 December 2020 (continued)

Principal Risks and Uncertainties

The Covid-19 pandemic affected the economies of many of our clients, with initial pressures on national balance sheets and federal budgets leading to a small minority to request partial redemptions of investment accounts to meet acute budget requirements. The global slowdown in economic growth also dampened expectations and results in growing assets under management in 2020, but it is notable that none of the Company's central bank client accounts were fully redeemed or closed in 2020. By the end of the calendar year, opportunities for account acquisition returned, and we expect them to persist and grow throughout 2021.

Going forward, ther Company, its clients and prospects have adapted to the realities of working in a global pandemic, and we believe the positive outcomes from vaccine rollout, economic stimulus and policymaker support should contribute to a positive economic and business environment in 2021, albeit one different than might have been imagined before the pandemic.

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

30 March 2021

Directors' Report for the year ended 31 December 2020

The directors submit their report and the audited financial statements of the Company for the year ended 31 December 2020.

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. We plan further investment in personnel, systems and the control environment to broaden our product offering, maintain strong risk-adjusted investment performance, strengthen client engagement and drive AUM and revenue growth.

Dividends

There were no dividends paid or proposed in the year (2019: £nil).

Political Donations

No political donations were made in 2020 or 2019.

Financial risk management

Details of financial risk management are set out on page 13 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 it measures up to its stated values/ industry benchmark and how well engaged employees are with their roles. The most recent survey, carried out in late 2020 was specifically designed to ask questions about employees experience that have taken centre stage as a result of the pandemic, and political and social injustice movements. The focus was on how well we have done in supporting our employees through the pandemic and creating an inclusive and fair place to work. This was consistent with industry practice for 2020.

(b) Disabled Persons

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

(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

Directors' Report for the year ended 31 December 2020 (continued)

Employee Matters (continued)

(c) Employee Involvement (continued)

policy. There is also Conduct and Culture Forum and a Culture Champion Forum sponsored by an executive manager and led by the employees. The purpose of these forums is to enable us to build an engaging, inclusive and collaborative culture. In addition, further information is given at quarterly townhall meetings hosted by the Group Chief Executive Officer, through the intranet, notices and via webinars/ training programmes.

(d) Gender diversity

The proportion of women and men employed by the Company is 25% and 75% respectively.

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 requiring it to disclose energy and carbon information within this report. However, currently, the Company does not meet the reporting thresholds.

Directors

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

J Parrish* (Chairman)
R Bhatia* (resigned 25.6.20)
J Johnson-Calari*
C Machell* (resigned 17.12.20)
A Ekpe**
S Poole**
R Grava (appointed 16.11.20)
A Maasland
R Hallett
C Green (appointed 15.9.20)
D MacLennan (resigned 28.2.20)

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

Directors' Report for the year ended 31 December 2020 (continued)

Statement of Directors' Responsibilities in respect of the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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' Report for the year ended 31 December 2020 (continued)

Directors' Indemnities

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

Shareholders Matters

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

Independent auditors

In line with regulatory requirements relating to their period of tenure, PricewaterhouseCoopers LLP will be resigning as the Company's auditors. The Company will be appointing Mazars LLP as auditors for the year ended 31 December 2021.

On behalf of the Board,

R Grava
Chief Executive Officer

30 March 2021

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2020; the income statement, the statement of changes in equity and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

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

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)

Report on the audit of the financial statements (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

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

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Financial Conduct Authority's ('FCA') and the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creation of fictitious transactions to hide losses or to improve financial performance and management bias in accounting estimates. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with and reports to the regulators, including the FCA;
- Reviewing customer complaints for any indication that there has been a breach of relevant laws and regulations or instances of fraud;
- Identifying and testing journal entries meeting specific fraud criteria, in particular any journal entries posted with unusual account combinations or posted by senior management; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Liam Thompson-Clarke (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

2 April 2021

Income Statement for the year ended 31 December 2020

	Note	**2020 £'000**	2019 £'000
Turnover	2	**2,696**	3,282
Currency loss		**(41)**	(28)
Administrative expenses	3	**(2,887)**	(3,198)
Operating (loss)/ profit		**(232)**	56
Interest receivable and similar income	4	**4**	5
(Loss)/ profit		**(228)**	61
Tax on (loss)/ profit	6	**40**	(8)
(Loss)/ profit for the financial year		**(188)**	53

There were no other items of Comprehensive Income (2019: £nil).

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

The notes on pages 27-46 form part of these financial statements.

Balance Sheet as at 31 December 2020

		2020		2019	
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	7		**496**		547
Tangible assets	8		**1**		1
Total Fixed Assets			**497**		548
Current Assets					
Debtors, prepayments and accrued income	9	**704**		739	
Deferred tax		**44**		-	
Derivatives	10	**37**		18	
Cash at bank and in hand	11	**2,522**		2,316	
		3,307		3,073	
Creditors – amounts falling due within one year	12	**(1,114)**		(742)	
Derivatives	10	**-**		(1)	
		(1,114)		(743)	
Net Current Assets			**2,193**		2,330
Total Assets Less Current Liabilities			**2,690**		2,878
Capital reserves					
Called up share capital	13		**1,650**		1,650
Profit and loss account			**1,040**		1,228
Total Shareholder's Funds			**2,690**		2,878

The notes on pages 27-46 form part of these financial statements.

The Board of Directors approved the financial statements on 30 March 2021.

R Grava
Director

R Hallett
Director

Statement of Changes in Equity for the year ended 31 December 2020

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2019	1,650	1,175	2,825
Profit for the financial year	-	53	53
Balance as at 31 December 2019	1,650	1,228	2,878
Balance as at 1 January 2020	**1,650**	**1,228**	**2,878**
Loss for the financial year	**-**	**(188)**	**(188)**
Balance as at 31 December 2020	**1,650**	**1,040**	**2,690**

There were no dividends paid or proposed in the year (2019: £nil).

Cash Flow Statement for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Net cash inflow from Operating Activities	**17**	**224**	254
Cash flow from Investing Activities			
Purchase of intangible assets	**7**	**-**	(178)
Purchase of tangible assets	**8**	**-**	-
Interest received		**3**	5
Net cash used in investing activities		**3**	(173)
Net increase/ (decrease) in cash at bank		**227**	81
Cash at bank at the beginning of the year		**2,316**	2,243
Exchange (loss)/ gain on cash at bank		**(21)**	(8)
Cash at bank and in hand at the end of the year	**11**	**2,522**	2,316

Notes to the Financial Statements for the year ended 31 December 2020 – Contents

Notes to the Financial Statements for the year ended 31 December 2020

1. STATEMENT OF ACCOUNTING POLICIES

(a) General information

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

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

(b) Statement of compliance

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

(c) Basis of preparation

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(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 the Company will be able to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

(e) Exemptions for qualifying entities under FRS 102

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

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(f) Foreign currency translation

i) Functional and presentation currency

The financial statements are presented in pounds sterling and rounded to thousands.

The Company's functional and presentation currency is pounds sterling.

ii) Transactions and balances

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

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

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

(g) Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred taxation is provided at anticipated tax rates, using the full provision method, on all timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(g) Taxation (continued)

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

(h) Intangible assets and amortisation

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

Core system software – 10 years.
Other software – 5 years (or the life of the license which ever less).
Brand/name – 50 years.

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

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

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

(i) Tangible fixed assets and depreciation

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

Computer equipment	5 years

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(j) Impairment of non-financial assets

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

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

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

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

(k) Cash and cash equivalents

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

(l) Financial instruments

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

(i) Financial assets

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

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

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

(i) Financial assets (continued)

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

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

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

(ii) Financial liabilities

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

Derivatives

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

Trade Creditors

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

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

(ii) Financial liabilities (continued)

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

(iii) Offsetting

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

(m) Employee benefits

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

Short-term benefits

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

Defined contribution pension plans

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

(o) Recognition of income

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

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

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

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

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

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

Estimates are revised and in any future periods affected. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The assumptions by nature therefore incorporate judgement over uncertain future events and are therefore subject to change.

The carrying value of the intangible assets has been reviewed against 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 impairments were deemed necessary in 2020 (2019 – none).
The calculation of the value in use is based on the free cash flows for the Company using the latest plans as presented to the Board and include an extrapolation of cash flows in perpetuity with no growth rate assumed. These forecasts are based on management's judgement.

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

2. TURNOVER

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

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

	2020	2019
	%	%
Africa	**46**	38
Caribbean, Atlantic and the Americas	**34**	26
UK	**2**	18
Rest of Europe	**18**	18
	100	100

Notes to the Financial Statements for the year ended 31 December 2020(continued)

3. ADMINISTRATIVE EXPENSES

	2020 **£'000**	2019 £'000
Staff costs and directors' emoluments* (Note 5)	**1,452**	1,363
Amortisation	**51**	49
Depreciation	**-**	-
Management fees charged*	**430**	606
Administrative and other expenses*	**954**	1,180
	2,887	3,198

* payable through/ to other group companies

The administrative and other expenses include remuneration for the auditors. The fees payable to the auditors were £40,000 (2019: £25,000) for auditing the financial statements, £40,000 (2019: £38,000) for audit related assurance services and £nil (2019: £nil) for other services.

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

4. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable of £3,464 (2019 – 4,772) arises from monies deposited with Crown Agents Bank Limited, a fellow group company.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

5. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Staff Costs and Directors' Emoluments

	2020	2019
	£'000	£'000
Wages and salaries	**954**	959
Social security costs	**142**	142
Pension costs	**72**	70
Other costs (inc bonus accrual and external consultants)	**284**	192
	1,452	1,363

The aggregate emoluments and pension contributions of the directors were £266,081 (2019: 40,000) and key management were £226,026 (2019: £246,303).

The aggregate emoluments and pension contributions of the highest paid director were £223,164 (2019: £40,000) and £nil (2019: £nil) respectively.

No retirement benefits (2019: £nil) accrued to directors under defined benefits pension schemes during the year.

The monthly average number of full time staff, including executive directors, was 15 (2019: 15).

The Company operates a defined contribution pension scheme. The Company contributed £71,773 (2019: £69,931) to this scheme during the year of which £6,702 (2019 - £5,826) was paid after the year end.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

6. TAX ON (LOSS)/ PROFIT

A Analysis of Charge for the Year

	2020 £'000	2019 £'000
Current Tax		
Corporation tax based on the (loss)/ profit for the year at 19.00% (2019: 19.00%)	-	8
Prior year adjustment	-	(1)
	-	7
Deferred Tax		
- Due to change in tax rates	2	-
- Other	(42)	1
	(40)	1
Total tax (credit)/ charge	(40)	8

B Factors Affecting Tax Charge for the Year

	2020 £'000	2019 £'000
(Loss)/ Profit before taxation	(228)	61
Profit before taxation multiplied by standard rate of corporation tax of 19.00% (2019: 19.00%)	(43)	12
Other adjustments	(1)	(4)
Prior year adjustment	-	(1)
Deferred tax – timing differences	4	1
Total tax (credit)/ charge	(40)	8

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

7. INTANGIBLE ASSETS

	Brand/ Name £'000	Intangible Assets – Core Software £'000	Total £'000
Cost			
At 1 January	125	490	615
Additions	-	-	-
Disposals	-	-	-
At 31 December	**125**	**490**	**615**
Accumulated amortisation			
At 1 January	1	67	68
Charge	3	48	51
Disposals	-	-	-
At 31 December	**4**	**115**	**119**
Net Book Value at 31 December 2020	**121**	**375**	**496**
Net Book Value at 31 December 2019	124	423	547

An impairment review was performed based on a value in use of the appropriate cash generating unit.

The review considered a value in use calculation based on Board approved budgets/forecasts and a present value of the resulting free cash flow having adjusted for non cash items (amortisation and depreciation), any capex spend and changes in capital requirements.

CGU Carrying Value £'000	Recoverable Amount £'000	Discount Rate
2,690	2,946	19% (including a 7% risk premium)

Change In Discount Rate	+2%	+1%	0%	-1%
Change In Recoverable Amount £'000	419	196	0	(174)

None of the discount rate sensitivity scenarios would result in an impairment on intangible assets being required.

If the cashflow underlying the fair value calculation were to increase/ decrease by 10% the recoverable amount would decrease/ increase by £471,000. This would result in an impairment of intangible assets of £215,000

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

8. TANGIBLE ASSETS

	Tangible Assets – Computer Equipment £'000
Cost	
At 1 January 2020	3
Additions	-
Disposals	-
At 31 December 2020	**3**
Accumulated depreciation	
At 1 January 2020	2
Charge	-
Disposals	-
At 31 December 2020	**2**
Net Book Value at 31 December 2020	**1**
Net Book Value at 31 December 2019	1

9. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2020 £'000	2019 £'000
Trade debtors	**55**	17
Prepayments	**34**	27
Accrued income	**615**	695
	704	739

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

10. DERIVATIVES

A proportion of the US dollar management fee income received quarterly is economically hedged using a series of forward foreign exchange contracts with a notional value of US$ 956,708 (2019: US $979,000) as at 31 December 2020. The positive fair value of the remaining outstanding forward deals at 31 December 2020 was £36,812 (2019: £18,496). The negative fair value of the remaining outstanding forward deals at 31 December 2020 was £nil (2019: £979). Such gain/losses are reported net of foreign exchange (profit)/ loss arises from gains/ losses on holding US dollar balances which are revalued monthly. The resulting gain (2019: gain) of £19,295 (2019 - £57,631) is included within Currency Loss in the Income statement.

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

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

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

Level 3 – Valuation technique (ie internal models with significant unobservable market parameters)
Inputs to level 3 fair values are based on unobservable inputs for the assets at the last measurement date. If all significant inputs required to fair value an instrument are observable then the instrument is included in level 2, if not it is included in level 3. The Company did not have any such instruments.

11. CASH AT BANK AND IN HAND

The amount, £2,522,145 (2019 - £2,315,561) relate to call accounts with a fellow group company, Crown Agents Bank Limited.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Amounts owed to group undertakings	**614**	222
Corporation tax	**-**	-
Deferred tax (Note 14)	**21**	17
Other creditors, accrued expenses and deferred income	**479**	503
	1,114	742

13. CALLED UP SHARE CAPITAL

	2020 £'000	2019 £'000
Issue, allotted and fully paid (ordinary shares of £1 each)		
As at 1 January and 31 December	**1,650**	1,650

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

14. DEFERRED TAX

The deferred tax asset is as follows:

	2020 £'000	2019 £'000
As at 1 January	**-**	-
Charge to P&L	**44**	-
As at 31 December	**44**	-

The deferred tax liability (2019 – liability) recognised in the financial statements, calculated at 19% (2019: 17%) is:

	2020 £'000	2019 £'000
As at 1 January	**(17)**	(16)
Charge to P&L	**(4)**	(1)
As at 31 December	**(21)**	(17)

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

14. DEFERRED TAX (continued)

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would have no effect on the tax expense for the period or the deferred tax liability.

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 2020	**Less than 3 months**	**More than 3 months less than 1 year**	**Total**
	£'000	**£'000**	**£'000**
Debtors, prepayments and accrued income	**704**	**-**	**704**
Deferred tax	**-**	**44**	**44**
Derivatives	**6**	**31**	**37**
Cash at bank	**2,522**	**-**	**2,522**
	3,232	**75**	**3,307**
Intangible assets			**496**
Tangible assets			**1**
			3,804

Liabilities 2020	**Less than 3 months**	**More than 3 months less than 1 year**	**Total**
	£'000	**£'000**	**£'000**
Creditors	**1,114**	**-**	**1,114**
Derivatives	**-**	**-**	**-**
	1,114	**-**	**1,114**
Shareholder's funds			**2,690**
			3,804

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

15. RISK MANAGEMENT (continued)

Assets 2019	Less than 3 months	More than 3 months less than 1 year	Total
	£'000	£'000	£'000
Debtors, prepayments and accrued income	739	-	739
Derivatives	2	16	18
Cash at bank	2,316	-	2,316
	3,057	16	3,073
Intangible assets			547
Tangible assets			1
			3,621

Liabilities 2019	Less than 3 months	More than 3 months less than 1 year	Total
	£'000	£'000	£'000
Creditors	742	-	742
Derivatives	-	1	1
	742	1	743
Shareholder's funds			2,878
			3,621

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

15. RISK MANAGEMENT (continued)

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

The foreign currency profile of the Company is as follows:

	2020	2019
	£'000	£'000
Assets		
Denominated in sterling	**2,936**	2,954
Denominated in other currencies	**868**	667
	3,804	3,621
Liabilities and equity		
Denominated in sterling	**3,804**	3,621
Denominated in other currencies	**-**	-
	3.804	3,621

16. FINANCIAL INSTRUMENTS

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

Financial assets	Note	Assets at FVTPL*	Financial assets at amortised cost	Total
		£'000	£'000	£'000
2020				
Debtors	9	**-**	**55**	**55**
Derivative financial instruments		**37**	**-**	**37**
Cash at bank and in hand	11	**-**	**2,522**	**2,522**
		37	**2,577**	**2,614**
		£'000	£'000	£'000
2019				
Debtors	9	-	17	17
Derivative financial instruments		18	-	18
Cash at bank and in hand	11	-	2,316	2,316
		18	2,333	2,351

* FVTPL - Fair value charged through P&L

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

16. FINANCIAL INSTRUMENTS (continued)

Financial liabilities	Note	Liabilities at FVTPL*	Financial liabilities at amortised cost	Total
		£'000	£'000	£'000
2020				
Amounts owed to group undertakings	12	**-**	**614**	**614**
Derivative financial instruments	10	**-**	**-**	**-**
Other creditors and accrued expenses	12	**-**	**479**	**479**
		-	**1,093**	**1,093**
		£'000	£'000	£'000
2019				
Amounts owed to group undertakings	12	-	222	222
Derivative financial instruments	10	1	-	1
Other creditors and accrued expenses	12	-	503	503
		1	725	726

* FVTPL - Fair value charged through P&L

17. NOTES TO THE CASH FLOW STATEMENT

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

	2020 **£'000**	2019 £'000
(Loss) /profit before taxation	**(229)**	61
Less - interest receivable	**(4)**	(5)
Effect of currency exchange rate changes	**2**	(48)
Amortisation of intangible assets	**51**	49
Depreciation of tangible assets	**-**	-
(Increase)/ decrease in debtors, prepayments and accrued income	**(8)**	414
Increase/(decrease) in creditors	**412**	(217)
Net cash inflow from operating activities	**224**	254

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

18. HOLDING COMPANY

The immediate parent undertaking is CABIM Limited which is the smallest and largest group to consolidate these financial statements as at 31 December 2020. The ultimate parent undertaking and controlling party is Helios Investors III LP, acting through its general partner Helios Investors Genpar III LP. Helios Investors Genpar III LP is registered in the Cayman Islands with its registered office at PO Box 309GT, Ugland House, South Church Street, Grand Cayman, Cayman Islands KY1-1104.

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

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 CABIM Limited.

20. CREDIT EXPOSURES

The Company’s credit exposures are its Cash At Bank And In Hand (note 11) and its Derivative (Note 10).

Head Office Contact Details

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