

Registered number: 07456530

CHERUBIM VENTURES (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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CHERUBIM VENTURES (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

M Van Blerk
B O'Connell

COMPANY SECRETARY

E Van Blerk

REGISTERED NUMBER

07456530

REGISTERED OFFICE

Mill House
Overbridge Square
Hambridge Lane
Newbury
Berkshire
RG14 5UX

INDEPENDENT AUDITOR

James Cowper Kreston
Chartered Accountants and Statutory Auditor
Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

CHERUBIM VENTURES (UK) LIMITED

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CHERUBIM VENTURES (UK) LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The Directors present the company's strategic report for the year ended 31 December 2015.

BUSINESS REVIEW

During the year ended 31 December 2015, Cherubim generated revenues of £467k compared to £838k last year which reflects the decrease in the AUM and the performance of the client fund. Costs are well below average for the industry. Investment research capacity is at a satisfactory level for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

Due to the size, nature, scale and complexity of the Firm, there is no independent risk management function. The Directors of the Firm determine the business strategy and risk appetite along with the risk management policies and procedures. An identification of risks to the Firm are considered and the Firm's resultant exposure is assessed after the application of both management and mitigation of these risks. Furthermore, the Firm then conducts a series of stress tests and scenario analyses on these risks to determine the effect they would have on the firm.

If necessary, Cherubim would allocate extra capital to the relevant risk, as per the Pillar 2 requirement: this has not been deemed necessary. This process is conducted at regular Directors' meetings and the relevant policies and procedures updated where necessary.

The Directors have identified concentration risk, key person risk, and market risk as the main areas of risk to which the firm is exposed.

These risks are managed by a number of means, including:

Cherubim has a management contract in place for the management of the fund. The fund's investment portfolio is significantly diversified in order to limit the impact of one investment or several investments on the income of Cherubim.

Locum arrangements are in place with experienced professionals in the UK and Canada.

Management maintains all its capital in cash holdings and also through other investments, which are subject to market risk. The risk associated with these investments is however considered to be low with the invested fund managed by experienced professionals.

Cherubim has concluded that its Tier 1 capital is sufficient to cover its Pillar 1 and Pillar 2 requirements.

The market for securing assets under management remains highly competitive. With these risks and uncertainties in mind we are confident that we will continue to grow the fund client's assets under management due to the fund client's historical track record and the company's marketing ability.

FINANCIAL KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, EBITDA margin and return on capital employed.

Disclosure Policy

The Pillar 3 rules in BIPRU 11 set out the need for firms to have a formal disclosure policy. In accordance with the rules of the Financial Conduct Authority ("FCA") Cherubim Ventures (UK) Limited ('Cherubim' or 'the firm') will disclose the information set out in BIPRU 11 (the Pillar 3 rule) on at least an annual basis. In accordance with BIPRU 11.3.3(2) this disclosure has been assessed by Cherubim's Senior Management to comprehensively convey the firm's risk profile to market participants. The Pillar 3 disclosure will be made in the firm's annual report and accounts.

Cherubim may omit information it deems as immaterial, in accordance with the rules. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Accordingly, where Cherubim has considered an item to be immaterial it has not been disclosed. Cherubim has implemented a policy for assessing the appropriateness of its market disclosures, including their verification and frequency.

CHERUBIM VENTURES (UK) LIMITED

STRATEGIC REPORT (continued)

In addition, if the required information is deemed to be proprietary or confidential then Cherubim may take the decision to exclude it from the disclosure. In the Firm's view, proprietary information is that which, if it were shared, would undermine its competitive position. Information is considered to be confidential where there are obligations binding the Firm to confidentiality with our customers, suppliers or counterparties. Where information is omitted for either of these reasons this is stated in the relevant section of the disclosure, along with the jurisdiction.

Disclosures

Cherubim is authorised and regulated by the FCA and as such is subject to minimum regulatory capital requirements. The Firm is categorised by the FCA, for capital purposes, as a BIPRU limited licence firm. It is an investment management firm; it has no trading book exposures. The Firm is not required to prepare consolidated reporting for prudential purposes.

The FCA's current prudential regime can be split into three "pillars":

- Pillar 1 – prescribes the minimum capital requirements that authorised firms need to hold. This is the higher of €50k; quarter of the firm's annual adjusted expenditure (the Fixed Overheads Requirement); or the sum of the firm's prescribed Credit risk + Market risk.
- Pillar 2 – requires firms to analyse the risks to the business and then consider whether the risks are mitigated to an appropriate standard. If the firm feels that the risks are not adequately mitigated then they should allocate capital against those risk. Stress and scenario tests are conducted to ensure that the processes, strategies and systems are comprehensive and robust and that the allocation of capital is sufficient.
- Pillar 3 - requires firms to develop a set of disclosures which will allow market participants to assess key information about the Firm's underlying risks, risk management controls and capital position.


The Credit Risk + Market Risk Requirement determines the Firm's Capital Resources Requirement.

The Firm is a Company Limited by Capital and its capital arrangements are established in its Memorandum and Articles of Association. Its capital is summarised as follows:

	£
Permanent Share Capital	200
Share premium	98,998
Retained earnings	592,181

Share capital and other reserves	691,379
	=====

This report was approved by the board and signed on its behalf.


M Van Blerk
Director

Date:

20 April 2016

CHERUBIM VENTURES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £155,784 (2014: £566,594).

DIRECTORS

The directors who served during the year were:

M Van Blerk
B O'Connell

CHARITABLE DONATIONS

During the year the company made charitable donations totalling £2,408 (2014: £5,895).

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

CHERUBIM VENTURES (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015
POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M Van Blerk
Director

Date:

20 April 2016

CHERUBIM VENTURES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHERUBIM VENTURES (UK) LIMITED

We have audited the financial statements of Cherubim Ventures (UK) Limited for the year ended 31 December 2015, set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CHERUBIM VENTURES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHERUBIM VENTURES (UK) LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Alan Poole BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

Date: 21st April 2016

CHERUBIM VENTURES (UK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover		453,036	837,651
Gross profit		453,036	837,651
Administrative expenses		(225,493)	(130,464)
Fair value movements		(31,449)	15,959
Operating profit		196,094	723,146
Interest receivable and similar income	7	62	-
Profit before tax		196,156	723,146
Tax on profit	8	(40,372)	(156,552)
Profit for the year		155,784	566,594
Other comprehensive income for the year			
Total comprehensive income for the year		155,784	566,594

CHERUBIM VENTURES (UK) LIMITED
REGISTERED NUMBER: 07456530

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	10	11,053	14,372
		<u>11,053</u>	<u>14,372</u>
Current assets			
Debtors: amounts falling due within one year	11	41,591	44,467
Current asset investments	12	284,956	324,324
Cash at bank and in hand	13	469,506	1,647,821
		<u>796,053</u>	<u>2,016,612</u>
Creditors: amounts falling due within one year	14	(115,727)	(1,425,015)
Net current assets		<u>680,326</u>	<u>591,597</u>
Total assets less current liabilities		<u>691,379</u>	<u>605,969</u>
Provisions for liabilities			
Deferred tax		-	(2,874)
		<u>-</u>	<u>(2,874)</u>
Net assets		<u><u>691,379</u></u>	<u><u>603,095</u></u>
Capital and reserves			
Called up share capital	18	200	200
Share premium account	17	98,998	98,998
Profit and loss account	17	592,181	503,897
		<u>691,379</u>	<u>603,095</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M Van Blerk
 Director

Date: 20 April 2016

The notes on pages 12 to 22 form part of these financial statements.

CHERUBIM VENTURES (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2015	200	98,998	503,897	603,095
Comprehensive income for the year				
Profit for the year	-	-	155,784	155,784
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(67,500)	(67,500)
Total transactions with owners	-	-	(67,500)	(67,500)
At 31 December 2015	200	98,998	592,181	691,379

CHERUBIM VENTURES (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2014	200	98,998	4,803	104,001
Comprehensive income for the year				
Profit for the year	-	-	566,594	566,594
Dividends: Equity capital	-	-	(67,500)	(67,500)
Total transactions with owners	-	-	(67,500)	(67,500)
At 31 December 2014	200	98,998	503,897	603,095

The notes on pages 12 to 22 form part of these financial statements.

CHERUBIM VENTURES (UK) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	155,784	566,594
Adjustments for:		
Depreciation of tangible assets	4,895	1,781
Employee incentive expense	19,219	-
Interest received	(62)	-
Taxation	40,372	156,552
Increase in debtors	4,346	(333,704)
Increase in creditors	(1,209,125)	1,184,477
Net fair value losses/gains recognised in P&L	31,449	-
Corporation tax	(156,179)	(16,281)
Net cash generated from operating activities	<u>(1,109,301)</u>	<u>1,559,419</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,576)	(3,209)
Interest received	62	-
Net cash from investing activities	<u>(1,514)</u>	<u>(3,209)</u>
Cash flows from financing activities		
Dividends paid	(67,500)	(67,500)
Net cash used in financing activities	<u>(67,500)</u>	<u>(67,500)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(1,178,315)</u>	<u>1,488,710</u>
Cash and cash equivalents at beginning of year	<u>1,647,821</u>	<u>159,111</u>
Cash and cash equivalents at the end of year	<u><u>469,506</u></u>	<u><u>1,647,821</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>469,506</u>	<u>1,647,821</u>
	<u><u>469,506</u></u>	<u><u>1,647,821</u></u>

CHERUBIM VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Office equipment	-	5	years
Computer equipment	-	3	years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

CHERUBIM VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.4 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.5 Current asset investments

Investments in unlisted shares, which have been classified as current asset investments as the company intends to hold them on a short term basis are remeasured at market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

CHERUBIM VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) At fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) At cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CHERUBIM VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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.

1.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

CHERUBIM VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are however considered to be no material areas subject to such judgement and estimation uncertainty.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Management fees	453,036	837,651
	<u>453,036</u>	<u>837,651</u>

All turnover arose within the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	4,895	1,781
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	3,700	3,500
Exchange differences	<u>(54,691)</u>	<u>(86,591)</u>

5. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	78,481	65,833
Social security costs	4,258	4,983
	<u>82,739</u>	<u>70,816</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
	<u>4</u>	<u>4</u>

CHERUBIM VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	41,654	13,942
	<u>41,654</u>	<u>13,942</u>

7. INTEREST RECEIVABLE

	2015 £	2014 £
Bank interest receivable	62	-
	<u>62</u>	<u>-</u>

8. TAXATION

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	44,716	156,267
Total current tax	<u>44,716</u>	<u>156,267</u>
Deferred tax		
Origination and reversal of timing differences	(4,344)	285
Total deferred tax	<u>(4,344)</u>	<u>285</u>
Taxation on profit on ordinary activities	<u>40,372</u>	<u>156,552</u>

CHERUBIM VENTURES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2014 higher than) the standard rate of corporation tax in the UK of 20.25% (2014 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>196,156</u>	<u>723,146</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	39,722	155,476
Effects of:		
Expenses not deductible for tax purposes	757	1,421
Capital allowances for year in excess of depreciation	-	(690)
Adjustments to tax charge in respect of prior periods	-	60
Other timing differences leading to (decrease)/increase in taxation	-	285
Adjust closing deferred tax to average rate of 20.25%	183	-
Adjust opening deferred tax to average rate of 20.25%	35	-
Marginal relief	(325)	-
Total tax charge for the year	<u><u>40,372</u></u>	<u><u>156,552</u></u>

9. DIVIDENDS

	2015 £	2014 £
Dividends paid	67,500	67,500

CHERUBIM VENTURES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2015	11,278	6,138	17,416
Additions	699	877	1,576
At 31 December 2015	<u>11,977</u>	<u>7,015</u>	<u>18,992</u>
Depreciation			
At 1 January 2015	1,737	1,307	3,044
Charge owned for the period	2,665	2,230	4,895
At 31 December 2015	<u>4,402</u>	<u>3,537</u>	<u>7,939</u>
At 31 December 2015	<u>7,575</u>	<u>3,478</u>	<u>11,053</u>
At 31 December 2014	<u>9,541</u>	<u>4,831</u>	<u>14,372</u>

The net book value of land and building may be further analysed as follows:

11. DEBTORS

	2015 £	2014 £
Other debtors	4,275	4,709
Prepayments and accrued income	35,846	39,758
Deferred taxation	1,470	-
	<u>41,591</u>	<u>44,467</u>

12. CURRENT ASSET INVESTMENTS

	2015 £	2014 £
Unlisted investments	284,956	324,324
	<u>284,956</u>	<u>324,324</u>

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13. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank and in hand	469,506	1,647,821
	<u>469,506</u>	<u>1,647,821</u>

14. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	15,900	1,201,385
Corporation tax	44,716	156,179
Other creditors	27,907	27,800
Accruals and deferred income	27,204	39,651
	<u>115,727</u>	<u>1,425,015</u>

15. FINANCIAL INSTRUMENTS

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	284,956	324,324
Financial assets that are debt instruments measured at amortised cost	40,122	44,466
	<u>325,078</u>	<u>368,790</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(45,132)	(1,245,729)
	<u>(45,132)</u>	<u>(1,245,729)</u>

Financial assets measured at amortised cost comprise of other receivables.

Financial Liabilities measured at amortised cost comprise of trade and other payables.

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16. DEFERRED TAXATION

	Deferred tax £
At 1 January 2015	(2,874)
Charged to the profit or loss	4,344
At 31 December 2015	<u>1,470</u>

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(1,990)	(2,874)
Other short term timing differences	3,460	-
	<u>1,470</u>	<u>(2,874)</u>

17. RESERVES

Share premium

The share premium account represents the excess paid over the nominal value of shares purchased.

Profit & loss account

The profit and loss account represents the cumulative profit available for distribution to shareholders.

18. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
200 Ordinary shares shares of £1 each	<u>200</u>	<u>200</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Later than 1 year and not later than 5 years	<u>-</u>	<u>12,000</u>
Total	<u>-</u>	<u>12,000</u>

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20. RELATED PARTY TRANSACTIONS

At the year end, the company owed M Van Blerk and E Van Blerk £25,878 (2014 £23,108).

During the year M Van Blerk and E Van Blerk received £60,750 (2014 £60,750) through dividends.

During the year, the company earned fees of £466,872 (2014: £837,651) from Baobab Global Fund Limited, a company in which M Van Blerk and B O'Connell are directors.

21. CONTROLLING PARTY

The directors consider M Van Blerk and E Van Blerk to be the controlling parties by virtue of their joint shareholding.

22. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss