

**BAOBAB INVESTMENT MANAGERS LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**BAOBAB INVESTMENT MANAGERS LTD**

**COMPANY INFORMATION**

<b>DIRECTORS</b>	M Van Blerk B O'Connell
<b>COMPANY SECRETARY</b>	E Van Blerk
<b>REGISTERED NUMBER</b>	07456530
<b>REGISTERED OFFICE</b>	2 Communications Road Greenham Business Park Newbury Berkshire RG19 6AB
<b>INDEPENDENT AUDITORS</b>	James Cowper Kreston Chartered Accountants 2 Communications House Greenham Business Park Greenham Newbury Berkshire RG19 6AB

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Introduction**

The Directors present the company's strategic report for the year ended 31 December 2020.

**Business review**

During the year ended 31 December 2020, Baobab Investment Managers Ltd generated revenues of £506k compared to £597k last year. Costs are well below average for the industry. Investment research capacity is at a satisfactory level for the foreseeable future.

As of 31 December 2020 the Firm had assets under management of \$92,662,272. During 2020 the Firm also signed an agreement with an individual who has a long-standing relationship with the directors to advise on additional capital, which was valued at CA\$21,403,014 as of 31 December 2020.

**Principal risks and uncertainties**

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, Baobab Investment Managers Ltd 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:

Baobab Investment Managers Ltd 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 Baobab Investment Managers Ltd.

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

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 investment fund managed by experienced professionals.

Baobab Investment Managers Ltd 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.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**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") Baobab Investment Managers Ltd 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 Baobab Investment Managers Ltd's Senior Management to comprehensively convey the Firm's risk profile to market participants. The annual Pillar 3 disclosure will be made on the Firm's website.

Baobab Investment Managers Ltd 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 Baobab Investment Managers Ltd has considered an item to be immaterial it has not been disclosed. Baobab Investment Managers Ltd has implemented a policy for assessing the appropriateness of its market disclosures, including their verification and frequency.

In addition, if the required information is deemed to be proprietary or confidential then Baobab Investment Managers Ltd 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**

Baobab Investment Managers Ltd 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 €125k; 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.

**BAOBAB INVESTMENT MANAGERS LTD**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	1,067,252
-----	
Share capital and other reserves	1,166,450
=====	

**DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY**

One of the underlying principles of Baobab is that we follow an owner's approach. All members of the team are encouraged to act as owners of the business and as such investors in Baobab Global Fund. We are therefore collectively incentivised to strive for success as this is directly beneficial for all members of the team regardless of seniority or position. Furthermore profits from Baobab Investment Managers' are reinvested into the fund – benefiting everyone.

We are a well established business who judge performance and success over a three to five year time period, therefore any decisions taken are done so through the lens of the long term impact and consequences. Since inception we have strived to develop long term relationships with all of those we interact with. We approach these relationships looking to be transparent, open and professional at all times and as a result of this approach we have an extremely strong network of business relationships many of which have been in place for a decade.

Our Economic Social and Governance (ESG) approach is evident in everything we do, our business is built on the foundations of both the families of the employees but also those who choose to partner with us. We therefore strive for the highest levels of personal integrity and we look for these same high standards in those we partner.

As a small and agile business we operate a policy of transparency amongst colleagues, this builds trust and confidence in each other. An example of this being our monthly management meetings which are attended by all staff where no topic is off limits.

We set extremely high standards for both ourselves and those we partner with, all of which significantly promotes success within the company as detailed above.

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

.....  
**M Van Blerk**  
Director

Date: 23 April 2021

# **BAOBAB INVESTMENT MANAGERS LTD**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

### **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 they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 £100,129 (2019 - £142,471).

### **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 £15,078 (2019: £9,819).

### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

**BAOBAB INVESTMENT MANAGERS LTD**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**POST BALANCE SHEET EVENTS**

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

**AUDITORS**

The auditors, 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: 23 April 2021



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAOBAB INVESTMENT MANAGERS LTD**

**OPINION**

We have audited the financial statements of Baobab Investment Managers Ltd (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAOBAB INVESTMENT MANAGERS LTD (CONTINUED)**

**OTHER INFORMATION**

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

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAOBAB INVESTMENT MANAGERS LTD (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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAOBAB INVESTMENT MANAGERS LTD (CONTINUED)

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

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

for and on behalf of

**James Cowper Kreston**

Chartered Accountants

2 Communications House  
Greenham Business Park  
Greenham  
Newbury  
Berkshire  
RG19 6AB

27 April 2021

BAOBAB INVESTMENT MANAGERS LTD

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		508,403	596,900
<b>GROSS PROFIT</b>		<b>508,403</b>	596,900
Administrative expenses		(418,016)	(507,482)
Other operating income		10,000	-
Fair value movements		27,090	84,104
<b>OPERATING PROFIT</b>	5	<b>127,477</b>	173,522
Interest receivable and similar income	8	58	800
<b>PROFIT BEFORE TAX</b>		<b>127,535</b>	174,322
Tax on profit	9	(27,406)	(31,851)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>100,129</b>	142,471

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 14 to 23 form part of these financial statements.

**BAOBAB INVESTMENT MANAGERS LTD**  
**REGISTERED NUMBER: 07456530**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	11	<b>8,308</b>	14,388
Investments	12	<b>1,018,800</b>	991,710
		<b>1,027,108</b>	1,006,098
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	13	<b>73,215</b>	63,394
Cash at bank and in hand		<b>153,283</b>	189,124
		<b>226,498</b>	252,518
Creditors: amounts falling due within one year	14	<b>(64,728)</b>	(56,233)
<b>NET CURRENT ASSETS</b>		<b>161,770</b>	196,285
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,188,878</b>	1,202,383
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	15	<b>(22,428)</b>	(22,122)
		<b>(22,428)</b>	(22,122)
<b>NET ASSETS</b>		<b>1,166,450</b>	1,180,261
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	<b>200</b>	200
Share premium account	17	<b>98,998</b>	98,998
Profit and loss account	17	<b>1,067,252</b>	1,081,063
		<b>1,166,450</b>	1,180,261

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

.....  
**M Van Blerk**  
Director

Date: 23 April 2021

The notes on pages 14 to 23 form part of these financial statements.

**BAOBAB INVESTMENT MANAGERS LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	200	98,998	1,081,063	1,180,261
Profit for the year	-	-	100,129	100,129
Dividends: Equity capital	-	-	(113,940)	(113,940)
<b>AT 31 DECEMBER 2020</b>	<b>200</b>	<b>98,998</b>	<b>1,067,252</b>	<b>1,166,450</b>

The notes on pages 14 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	200	98,998	1,022,733	1,121,931
Profit for the year	-	-	142,471	142,471
Dividends: Equity capital	-	-	(84,141)	(84,141)
<b>AT 31 DECEMBER 2019</b>	<b>200</b>	<b>98,998</b>	<b>1,081,063</b>	<b>1,180,261</b>

The notes on pages 14 to 23 form part of these financial statements.

**BAOBAB INVESTMENT MANAGERS LTD**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	<b>100,129</b>	142,471
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	<b>6,080</b>	4,734
Interest received	<b>(58)</b>	(800)
Taxation charge	<b>27,406</b>	31,851
(Increase) in debtors	<b>(11,052)</b>	(10,214)
Increase/(decrease) in creditors	<b>4,974</b>	(76,777)
Net fair value (gains) recognised in P&L	<b>(27,090)</b>	(84,104)
Corporation tax (paid)	<b>(22,892)</b>	(47,480)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>77,497</b>	(40,319)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible fixed assets	<b>-</b>	(7,534)
Interest received	<b>58</b>	800
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>58</b>	(6,734)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	<b>(113,940)</b>	(84,141)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(113,940)</b>	(84,141)
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(36,385)</b>	(131,194)
Cash and cash equivalents at beginning of year	<b>189,124</b>	320,318
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>152,739</b>	189,124
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	<b>152,739</b>	189,124
	<b>152,739</b>	189,124

The notes on pages 14 to 23 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. General information**

Baobab Investment Managers Ltd is a private company limited by shares. The company is incorporated in England and Wales and its registered office is detailed on the company information page. The principal activity of the company is that of fund management.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors have considered the impact of the global Covid-19 pandemic on the ability of the company to continue trading for the foreseeable future. Global markets suffered a significant downturn in H1 2020 and this impacted the company's revenue in the short term. However the company was and continues to be well funded and has sufficient liquid funds to meet running costs for the foreseeable future, even should there be a major fall in income, which is not expected. Based on this the directors believe that the financial statements have been prepared appropriately on the going concern basis.

**2.3 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.

**2.4 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

**2. Accounting policies (continued)**

**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%

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 in profit or loss.

**2.5 Valuation of investments**

Investments where market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.6 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.

**2.7 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

**2. Accounting policies (continued)**

**2.8 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.

**2.9 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

**2. Accounting policies (continued)**

**2.10 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.11 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.

**2.12 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.

**2.13 Operating leases: the Company as lessee**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, 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 areas subject to such material judgement and estimation uncertainty.

4. Other operating income

	2020	2019
	£	£
Government grants received	<u>10,000</u>	<u>-</u>

5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Exchange differences	10,245	(1,884)
Other operating lease rentals	<u>32,148</u>	<u>12,420</u>

**BAOBAB INVESTMENT MANAGERS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. Employees**

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

	<b>2020</b>	2019
	<b>£</b>	£
Wages and salaries	<b>150,428</b>	177,346
Social security costs	<b>7,572</b>	8,491
	<u><b>158,000</b></u>	<u>185,837</u>

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

<b>2020</b>	2019
<b>No.</b>	No.
<u><b>6</b></u>	<u>5</u>

**7. Directors' remuneration**

	<b>2020</b>	2019
	<b>£</b>	£
Directors' emoluments	<u><b>18,075</b></u>	<u>17,677</u>

**8. Interest receivable**

	<b>2020</b>	2019
	<b>£</b>	£
Bank interest receivable	<u><b>58</b></u>	<u>800</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	21,285	17,077
Adjustments in respect of previous periods	5,815	-
<b>Total current tax</b>	<u>27,100</u>	<u>17,077</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,519	14,774
Changes to tax rates	1,991	-
Adjustments in respect of previous periods	(5,204)	-
<b>Total deferred tax</b>	<u>306</u>	<u>14,774</u>
<b>Taxation on profit on ordinary activities</b>	<u>27,406</u>	<u>31,851</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>127,535</u>	<u>174,322</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	24,232	33,121
<b>Effects of:</b>		
Expenses not deductible for tax purposes	136	467
Other timing differences leading to (decrease)/increase in taxation	3,038	(1,737)
<b>Total tax charge for the year</b>	<u>27,406</u>	<u>31,851</u>

10. Dividends

	2020 £	2019 £
Dividends paid	<u>113,940</u>	<u>84,141</u>

BAOBAB INVESTMENT MANAGERS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2020	20,924	17,089	38,013
At 31 December 2020	20,924	17,089	38,013
<b>Depreciation</b>			
At 1 January 2020	11,224	12,401	23,625
Charge for the year on owned assets	2,410	3,670	6,080
At 31 December 2020	13,634	16,071	29,705
<b>Net book value</b>			
At 31 December 2020	7,290	1,018	8,308
<b>At 31 December 2019</b>	9,700	4,688	14,388

12. Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2020	991,710
Revaluations	27,090
At 31 December 2020	1,018,800

13. Debtors

	2020 £	2019 £
Trade debtors	2,392	6,117
Other debtors	16,868	4,803
Prepayments and accrued income	53,955	52,474
	73,215	63,394



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	2,005
Corporation tax	20,468	16,260
Other creditors	25,012	17,950
Accruals and deferred income	19,248	20,018
	<u>64,728</u>	<u>56,233</u>

15. Deferred taxation

	2020 £
At beginning of year	(22,122)
Charged to the profit or loss	(306)
<b>At end of year</b>	<u><b>(22,428)</b></u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(1,579)	(2,446)
Other short term timing differences	(20,849)	(19,676)
	<u>(22,428)</u>	<u>(22,122)</u>

**BAOBAB INVESTMENT MANAGERS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**16. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
200 (2019 - 200) Ordinary shares shares of £1.00 each	<u>200</u>	<u>200</u>

**17. Reserves**

**Share premium account**

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. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	23,442	-
Later than 1 year and not later than 5 years	27,349	-
	<u>50,791</u>	<u>-</u>

**19. Related party transactions**

At the year end, the company owed M Van Blerk and E Van Blerk £19,261 (2019: £9,732).

During the year, M Van Blerk and E Van Blerk received £113,940 (2019: £68,870) through dividends.

During the year, the company paid rent of £12,420 (2019: £12,420) to M Van Blerk.

During the year, the company earned fees of £506,398 (2019: £593,480) from Baobab Global Fund Limited, a company in which M Van Blerk and B O'Connell are directors.

**20. Controlling party**

The controlling parties are M Van Blerk and E Van Blerk by virtue of their joint shareholding, which comprises 90% ownership of the company.



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