

Registered number: 04744897

SKAGEN SERVICES UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



SKAGEN SERVICES UK LIMITED

COMPANY INFORMATION

DIRECTORS

C Sorensen Lotter
A Reynolds
M Phillip-Sorensen
A Mann
J R Bond
I Bogaert (resigned 30 June 2015)

COMPANY SECRETARY

C Holliday

REGISTERED NUMBER

04744897

REGISTERED OFFICE

Farncombe House
Broadway
Worcestershire
WR12 7LJ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall St
Birmingham
West Midlands
B3 2DT

SKAGEN SERVICES UK LIMITED

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SKAGEN SERVICES UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The company's principal activity is primarily management consulting services.

RESULTS AND DIVIDENDS PROPOSED

The profit for the financial year amounted to £19,000 (2013 - profit £78,000).

No dividends have been proposed or paid in respect of the years ended 31 December 2013 and 31 December 2014.

DIRECTORS

The directors who served during the year and up to the date of signing were:

C Sorensen Lotter
A Reynolds
M Phillip-Sorensen
A Mann
J R Bond
I Bogaert (resigned 30 June 2015)

FUTURE DEVELOPMENTS

No significant change is anticipated in the activities of the company.

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 that director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report has been prepared in accordance with the Special Provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the board on 28/09/2015 and signed on its behalf.



J R Bond
Director

SKAGEN SERVICES UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKAGEN SERVICES UK LIMITED

Report on the financial statements

Our opinion

In our opinion, Skagen Services UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.
-

What we have audited

The financial statements comprise:

- the Balance Sheet as at 31 December 2014;
 - the Statement of Comprehensive Income for the year then ended;
 - the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

SKAGEN SERVICES UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKAGEN SERVICES UK LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the , 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 September 2015

SKAGEN SERVICES UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
Turnover	3	5,890	2,800
Cost of sales		(3,629)	(2,039)
Gross profit		2,261	761
Administrative expenses		(2,242)	(683)
Profit on ordinary activities before taxation		19	78
Taxation on profit on ordinary activities		-	-
Profit for the financial year		19	78
Other comprehensive income for the year		-	-
Total comprehensive income for the year		19	78

The notes on pages 7 to 16 form part of these financial statements.

SKAGEN SERVICES UK LIMITED
REGISTERED NUMBER:04744897

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £000	2013 £000
Fixed assets			
Tangible assets	8	304	235
		<u>304</u>	<u>235</u>
Current assets			
Debtors: Amounts falling due within one year	9	1,964	334
Cash at bank and in hand	10	35	194
		<u>1,999</u>	<u>528</u>
Creditors: Amounts falling due within one year	11	(2,161)	(640)
Net current liabilities		<u>(162)</u>	<u>(112)</u>
Total assets less current liabilities		<u>142</u>	<u>123</u>
Net assets		<u>142</u>	<u>123</u>
Capital and reserves			
Retained earnings	12	142	123
Total equity		<u>142</u>	<u>123</u>

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
28/09/2015



J R Bond
Director

The notes on pages 7 to 16 form part of these financial statements.

SKAGEN SERVICES UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Retained earnings £000	Total equity £000
At 1 January 2014	123	123
Profit for the financial year	19	19
Total comprehensive expense for the year	19	19
At 31 December 2014	142	142

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Retained earnings £000	Total equity £000
At 1 January 2013	45	45
Profit for the financial year	78	78
Total comprehensive income for the year	78	78
At 31 December 2013	123	123

The notes on pages 7 to 16 form part of these financial statements.

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 COMPANY INFORMATION

Skagen Services UK Limited is incorporated and domiciled in the UK. The address of its registered office is Farncombe House, Broadway, Worcestershire, WR12 7LJ.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015, but may be applied early to periods ending on or after 31 December 2012. Skagen Services UK Limited has taken the option to apply the standard early in the preparation of these financial statements.

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

The following principal accounting policies have been consistently applied:

1.3 GOING CONCERN

The directors have received confirmation of continuing financial support which covers a period of at least a year from the date of signing these financial statements from Skagen Conscience Capital Limited, the owner of the company's ordinary shares. Therefore the financial statements have been drawn up on the basis that the company is a going concern.

1.4 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments paragraph 11.39 - 11.48A;
- the requirements of Section 12 Other Financial Instruments issues paragraph 12.26 - 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

1.5 TURNOVER

Turnover represents the value of services provided, excluding VAT. Turnover is recognised in the period that the service is provided.

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost less accumulated depreciation. 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.

Furniture, equipment and motor vehicles	-	3 - 10 years
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1.7 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

1.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months or less.

1.9 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, like loans and other accounts receivable and payable, are initially measured at present value of the future payments 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 and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

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 statement of comprehensive income.

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS (continued)

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 reporting 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.

1.10 CREDITORS

Short term creditors are measured at the transaction price.

1.11 FOREIGN CURRENCY TRANSLATION

The company's functional currency is Pounds Sterling.

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 statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.12 PENSIONS

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.13 CURRENT AND DEFERRED TAXATION

Tax is recognised in the statement of comprehensive income, 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 reporting date in the countries where the company operates and generates income.

Tax is recognised in the statement of comprehensive income, 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 reporting 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 reporting date.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgements have been made include:

2.1 USEFUL ECONOMIC LIVES OF TANGIBLE ASSETS

The annual depreciation charge for the tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the furniture, equipment & motor vehicles and note 1.6 for the useful lives for each class of assets.

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. TURNOVER

Turnover arose from a single class of business originating in the United Kingdom. The geographical destination of the turnover is within the EU.

All turnover arose within the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Depreciation of tangible fixed assets	76	18
Fees payable to the company's auditors and its associates for the audit of the company and fellow UK group undertakings annual financial statements	209	4
- Taxation compliance services	22	3
	<u>22</u>	<u>3</u>

5. EMPLOYEES

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	2,873	1,245
Social security costs	298	181
Other pension costs	165	147
	<u>3,336</u>	<u>1,573</u>

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

	2014 No.	2013 No.
Administration	<u>15</u>	<u>10</u>

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

6. DIRECTORS' REMUNERATION

The directors' aggregate emoluments amounted to £1,444,000 (2013: £731,000) and the value of the company's contribution to defined contribution pension schemes in respect of the directors amounted to £117,000 (2013: £nil). 3 directors (2013: nil) are accruing benefits under a defined contribution pension scheme.

The highest paid director received remuneration of £517,500 (2013: £178,000).

The value of the company's contribution to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2013: £Nil).

The total accrued pension provision of the highest paid director at 31 December 2014 amounted to £Nil (2013: £Nil).

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
UK corporation tax		
Current tax on profits for the year	-	-
Foreign tax		
Foreign tax on income for the year	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax		
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	-
	<hr/>	<hr/>

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The difference between the current taxation charge for the year and the profit before taxation at the normal rate of corporation tax of 21.5% (2013: 23.25%) is analysed as follows:

	2014 £000	2013 £000
Profit on ordinary activities before tax	19	78
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	4	18
Effects of:		
Expenses not deductible for tax purposes	-	1
Accelerated capital allowances	(4)	(19)
Total tax charge for the year	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Changes to the UK corporation tax to 23% from 1 April 2013 were substantially enacted on 3 July 2012. As a result the effective tax rate for the year is 21.5% (2013: 23.25%). Changes to the UK corporation tax rates were substantially enacted as part of the Finance Bill 2013 on 2 July 2013. These included reduction to the main rate to reduce the rate to 21% on 1 April 2014 and to 20% from 1 April 2015. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

SKAGEN SERVICES UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. TANGIBLE ASSETS

	Furniture, equipment and motor vehicles £000
Cost or valuation	
At 1 January 2014	260
Additions	145
	<hr/>
At 31 December 2014	405
	<hr/>
Depreciation	
At 1 January 2014	25
Charge owned for the year	76
	<hr/>
At 31 December 2014	101
	<hr/>
Net book value	
	<hr/>
At 31 December 2014	304
	<hr/>
<i>At 31 December 2013</i>	<i>235</i>
	<hr/>

9. DEBTORS

	2014 £000	2013 £000
Due within one year		
Trade debtors	75	-
Amounts owed by group undertakings	1,668	200
Other debtors	91	61
Prepayments and accrued income	130	73
	<hr/>	<hr/>
	1,964	334
	<hr/>	<hr/>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

10. CASH AT BANK AND IN HAND

	2014 £000	2013 £000
Cash at bank and in hand	35	194
	<u>35</u>	<u>194</u>

11. CREDITORS: Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	162	80
Amounts owed to group undertakings	954	466
Other taxation and social security	111	-
Accruals and deferred income	934	94
	<u>2,161</u>	<u>640</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. RESERVES

Profit and loss account

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior year retained profits and losses.

SKAGEN SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

13. SHARE CAPITAL

Allotted and fully paid	2014	2013
	£	£
2014: £3- (2013: £3) Ordinary shares of £1 each	<u>3</u>	<u>3</u>

14. PENSION COMMITMENTS

Pension arrangements are provided through a stakeholder scheme, with benefits to pensioners based upon contributions made. The total pension cost for the year was £80,000 (2013: £147,000). As at 31 December 2014 (2013: £nil) there were no pension contributions unpaid.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company changed ownership on 21 November 2014 and is now is a wholly owned subsidiary of Skagen Conscience Capital Limited, a company registered in the United Kingdom. Prior to 21 November 2014 the company was a wholly owned subsidiary of Skagen B.V, a company registered in the Netherlands.

The financial statements of Skagen Conscience Capital Limited which is the largest and smallest group into which these financial statements are consolidated are available from Skagen Conscience Capital Limited, Farncombe House, Broadway, Worcestershire, WR12 7LJ.

The company is a wholly owned subsidiary of Skagen Conscience Capital Limited. Skagen Conscience Capital Limited is a wholly owned subsidiary of Skagen Holdings Limited, a company incorporated in Guernsey. The controlling parties of Skagen Holdings Limited are the trustees of the Skagen Business Trust

16. TRANSITION TO FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2013. The date of transition to FRS 102 was 1 January 2013. The profit for the year ended 31 December 2013 and the total equity as at 1 January 2013 and 31 December 2013 has not changed as a result of changes in accounting policies due to the transition from UK GAAP to FRS 102.