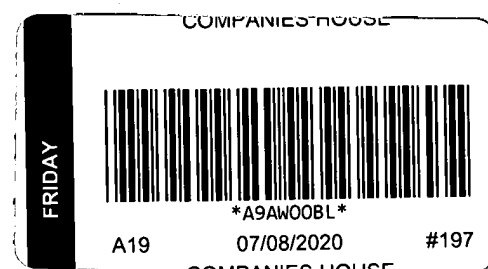


SKAGEN CONSCIENCE CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



SKAGEN CONSCIENCE CAPITAL LIMITED

COMPANY INFORMATION

DIRECTORS

R W Atterbury
L Mann
K McCarthy
M P Sorensen
L Wilding
M Preston

COMPANY SECRETARY

S Brannigan

REGISTERED NUMBER

04744897

REGISTERED OFFICE

Farncombe House
Broadway
Worcestershire
WR12 7LJ

INDEPENDENT AUDITORS

BDO LLP
Two Snowhill
Birmingham
B4 6GA

SKAGEN CONSCIENCE CAPITAL LIMITED

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SKAGEN CONSCIENCE CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The company's principal activity is the provision of consulting and advisory services to entities in the SHL3BT Group and its sister companies.

RESULTS AND DIVIDENDS PROPOSED

The profit for the financial year after tax amounted to £1,736,000 (2018 - £218,000).

Interim dividends totalling £950,000 (2018 - £Nil) were paid to shareholders during the year.

DIRECTORS

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

R W Atterbury
L Mann
K McCarthy
M P Sorensen
L Wilding
J R A Bond (resigned 31 January 2019)
M Preston (appointed 31 January 2019)

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 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.

POST BALANCE SHEET EVENTS

The Directors have considered the impact of both Brexit and the more recent Covid-19 epidemic. The Company (SCCL) is supported by the wider Skagen Group (the Group) which owns SHL3BT Limited (SCCL's immediate parent). The Directors are confident that the Group has taken all practical measures to mitigate the financial impact of these two events. The Group benefits from a substantial investment portfolio. The Group's investment managers target a sustainable return within a pre-defined risk budget and ensure an adequate diversification of our investments. More recently the Group has established a liquidity reserve, which is a portfolio of cash and cash equivalent liquid investments which can be readily deployed should the market suffer a significant downturn, ensuring the Group can meet its financial obligations for three years without the need to make distressed sales of portfolio assets whilst in a market downturn. Having taken this into account and having been given the necessary assurances by the Group of its continuing support, the Directors are confident that the Company is and will remain a going concern.

SKAGEN CONSCIENCE CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

CHARITABLE DONATIONS

During the year the company made a donation in kind to the Thirty Percy Foundation to the value of £75,000 (2018 - £75,000) for the provision of management services.

DIRECTORS' INDEMNITY INSURANCE

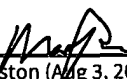
The company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against the directors and/or officers. In accordance with section 236 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, as far as is permitted by law. Both the insurance and indemnities applied throughout the period and continue through to the date of this Directors' Report.

AUDITORS

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 6th March 2020 and signed on its behalf.



mark preston (Aug 3, 2020 15:02 GMT+1)

M Preston
Director

Aug 3, 2020

SKAGEN CONSCIENCE CAPITAL LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing 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). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

SKAGEN CONSCIENCE CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKAGEN CONSCIENCE CAPITAL LIMITED

OPINION

We have audited the financial statements of Skagen Conscience Capital Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, 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 2019 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SKAGEN CONSCIENCE CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKAGEN CONSCIENCE CAPITAL LIMITED (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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

SKAGEN CONSCIENCE CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKAGEN CONSCIENCE CAPITAL LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

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.

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. This description forms part of our auditors' report.

USE OF OUR REPORT

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

Andrew Mair

Andrew Mair (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
Date: Aug 4, 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SKAGEN CONSCIENCE CAPITAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Turnover	4	6,792	8,169
Cost of sales		(3,319)	(6,258)
Gross profit		3,473	1,911
Administrative expenses		(1,339)	(1,641)
Operating profit	5	2,134	270
Interest receivable and similar income		9	4
Profit before tax		2,143	274
Tax on profit	8	(407)	(56)
Profit and total comprehensive income for the year		1,736	218

All amounts relate to continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

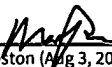
SKAGEN CONSCIENCE CAPITAL LIMITED
REGISTERED NUMBER: 04744897

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	9	27	37
Current assets			
Debtors: amounts falling due within one year	10	1,522	149
Cash at bank and in hand	11	1,590	2,790
		<u>3,112</u>	<u>2,939</u>
Creditors: amounts falling due within one year	12	(1,400)	(2,023)
Net current assets		<u>1,712</u>	<u>916</u>
Total assets less current liabilities		<u>1,739</u>	<u>953</u>
Net assets		<u><u>1,739</u></u>	<u><u>953</u></u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	15	1,739	953
		<u><u>1,739</u></u>	<u><u>953</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Aug 3, 2020 2020.


 mark preston (Aug 3, 2020 15:02 GMT+1)

M Preston
 Director

The notes on pages 10 to 22 form part of these financial statements.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

	Profit and loss account	Total equity
	£000	£000
At 1 January 2019	953	953
Comprehensive income for the year		
Profit for the year	<u>1,736</u>	<u>1,736</u>
Total comprehensive income for the year	<u>1,736</u>	<u>1,736</u>
Contributions by and distributions to owners		
Dividends	<u>(950)</u>	<u>(950)</u>
Total contributions by and distributions to owners	<u>(950)</u>	<u>(950)</u>
At 31 December 2019	<u>1,739</u>	<u>1,739</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Profit and loss account	Total equity
	£000	£000
At 1 January 2018	735	735
Comprehensive income for the year		
Profit for the year	<u>218</u>	<u>218</u>
Total comprehensive income for the year	<u>218</u>	<u>218</u>
At 31 December 2018	<u>953</u>	<u>953</u>

The notes on pages 10 to 22 form part of these financial statements.

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. COMPANY INFORMATION

Skagen Conscience Capital Limited (Company no: 04744897) is a private company limited by shares, incorporated and domiciled in the UK. The address of its registered office is Farncombe House, Broadway, Worcestershire, WR12 7LJ.

The company's principal activity is the provision of consulting and advisory services to entities in the SHL3BT Group and its sister companies.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A - 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 judgement in applying the company's accounting policies (see note 3).

The financial statements are presented in Sterling as that is the primary economic environment in which the company operates.

The following principal accounting policies have been consistently applied:

2.2 Going concern

The company has cash resources and service contracts in place with its customers which enable it to trade profitably for the foreseeable future and pay its debts as they fall due. Accordingly the directors have concluded that the going concern basis is appropriate.

The Directors have considered the impact of both Brexit and the more recent Covid-19 epidemic. The Company (SCCL) is supported by the wider Skagen Group (the Group) which owns SHL3BT Limited (SCCL's immediate parent). The Directors are confident that the Group has taken all practical measures to mitigate the financial impact of these two events. The Group benefits from a substantial investment portfolio. The Group's investment managers target a sustainable return within a pre-defined risk budget and ensure an adequate diversification of our investments. More recently the Group has established a liquidity reserve, which is a portfolio of cash and cash equivalent liquid investments which can be readily deployed should the market suffer a significant downturn, ensuring the Group can meet its financial obligations for three years without the need to make distressed sales of portfolio assets whilst in a market downturn. Having taken this into account and having been given the necessary assurances by the Group of its continuing support, the Directors are confident that the Company is and will remain a going concern.

2.3 Turnover

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

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

The estimated useful lives range as follows:

Furniture, equipment and motor vehicles - 3 - 10 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 the Statement of Comprehensive Income.

2.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

2.6 Debtors

Short term debtors are measured at transaction price, 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 or less.

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments

The company only enters into basic financial instruments 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at cost 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.

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.

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.

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Creditors

Short term creditors are measured at the transaction price.

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

2.10 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 into sterling 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.

2.11 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 in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, 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 at the balance sheet date.

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.

3. 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:

3.1 Impairment of debtors

The company makes an estimate of the recoverable value of intercompany and other debtors. When assessing impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for the net carrying amount of the debtors and associated impairment provisions.

4. TURNOVER

Turnover is wholly attributable to the principal activity of the company originating in the United Kingdom and the Channel Islands.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	22	46
Operating lease rentals: Land and buildings	163	267
Fees payable to the company's auditors and its associates for the audit of the company	<u>22</u>	<u>22</u>

6. EMPLOYEES

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	2,531	5,271
Social security costs	487	627
Other pension costs	301	360
	<u>3,319</u>	<u>6,258</u>

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

	2019 No.	2018 No.
Administration	<u>24</u>	<u>23</u>

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. DIRECTORS' REMUNERATION

The directors' aggregate emoluments amounted to £1,749,993 (2018: £1,851,641) and the value of the company's contributions to defined contribution pension schemes in respect of the directors amounted to £9,713 (2018: £nil). No directors (2018: nil) are accruing benefits under a defined contribution pension scheme.

The highest paid director received remuneration of £707,101 (2018: £1,254,000).

The value of the company's contributions to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2018: £nil).

Key management personnel include all directors of the company. The directors do not consider any other personnel to be classed as key management. The directors have authority and responsibility for planning, directing and controlling the activities of the company.

The aggregate emoluments attributable to key management personnel amounted to £1,967,967 (2018: £2,102,469).

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. TAX ON PROFIT

	2019 £000	2018 £000
UK corporation tax		
Group relief - current year	402	53
Total current tax	<u>402</u>	<u>53</u>
Deferred tax		
Origination and reversal of timing differences	5	3
Total deferred tax	<u>5</u>	<u>3</u>
Taxation on profit	<u><u>407</u></u>	<u><u>56</u></u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit before tax	<u><u>2,143</u></u>	<u><u>274</u></u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	407	52

EFFECTS OF:

Other timing differences leading to an increase/(decrease) in taxation	-	4
TOTAL TAX CHARGE FOR THE YEAR	<u><u>407</u></u>	<u><u>56</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate will remain at 19% from 1 April 2020.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. TANGIBLE FIXED ASSETS

	Furniture, equipment and motor vehicles £000
COST	
At 1 January 2019	235
Additions	12
At 31 December 2019	<u>247</u>
DEPRECIATION	
At 1 January 2019	198
Charge for the year	22
At 31 December 2019	<u>220</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>27</u></u>
At 31 December 2018	<u><u>37</u></u>

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. DEBTORS

	2019 £000	2018 £000
Other debtors	58	61
Amounts owed by group undertakings	1,350	-
Prepayments and accrued income	85	54
Deferred taxation (see note 14)	29	34
	<u>1,522</u>	<u>149</u>

The impairment loss recognised within the Statement of Comprehensive Income for the year in respect of bad and doubtful debtors was £nil (2018 - £nil) and there were no provisions at 31 December 2019 (2018 - £nil)

All amounts owed by group undertakings are unsecured, interest free and have no fixed repayment terms.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. CASH AT BANK AND IN HAND

	2019 £000	2018 £000
Cash at bank and in hand	<u>1,590</u>	<u>2,790</u>

12. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	34	17
Amounts owed to group undertakings	40	-
Amounts owed to group undertakings – group relief	402	53
Other creditors	21	22
Accruals and deferred income	903	1,931
	<u>1,400</u>	<u>2,023</u>

All amounts owed to group undertakings are unsecured, interest free and have no fixed repayment terms.

13. FINANCIAL INSTRUMENTS

	2019 £000	2018 £000
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FINANCIAL ASSETS

Financial assets measured at amortised cost	<u>2,998</u>	<u>2,581</u>
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FINANCIAL LIABILITIES

Financial liabilities measured at amortised cost	<u>(1,400)</u>	<u>(2,023)</u>
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Financial assets measured at amortised cost comprise cash at bank and in hand, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to group undertakings and accruals.

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. DEFERRED TAXATION

	2019 £000	2018 £000
At beginning of year	34	37
Credited to profit or loss	(5)	(3)
AT END OF YEAR	29	34

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	26	30
Other short-term timing differences	3	4
	29	34

15. RESERVES

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, net of dividends paid.

16. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) A shares of £1.00 each	2	2
1 (2018 - 1) B share of £1.00	1	1
	3	3

The A shares entitle the shareholder to distributions of income and voting rights. In all other aspects the A shares and B share rank pari passu.

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. 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 £301,000 (2018 - £360,000). As at 31 December 2019 there were £18,000 of pension contributions unpaid (2018 - £20,000).

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	183	76
Later than 1 year and not later than 5 years	217	-
	<u>400</u>	<u>76</u>

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a subsidiary of SHL3BT Limited, a company registered in the United Kingdom. Its registered address is Hambro House St Julian's Avenue St Peter Port Guernsey GY1 3ED.

The controlling parties of SHL3BT Limited are the trustees of the SIB3 Business Trust.

20. POST BALANCE SHEET EVENTS

The Directors have considered the impact of both Brexit and the more recent Covid-19 epidemic. The Company (SCCL) is supported by the wider Skagen Group (the Group) which owns SHL3BT Limited (SCCL's immediate parent). The Directors are confident that the Group has taken all practical measures to mitigate the financial impact of these two events. The Group benefits from a substantial investment portfolio. The Group's investment managers target a sustainable return within a pre-defined risk budget and ensure an adequate diversification of our investments. More recently the Group has established a liquidity reserve, which is a portfolio of cash and cash equivalent liquid investments which can be readily deployed should the market suffer a significant downturn, ensuring the Group can meet its financial obligations for three years without the need to make distressed sales of portfolio assets whilst in a market downturn. Having taken this into account and having been given the necessary assurances by the Group of its continuing support, the Directors are confident that the Company is and will remain a going concern.

Signature: Andrew Mair
Andrew Mair (Aug 4, 2020 13:12 GMT+1)

Email: andrew.mair@bdo.co.uk









Skagen Conscience capital Ltd - 2019 accounts

Final Audit Report

2020-08-04

Created:	2020-08-03
By:	Philip Hood (philip@skagenservices.com)
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