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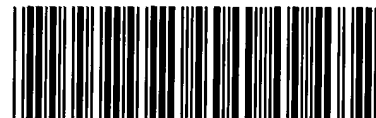
SKAGEN CONSCIENCE CAPITAL LIMITED

(Formerly Skagen Services (UK) Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

SKAGEN CONSCIENCE CAPITAL LIMITED

COMPANY INFORMATION

DIRECTORS	J R A Bond M P Sorensen L Mann L Wilding
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 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

The company changed its name on 5 March 2018 to Skagen Conscience Capital Limited from Skagen Services (UK) Limited.

PRINCIPAL ACTIVITY

During the year, the company's principal activity was primarily the provision of management consulting services to entities within the Skagen Conscience Capital Group (formerly the Skagen RO Limited Group).

Since a group reorganisation in January 2018, 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 £533,000 (2016 - £78,000).

No dividends have been proposed or paid in respect of the years ended 31 December 2016 and 31 December 2017.

DIRECTORS

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

J R A Bond
A Fuller (resigned 8 March 2018)
M P Sorensen (appointed 8 March 2018)
L Mann (appointed 8 March 2018)
L Wilding (appointed 8 March 2018)

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

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

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.

SKAGEN CONSCIENCE CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 11/7/2018 and signed on its behalf.



J R A Bond
Director

SKAGEN CONSCIENCE CAPITAL LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 2017, 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 2017 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 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.

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

SKAGEN CONSCIENCE CAPITAL LIMITED

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

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.

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.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

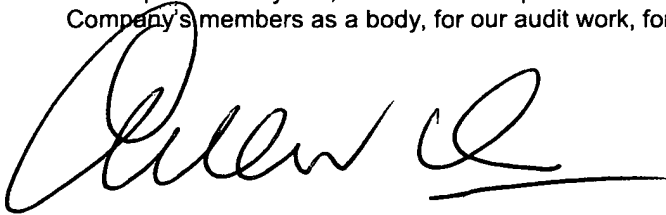
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.

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 (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
Date: 13-7-18

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 2017**

	Note	2017 £000	2016 £000
Turnover	4	5,179	5,599
Cost of sales		(3,473)	(3,962)
Gross profit		1,706	1,637
Administrative expenses		(1,119)	(1,534)
Operating profit before tax	5	587	103
Tax on profit	8	(54)	(25)
Profit and total comprehensive income for the year		533	78

The notes on pages 10 to 20 form part of these financial statements.

All amounts relate to continuing operations.

SKAGEN CONSCIENCE CAPITAL LIMITED
REGISTERED NUMBER: 04744897

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	9	62	105
Current assets			
Debtors: amounts falling due within one year	10	129	2,237
Cash at bank and in hand	11	1,641	573
		<u>1,770</u>	<u>2,810</u>
Creditors: amounts falling due within one year	12	(1,097)	(2,713)
Net current assets		<u>673</u>	<u>97</u>
Total assets less current liabilities		<u>735</u>	<u>202</u>
Net assets		<u>735</u>	<u>202</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	15	735	202
		<u>735</u>	<u>202</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
11-7-2018



J R A Bond
Director

The notes on pages 10 to 20 form part of these financial statements.

SKAGEN CONSCIENCE CAPITAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Profit and loss account	Total equity
	£000	£000
At 1 January 2017	202	202
Comprehensive income for the year		
Profit for the year	533	533
Total comprehensive income for the year	533	533
At 31 December 2017	735	735

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Profit and loss account	Total equity
	£000	£000
At 1 January 2016	124	124
Comprehensive income for the year		
Profit for the year	78	78
Total comprehensive income for the year	78	78
At 31 December 2016	202	202

The notes on pages 10 to 20 form part of these financial statements.

SKAGEN CONSCIENCE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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 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 SHL3BT 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.

2.3 Turnover

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

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.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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, using the straight-line method.

The estimated useful lives range as follows:

Furniture, equipment and motor - 3 - 10 years
vehicles

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 2017

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.

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.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

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 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 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 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 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.13 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 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 the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of furniture, equipment & motor vehicles and note 2.4 for the useful lives for each class of assets.

4. TURNOVER

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

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. OPERATING PROFIT

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

	2017 £000	2016 £000
Depreciation of tangible fixed assets	62	110
Operating lease rentals: Land and buildings	231	249
Fees payable to the company's auditors and its associates for the audit of the company	-	3
Exchange differences	-	(23)
	<u> </u>	<u> </u>

6. EMPLOYEES

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	2,801	2,608
Social security costs	362	328
Other pension costs	310	350
	<u>3,473</u>	<u>3,286</u>

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

	2017 No.	2016 No.
Administration	<u>23</u>	<u>22</u>

7. DIRECTORS' REMUNERATION

The directors' aggregate emoluments amounted to £1,115,000 (2016: £1,020,000) and the value of the company's contribution to defined contribution pension schemes in respect of the directors amounted to £nil (2016: £40,000). No directors (2016: 1) are accruing benefits under a defined contribution pension scheme.

The highest paid director received remuneration of £784,000 (2016: £754,000).

The value of the company's contribution to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2016: £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.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017	2016
	£000	£000
UK corporation tax		
Group relief - current year	95	32
Group relief adjustment in respect of prior periods	(28)	16
Total current tax	<u>67</u>	<u>48</u>
Deferred tax		
Origination and reversal of timing differences	(13)	(23)
Total deferred tax	<u>(13)</u>	<u>(23)</u>
Taxation on profit on ordinary activities	<u><u>54</u></u>	<u><u>25</u></u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

The differences are explained below:

	2017	2016
	£000	£000
Profit on ordinary activities before tax	<u>587</u>	<u>103</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	113	21
EFFECTS OF:		
Adjustment - prior year	(28)	-
Expenses not deductible for tax	(31)	4
TOTAL TAX CHARGE FOR THE YEAR	<u><u>54</u></u>	<u><u>25</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate reduced to 19% on 1 April 2017 and will reduce to 17% from 1 April 2020.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. TANGIBLE FIXED ASSETS

	Furniture, equipment and motor vehicles £000
COST	
At 1 January 2017	411
Additions	19
Disposals	(216)
At 31 December 2017	<u>214</u>
DEPRECIATION	
At 1 January 2017	306
Charge for the year	62
Disposals	(216)
At 31 December 2017	<u>152</u>
NET BOOK VALUE	
At 31 December 2017	<u><u>62</u></u>
At 31 December 2016	<u><u>105</u></u>

10. DEBTORS

	2017 £000	2016 £000
Amounts owed by group undertakings	-	2,113
Other debtors	28	48
Prepayments and accrued income	64	52
Deferred taxation (see note 14)	37	24
	<u>129</u>	<u>2,237</u>

The impairment loss recognised within the Statement of Comprehensive Income for the year in respect of bad and doubtful debtors was £nil (2016 - £nil) and there were no provisions at 31 December 2017 (2016 - £nil).

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. CASH AT BANK AND IN HAND

	2017	2016
	£000	£000
Cash at bank and in hand	1,641	573

12. CREDITORS: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	45	46
Amounts owed to group undertakings	95	1,377
Other taxation and social security	115	136
Accruals and deferred income	842	1,154
	1,097	2,713

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

13. FINANCIAL INSTRUMENTS

	2017	2016
	£000	£000
FINANCIAL ASSETS		
Financial assets measured at amortised cost	1,669	2,734
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(982)	(2,577)

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 creditors, amounts owed to group undertakings and accruals.

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. DEFERRED TAXATION

	2017 £000	2016 £000
At beginning of year	24	1
Credited to profit or loss	13	23
AT END OF YEAR	37	24

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	37	24

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

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
3 Ordinary Shares of £1 each	-	3
2 A Shares of £1 each	2	-
1 B Share of £1	1	-
	3	3

During the year ended 31 December 2017 the 3 Ordinary shares were redesignated as 2 A Shares and 1 B Share. 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.

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 £310,000 (2016: £350,000). As at 31 December 2017 there were £nil of pension contributions unpaid (2016: £10,000).

SKAGEN CONSCIENCE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£000	£000
Not later than 1 year	223	264
Later than 1 year and not later than 5 years	76	299
	299	563

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a subsidiary of SHL3BT Limited, a company registered in the United Kingdom.

The controlling parties of SL3BT Limited are the trustees of the SIB3 Business Trust.