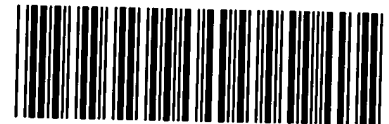


SKAGEN CONSCIENCE CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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COMPANIES HOUSE

SKAGEN CONSCIENCE CAPITAL LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| DIRECTORS | R W Atterbury L Mann K McCarthy M P Sorensen L Wilding M Preston I Flexer |
| 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 2020

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

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.

DIRECTORS' RESPONSIBILITIES STATEMENT

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.

RESULTS AND DIVIDENDS PROPOSED

The profit for the financial year after tax amounted to £434,000 (2019 - £1,736,000).

Interim dividends totalling £1,350,000 (2019 - £950,000) 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
M Preston
I Flexer (appointed 6 March 2020)

FUTURE DEVELOPMENTS

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

SKAGEN CONSCIENCE CAPITAL LIMITED

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

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.

GOING CONCERN

The Directors have considered the impact of both Brexit and the ongoing 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 Directors have considered the level of support that the wider Group has extended to the entities serviced by SCCL under its master services agreement covering the look forward period of at least until the end of 2022. Consequently, the directors are confident that those companies will continue to meet their obligations to SCCL meaning the Company will continue to be profitable and cash generative as a result of the mark-up generated on the services provided to those companies. Therefore, the Directors are confident that the Company is and will remain a going concern.

POST BALANCE SHEET EVENTS

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

CHARITABLE DONATIONS

During the year the company made a donation in kind to the Thirty Percy Foundation to the value of £65,000 (2019 - £75,000) through 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 Jul 2, 2021 2021 and signed on its behalf.


Mark Preston (Jul 2, 2021 11:50 GMT+1)

M Preston
Director

SKAGEN CONSCIENCE CAPITAL LIMITED

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Skagen Conscience Capital Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and 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).

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 Auditor's 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

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

Other Companies Act 2006 reporting

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.

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, 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.

Auditor's 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 auditor's 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.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, the principles of United Kingdom Generally Accepted Accounting Practice, corporate taxes and VAT legislation and employment taxes.

We designed audit procedures to respond to the risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- review of the Company's accounting policies for non-compliance with relevant standards;
- enquiries of management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- review of correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations;
- review of minutes of Directors' board meetings throughout the year; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We also addressed the risk of management override of internal controls, including testing journals, assessing and challenging the significant accounting estimates made and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.


A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

Use of our report

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

DocuSigned by:

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Andrew Mair (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham, United Kingdom

Date: 05 July 2021

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 2020

| | Note | 2020 £000 | 2019 £000 |
|---|------|--------------|--------------|
| Turnover | 4 | 4,477 | 6,792 |
| Cost of sales | | (2,926) | (3,319) |
| Gross profit | | 1,551 | 3,473 |
| Administrative expenses | | (1,030) | (1,339) |
| Operating profit | 5 | 521 | 2,134 |
| Interest receivable and similar income | | 3 | 9 |
| Profit before tax | | 524 | 2,143 |
| Tax on profit | 8 | (90) | (407) |
| Profit and total comprehensive income for the year | | 434 | 1,736 |

All amounts relate to continuing operations.

The notes on pages 10 to 21 form part of these financial statements.


SKAGEN CONSCIENCE CAPITAL LIMITED
REGISTERED NUMBER: 04744897

BALANCE SHEET
AS AT 31 DECEMBER 2020

| | Note | 2020 £000 | 2019 £000 |
|--|-------------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 22 | 27 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 10 | 180 | 1,522 |
| Cash at bank and in hand | 11 | 1,472 | 1,590 |
| | | <u>1,652</u> | <u>3,112</u> |
| Creditors: amounts falling due within one year | 12 | (851) | (1,400) |
| Net current assets | | <u>801</u> | <u>1,712</u> |
| Total assets less current liabilities | | <u>823</u> | <u>1,739</u> |
| Net assets | | <u><u>823</u></u> | <u><u>1,739</u></u> |
| Capital and reserves | | | |
| Called up share capital | 16 | - | - |
| Profit and loss account | 15 | 823 | 1,739 |
| Shareholders' funds | | <u><u>823</u></u> | <u><u>1,739</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
Jul 2, 2021 2021.


 Mark Preston (Jul 2, 2021 11:50 GMT+1)

M Preston
 Director

The notes on pages 10 to 21 form part of these financial statements.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

| | Profit and loss account | Total equity |
|---|------------------------------------|---------------------|
| | £000 | £000 |
| At 1 January 2020 | 1,739 | 1,739 |
| Comprehensive income for the year | | |
| Profit for the year | 434 | 434 |
| Total comprehensive income for the year | 434 | 434 |
| Contributions by and distributions to owners | | |
| Dividends | (1,350) | (1,350) |
| Total contributions by and distributions to owners | (1,350) | (1,350) |
| At 31 December 2020 | 823 | 823 |

**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 | 1,736 | 1,736 |
| Total comprehensive income for the year | 1,736 | 1,736 |
| Contributions by and distributions to owners | | |
| Dividends | (950) | (950) |
| Total contributions by and distributions to owners | (950) | (950) |
| At 31 December 2019 | 1,739 | 1,739 |

The notes on pages 10 to 21 form part of these financial statements.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

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 Directors have considered the impact of both Brexit and the ongoing 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 Directors have considered the level of support that the wider Group has extended to the entities serviced by SCCL under its master services agreement covering the look forward period of at least until the end of 2022. Consequently, the directors are confident that those companies will continue to meet their obligations to SCCL meaning the Company will continue to be profitable and cash generative as a result of the mark-up generated on the services provided to those companies. Therefore, 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 2020**

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 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 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.8 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.

2.9 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.

2.10 Dividends

When cash surpluses and retained earnings allow the directors may choose to pay a dividend.

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:

There are no significant estimates or judgements.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

4. TURNOVER

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

5. OPERATING PROFIT

The operating profit is stated after charging:

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Depreciation of tangible fixed assets | 17 | 22 |
| Operating lease rentals: Land and buildings | 208 | 163 |
| Fees payable to the company's auditors and its associates for the audit of the company | 23 | 22 |

6. EMPLOYEES

Staff costs were as follows:

| | 2020 | 2019 |
|-----------------------|--------------|--------------|
| | £000 | £000 |
| Wages and salaries | 2,395 | 2,531 |
| Social security costs | 266 | 487 |
| Other pension costs | 265 | 301 |
| | 2,926 | 3,319 |

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

| | 2020 | 2019 |
|----------------|-------------|-------------|
| | No. | No. |
| Administration | 26 | 24 |

SKAGEN CONSCIENCE CAPITAL LIMITED

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

7. DIRECTORS' REMUNERATION

The directors' aggregate emoluments amounted to £950,249 (2019: £1,749,993) and the value of the company's contributions to defined contribution pension schemes in respect of the directors amounted to £7,449 (2019: £9,713).

The highest paid director received remuneration of £408,200 (2019: £707,101).

The value of the company's contributions to a defined contribution pension scheme in respect of the highest paid director amounted to £7,449 (2019: £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 £1,073,113 (2019: £1,967,967).

SKAGEN CONSCIENCE CAPITAL LIMITED

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

8. TAX ON PROFIT

| | 2020 £000 | 2019 £000 |
|--|----------------------|----------------------|
| UK corporation tax | | |
| Group relief - current year | 90 | 402 |
| Total current tax | 90 | 402 |
| Deferred tax | | |
| Origination and reversal of timing differences | 10 | 5 |
| Adjustments in respect of prior years | (10) | - |
| Total deferred tax | - | 5 |
| Taxation on profit | 90 | 407 |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

| | 2020 £000 | 2019 £000 |
|---|----------------------|----------------------|
| Profit before tax | 524 | 2,143 |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 100 | 407 |

EFFECTS OF:

| | | |
|---|-------------|------------|
| Movement in deferred tax (prior year adjustments) | (10) | - |
| TOTAL TAX CHARGE FOR THE YEAR | 90 | 407 |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate will remain at 19% until 1 April 2023 when it will rise to 25%.

SKAGEN CONSCIENCE CAPITAL LIMITED

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

9. TANGIBLE FIXED ASSETS

| | Furniture, equipment and motor vehicles £000 |
|-----------------------|--|
| COST | |
| At 1 January 2020 | 247 |
| Additions | 12 |
| At 31 December 2020 | <u>259</u> |
| DEPRECIATION | |
| At 1 January 2020 | 220 |
| Charge for the year | 17 |
| At 31 December 2020 | <u>237</u> |
| NET BOOK VALUE | |
| At 31 December 2020 | <u><u>22</u></u> |
| At 31 December 2019 | <u><u>27</u></u> |

SKAGEN CONSCIENCE CAPITAL LIMITED

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

10. DEBTORS

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Other debtors | 37 | 58 |
| Amounts owed by group undertakings | 16 | 1,350 |
| Prepayments and accrued income | 98 | 85 |
| Deferred taxation (see note 14) | 29 | 29 |
| | <u>180</u> | <u>1,522</u> |

The impairment loss recognised within the Statement of Comprehensive Income for the year in respect of bad and doubtful debtors was £nil (2019 - £nil) and there were no provisions at 31 December 2020 (2019 - £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 2020

11. CASH AT BANK AND IN HAND

| | 2020 £000 | 2019 £000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | <u>1,472</u> | <u>1,590</u> |

12. CREDITORS: Amounts falling due within one year

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Trade creditors | 63 | 34 |
| Amounts owed to group undertakings | - | 40 |
| Amounts owed to group undertakings – group relief | 90 | 402 |
| Other creditors | 122 | 21 |
| Accruals and deferred income | 576 | 903 |
| | <u>851</u> | <u>1,400</u> |

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

13. FINANCIAL INSTRUMENTS

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
|--|--------------|--------------|

FINANCIAL ASSETS

| | | |
|---|--------------|--------------|
| Financial assets measured at amortised cost | <u>1,525</u> | <u>2,998</u> |
|---|--------------|--------------|

FINANCIAL LIABILITIES

| | | |
|--|--------------|----------------|
| Financial liabilities measured at amortised cost | <u>(851)</u> | <u>(1,400)</u> |
|--|--------------|----------------|

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 2020

14. DEFERRED TAXATION

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| At beginning of year | 29 | 34 |
| Charged / (credited) to profit or loss | - | (5) |
| AT END OF YEAR | 29 | 29 |

The deferred tax asset is made up as follows:

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| Accelerated capital allowances | 29 | 26 |
| Other short term timing differences | - | 3 |
| | 29 | 29 |

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

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 2 (2019 - 2) A shares of £1.00 each | 2 | 2 |
| 1 (2019 - 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 2020

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 £265,000 (2019 - £301,000). As at 31 December 2020 there were £21,000 of pension contributions unpaid (2019 - £18,000).

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Not later than 1 year | - | 183 |
| Later than 1 year and not later than 5 years | - | 217 |
| | <u>-</u> | <u>400</u> |

A tenancy agreement between SCCL and Skagen Property Limited, a related company, was signed on 7th December 2020 with a quarterly rental charge of £45,000. The tenancy is a rolling agreement with no fixed term or end date.

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

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