

Company Registration No. 08174467
Incorporated in Great Britain and registered in England and Wales

Sciens Group Risk Services Limited

Report and Financial Statements
For the year ended 31 December 2018



Sciens Group Risk Services Limited

REPORT AND FINANCIAL STATEMENTS 2018

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Sciens Group Risk Services Limited

REPORT AND FINANCIAL STATEMENTS 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

John P. Rigas (Chief Executive)
Roberto Botero
Josh Pickford

SECRETARY

Chris Meyering

REGISTERED OFFICE

6 Arlington Street
London
SW1A 1RE

BANKERS

Coutts & Co
440 Strand
London
WC2R 0QS

AUDITOR

Grant Thornton Uk LLP
30 Finsbury Square
London
EC2A 1AG

Sciens Group Risk Services Limited

STRATEGIC REPORT

To the members of Sciens Group Risk Services Limited

Cautionary Statement

This cautionary statement has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed.

The Strategic report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Directors, in preparing the Strategic report, has complied with S414A of the Companies Act 2006.

Business Model

The principal activity of Sciens Group Risk Services Limited ("the Company") is the provision of risk advisory services. The Company is authorised and regulated by the Financial Conduct Authority.

A fair review of the business

During the year, the Company successfully launched two Irish Collective Asset-management Vehicles ("ICAV") increasing its ability to provide investment management services to EU onshore institutional investors. One of the ICAVs was structured as an umbrella vehicle able to host diverse investment strategies in a similar fashion to Sciens' offering in Guernsey and Delaware. The other ICAV was explicitly set up to invest in real assets related to water infrastructure in the United States using a private equity model. Both vehicles utilise the Company as the designated Alternative Investment Manager ("AIFM") and the wider Group's resources for risk monitoring, operational management and regulatory compliance.

The year ended 31 December 2018 was difficult in terms of investment performance for most strategies as differing paths in monetary policy combined with uncertainty arising from potential increasing barriers to trade drove risk asset volatility higher and prices lower at different points through 2018. Performance for many alternative investments was indeed at its worst since 2011 and for specific investment styles comparable to the results seen during the Global Financial Crisis. The Company was not immune to this negative environment and its asset raising activities have suffered delays as a result of this uncertainty. This effect has been compounded by the imminent departure of the United Kingdom from the European Union ("Brexit") as resources have had to be utilised in preparation for this potentially disruptive event.

The profit before tax for the year was £25,292 (2017: £3,833).

Principal risks and uncertainties

The Company operates in the financial services sector as a risk advisor, principally on fund of hedge funds and hedge fund portfolios. As such, it views the effects of adverse market movements on the performance of the clients it advises, and associated loss of assets under advice, as its principal business risk. The Company continuously monitors this risk.

Financial risk management objectives

The Company's activities expose it to limited financial risks, for which the Directors deems the use of financial derivatives unnecessary, and the Company does not use derivative financial instruments for speculative purposes. Its main risk is credit risk: the Company's principal financial assets are trade and other debtors. There is almost no history of bad debts due to the nature of the Company's clients, and the Directors deems that no allowances for impairment are required against current debtors. There is also no significant concentration of credit risk.

The Company has limited foreign currency risk (relating to any foreign currency debtor balances). Such exposures are continually monitored. As the Company does not hold any investments, it is not exposed directly to market or price risk and aims to keep sufficient liquid resources to cover its financial resources requirement, thus mitigating liquidity risk.

Sciens Group Risk Services Limited

STRATEGIC REPORT (Continued)

Going Concern

After making enquiries that include reviewing the budget and business plan, the Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis. Further information can be found on page 12.

Approval

This Report was approved by the Board of Directors on 24 April 2019 and signed on their behalf by:



Josh Pickford
Director

24 April 2019

Sciens Group Risk Services Limited

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2018.

DIVIDENDS

For the year ended 31 December 2018, no dividend was paid (2017: £nil).

CAPITAL STRUCTURE

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 10. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the company.

DIRECTORS

The directors of the company during the year and as at the date of approving these accounts were:

John P. Rigas
Roberto Botero
Josh Pickford
Judith Read (resigned on 9 October 2018)

AUDITOR

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S414 of the Companies Act 2006.

KPMG LLP resigned as auditors on 7 December 2018. A resolution to appoint Grant Thornton as auditor was passed on 20 January 2019.

POST BALANCE SHEET EVENTS

At the date of signing these accounts, there were no significant subsequent events noted.

Approved by the Board Directors
and signed on behalf of the Board



Josh Pickford
Director
24 April 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED

Opinion

We have audited the financial statements of Sciens Group Risk Services Limited (the 'company') for the year ended 31 December 2018, which comprise Profit and Loss Account and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 '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

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 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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 auditor's 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.

Marcus Swales
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 24 April 2019

Sciens Group Risk Services Limited

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME **For the year ended 31 December 2018**

	Notes	2018 £	2017 £
Turnover	3	473,230	312,735
Operating expenses		(447,938)	(308,902)
OPERATING PROFIT	2	25,292	3,833
Interest receivable and similar income		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,292	3,833
Tax credit/(charge) on profit on ordinary activities	6	88	(111)
PROFIT FOR THE YEAR		25,380	3,722
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25,380	3,722

All results are derived from continuing operations.

The accompanying notes on pages 12 to 18 form an integral part of these Financial Statements.

Sciens Group Risk Services Limited

STATEMENT OF FINANCIAL POSITION As at 31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Property, plant and equipment	7	-	518
CURRENT ASSETS			
Cash		97,240	48,276
Debtors due in less than one year	8	335,008	235,801
		432,248	284,077
CREDITORS: amounts falling due within one year	9	(243,255)	(120,982)
NET CURRENT ASSETS		188,993	163,095
NET ASSETS		188,993	163,613
CAPITAL AND RESERVES			
Called-up share capital	10	160,001	160,001
Profit and loss account – surplus	11	28,992	3,612
SHAREHOLDER'S FUNDS		188,993	163,613

The accompanying notes on pages 12 to 18 form an integral part of these Financial Statements.

The Financial Statements of Sciens Group Risk Services Limited were approved by the Board of Directors and authorised for issue on 24 April 2019.

Signed on behalf of the Board of Directors by:



Josh Pickford

Director

24 April 2019

Company Registration No. 08174467

Sciens Group Risk Services Limited

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2018

	Called up Share Capital	Retained (Loss)/ Earnings	Total
	£	£	£
Balance at 1 January 2017	160,001	(110)	159,891
Shares issued in the year	-	-	-
Total comprehensive profit for the period	-	3,722	3,722
Balance at 31 December 2017	160,001	3,612	163,613
Shares issued in the year	-	-	-
Total comprehensive profit for the year	-	25,380	25,380
Balance at 31 December 2018	160,001	28,992	188,993

The accompanying notes on pages 12 to 18 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
Operating profit before tax for the financial year	25,292	3,833
<i>Adjustments for</i>		
Depreciation in property, plant and equipment	518	888
Tax	88	(111)
	<hr/>	<hr/>
	25,898	4,610
Increase in debtors	(99,207)	(3,866)
Increase in creditors	122,273	16,433
	<hr/>	<hr/>
Net increase in cash and cash equivalents	48,964	17,177
Cash and cash equivalents at the beginning of the year	48,276	31,099
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	<hr/> 97,240	<hr/> 48,276

The accompanying notes on pages 12 to 18 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. ACCOUNTING POLICIES

Statutory information

Sciens Group Risk Services Limited is a company limited by shares and incorporated and domiciled in the UK, registration number 08174467. The registered office is 6 Arlington Street, London SW1A 1RE.

Compliance with accounting standards

The financial statements were prepared in accordance with Financial Reporting Standard 102, *The Financial Reporting Standard applicable to the UK and Republic of Ireland* ("FRS102").

The presentation currency of these financial statements is sterling.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

Going Concern

The financial position of the Company as at 31 December 2018 is shown in the Statement of Financial Position on page 9. The Company is authorised and regulated by the Financial Conduct Authority and, accordingly, it is required to maintain sufficient regulatory capital. The directors, who have reviewed carefully the Company's budget and business plan for the coming and following years, consider that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company's accounts.

Turnover

Turnover represents advisory fees receivable during the period, net of value added tax, and expenses recharged to related companies. Turnover is recognised as the fees become due.

Interest receivable and payable

Interest receivable and payable is recognised on an accruals basis.

Tangible fixed assets

Tangible assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation on tangible fixed assets is provided at rates estimated to write off the cost, less estimated residual value as follows:

Office equipment 3 years

Translation of foreign currencies

Transactions in foreign currencies have been translated at the average rate for the month of the transaction. Any gain or loss arising from a change in exchange rates is included as an exchange gain or loss in the profit and loss account.

Monetary assets and liabilities in foreign currencies have been translated at the rate ruling at the statement of financial position date.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, bank overdrafts and cash held by the Company.

Trade debtors

Trade debtors are stated at their nominal value and reduced by the appropriate allowances for estimated irrecoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

1. ACCOUNTING POLICIES (CONTINUED)

Current Taxation

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Deferred tax assets and liabilities are not discounted.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2018	2017
	£	£
Profit on ordinary activities before taxation is stated after:	518	888
Depreciation (note 7)		
Auditor's remuneration		
- Audit fees for audit of the Company	17,400	16,100
- Taxation services (non-audit services)	6,000	9,167
(Profit)/loss on currency translation	(2,768)	9,395
Staff costs (note 4)	<u>248,470</u>	<u>218,073</u>

3. GEOGRAPHICAL SPLIT OF TURNOVER

	2018	2017
	£	£
Turnover derives from the following locations:		
Guernsey	105,374	103,717
Ireland	292,753	140,423
United Kingdom	<u>75,103</u>	<u>68,595</u>
	<u>473,230</u>	<u>312,735</u>

4. STAFF COSTS

The average number of staff employed by the company during the period was 4 (2017: 3).

	2018	2017
	£	£
Employee costs during the period amounted to:		
Wages and salaries	215,504	191,000
Pension	6,514	4,937
Benefits	1,753	1,992
Social security costs	<u>24,699</u>	<u>20,144</u>
	<u>248,470</u>	<u>218,073</u>

5. DIRECTORS' REMUNERATION

None of the directors received remuneration from the Company (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2018	2017
	£	£
Analysis of tax charge/(credit) for the period		
<i>Current tax</i>		
UK Corporation tax @19.00% (2017: 19.25%)	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	(88)	111
Tax on profit on ordinary activities	(88)	111
Provision for deferred tax		
Fixed asset timing differences	-	88
<i>Movement in provision:</i>		
Provision at start of year	88	(23)
Deferred tax charged in the Profit and loss account for the year	(88)	111
Provision at end of year	-	88
	2018	2017
	£	£
Reconciliation of tax charge		
Profit of ordinary activities before tax	25,292	3,833
Tax on profit at standard UK tax rate of 19.00% (2017: 19.25%)	4,805	738
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	237
Group relief claimed	(4,904)	(849)
Adjust closing deferred tax to average rate of 19.00%	10	(15)
Unexplained difference	1	-
Tax charge for the year	(88)	111

A deferred tax liability of £nil (2017: deferred liability £88) in respect of carried forward trading losses has been recognised.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment £
Cost	
At 1 January 2018	2,654
Additions	-
Disposals	-
	<u>2,654</u>
At 31 December 2018	<u>2,654</u>
Depreciation	
At 1 January 2018	2,136
Charge for the year	518
Disposals	-
	<u>2,654</u>
At 31 December 2018	<u>2,654</u>
Net book value	
At 31 December 2018	-
	<u>-</u>
At 31 December 2017	<u>518</u>

8. DEBTORS DUE IN LESS THAN ONE YEAR

	2018 £	2017 £
Prepayments	773	628
Amounts owed by associated companies	334,041	234,751
Deferred taxation	-	-
Other debtors	194	422
	<u>335,008</u>	<u>235,801</u>

The carrying value of the above debtor approximates their fair value.

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	-	1,497
Amounts due to associated companies	218,487	83,301
Deferred taxation	-	88
Accruals	24,768	36,096
	<u>243,255</u>	<u>120,982</u>

The carrying value of the above creditor approximates their fair value.

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

10. CALLED UP SHARE CAPITAL

	2018 £	2017 £
Called up, allotted and fully paid		
160,001 ordinary share of £1 each	<u>160,001</u>	<u>160,001</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

11. RESERVES

	Profit & loss account £
At 1 January 2018	3,612
Profit for the financial year	25,380
At 31 December 2018	28,992

12. FINANCIAL RISK MANAGEMENT

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern, whilst maximising the return to its shareholder. As of 31 December 2018, the capital structure of the Company consisted of cash and equity, which comprised issued share capital and accumulated reserves. The Company had no borrowings at 31 December 2018 (2017: £nil).

Market Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to a change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. At 31 December 2018, the Company was not directly exposed to market price risk. As such no fair value hierarchy has been prepared.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company holds certain financial assets and liabilities denominated in currencies other than the UK Pound Sterling, the functional currency of the Company. The Company is therefore exposed to currency risk, as the value of those financial instruments will fluctuate due to changes in exchange rates.

The carrying amount of the Company's foreign currency exposure at the reporting date is as follows:

	2018			2017		
	Assets	Liabilities	Net Foreign currency exposure	Assets	Liabilities	Net Foreign currency exposure
	£	£	£	£	£	£
USD	314,278	-	314,278	121,045	-	121,045
Euro	76,164	-	76,164	44,663	-	44,663

The following table details the Company's sensitivity to a 10% strengthening of the reporting currency against each of the relevant foreign exchange currencies. 10% represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated financial assets and liabilities and adjusts their translation at the year end for a 10% change in foreign currency rates. A 10% weakening of the reporting currency would have an equal but opposite effect.

Decrease in net assets attributable to shareholders:

	2018 £	2017 £
USD	31,428	12,105
Euro	7,616	4,466
	39,044	16,571

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that the fair value on future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All the Company's bank and cash balances are held in call accounts with a floating rate of interest. The majority of the Company's other assets and liabilities, including amounts due to/from group companies, do not bear any interest. As a result, the Directors believe there is no significant or material exposure to interest rate risk.

Credit Risk

Credit risk is the risk that a counterparty fails to meet its obligation.

The Company faces credit risk due to the cash balances held with the Company's main banker Coutts & Co £97,240 (2017: £48,276), and due to its fee and other debtors £335,008 (2017: £235,801). The Directors monitor the Company's exposure to the above risks on a regular basis to ensure that they are in accordance with their planned exposure. In terms of fee and other debtors, much of this amount is due from the Company's Parent Company's subsidiaries, Sciens Capital Limited and Sciens Group Fund Services, and Group Management control intercompany funding on a daily basis. There are no amounts past due or impaired.

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient financial resources to enable it to meet its obligations as they fall due.

The Company's liquidity position is monitored on a regular basis by the Directors. A summary table with maturity of financial liabilities is presented below and is used to manage liquidity risks.

These are contractual undiscounted cash flows.

Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the Statement of financial positions as the impact of discounting is not significant.

	Demand and less than 1 month	1 to 3 months	More than 3 months	Total
	£	£	£	£
As at 31 December 2018				
Trade creditors	-	-	-	-
Amounts due to associated companies	218,487	-	-	218,487
Taxation	-	-	88	88
Accruals	1,268	-	23,500	24,768
	<u>218,643</u>	<u>-</u>	<u>23,588</u>	<u>243,343</u>
As at 31 December 2017				
Trade creditors	1,497	-	-	1,497
Amounts due to associated companies	83,301	-	-	83,301
Taxation	-	-	88	88
Accruals	13,996	-	22,100	36,096
	<u>98,794</u>	<u>-</u>	<u>22,188</u>	<u>120,982</u>

The Company is also required to maintain a level of assets in accordance with the relevant rules of the Financial Conduct Authority. As at 31 December 2018 the Company satisfied these requirements.

Concentration Risk

The Directors are aware of, and have given due consideration to, the risk arising from the fact that a significant proportion of the revenue is represented by a relatively small number of fellow subsidiaries and Parent Company subsidiaries. They and the Group's Management continue to monitor levels of concentration and, during the year, this has been reduced by the launch of the two ICAV vehicles.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

13. RELATED PARTY TRANSACTIONS

Since the accounts of the Company's parent company and ultimate parent company are not available to the public, all transactions within the Company's group are disclosed for the year ended 31 December 2018 and for the year ended 31 December 2017.

Income and expenditure fall under the following categories:

- | | |
|-----------------------|----------------------|
| a) Risk services | c) AIFM fee |
| b) Salaries recharged | d) General recharges |

	2018		2017	
	Income/ (Expense)	Debtor/ (Creditor)	Income/ (Expense)	Debtor/ (Creditor)
	£	£	£	£
Sciens Capital Limited ¹ (a)	97,768	-	68,595	
Sciens Capital Limited ¹ (b)	(264,623)	(100,180)	(211,762)	(74,048)
Sigma Asset Management (Guernsey) Ltd ¹ (a)	105,374	105,230	103,717	118,430
Sigma Asset Management (Guernsey) Ltd ¹ (b)	-	(38,796)	(9,252)	(9,252)
Sciens Investment Management ¹ (d)	-	(3,424)		
PVE European Distressed Fund 1 ² (c)	68,454	16,985	63,761	17,312
PVE European Distressed Fund 2 ² (c) (d)	72,811	101,156	76,662	19,054
Sciens Water Opportunity ICAV ² (c) (d)	138,607	39,154	-	-
SGAS ICAV – Sciens Sunrise Fund ² (c) (d)	-	37,757	-	-
SGAS ICAV – Sciens Steamboat Fund ² (c) (d)	7,174	7,174	-	-

¹ These are all fellow subsidiaries of the ultimate parent company

² This is a related party due to the fact that SGRS acts as AIFM to the fund

Nb. On 31 December 2018, Sciens Group Fund Services (SGFS) and Sigma Asset Management (Guernsey) (Sigma) amalgamated and therefore all items relating to SGFS are now included under Sigma.

14. ULTIMATE PARENT COMPANY

At 31 December 2018, the immediate parent company was Sciens Fund of Funds Management Holdings Ltd., a company incorporated in the Cayman Islands. Sciens Fund of Funds Management Holdings Limited ("SFOFMH"). produces consolidated accounts and is the parent of the smallest group for which group accounts are drawn up and of which Sciens Group Risk Services Limited is a member. Copies of the accounts of SFOFMH are not available to the public. John P. Rigas, a shareholder of SFOFMH, is considered to be the ultimate controller of the Company.