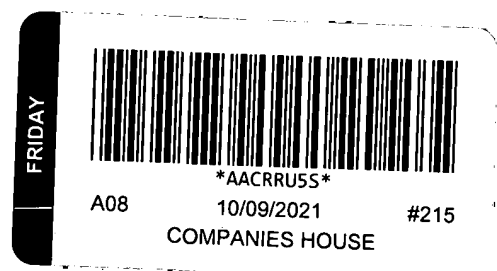


**Company Registration No. 08174467**  
**Incorporated in Great Britain and registered in England and Wales**

**Sciens Group Risk Services Limited**  
**Report and Financial Statements**  
**For the year ended 31 December 2020**



# **Sciens Group Risk Services Limited**

## **REPORT AND FINANCIAL STATEMENTS 2020**

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# **Sciens Group Risk Services Limited**

## **REPORT AND FINANCIAL STATEMENTS 2020**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

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

#### **SECRETARY**

Chris Meyering

#### **REGISTERED OFFICE**

34 Bruton Street  
2<sup>nd</sup> Floor  
London  
W1J 6QX  
United Kingdom

#### **BANKERS**

Coutts & Co  
440 Strand  
London  
WC2R 0QS  
United Kingdom

#### **AUDITOR**

Grant Thornton Uk LLP  
30 Finsbury Square  
London  
EC2A 1AG  
United Kingdom

# 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, have 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 continued to strengthen its alternative asset management capabilities with additional growth within its two Irish Collective Asset-management Vehicles ("ICAVs"). A further two sub-funds were launched under SGAS ICAV, the Sciens Diversified Real Assets Fund ("SDRAF") and Sciens Alternative Asset Strategies ("SASF"). Both sub-funds offer diversified mandates in alternative investments across the spectrum of liquidity and asset classes. Both ICAVs continue to utilise the Company as the designated Alternative Investment Manager ("AIFM") and the wider Group's resources for risk monitoring, operational management and regulatory compliance.

Investment strategies within the ICAVs had mixed performance during the year ending 31 December 2020. Markets corrected sharply in Q1 2020 due to the outbreak of the pandemic and its expected impact on global economic activity. Travel and border restrictions, lockdown measures, supply chain disruptions and a collapse in consumer demand impacted a wide range of sectors within the global economy. Equity markets subsequently recovered as central banks provided support in the form of quantitative easing and governments across the globe announced significant fiscal stimulus packages. Equities' markets rallied sharply towards year-end and finished the year in positive territory as the development and deployment of the Covid-19 vaccines, the outcome of the US election, the announcement of the new US stimulus program and the EU-UK trade agreement lifted investor sentiment. Sciens Sunrise and Steamboat generated negative performance in 2020, whilst the newly launched funds and the Sciens Water Opportunities linked vehicles performed positively.

The legacy Irish unit trusts investing in Italian non-performing loans continued to move their portfolios to real estate ownership. A possible sale of these assets through securitisation is again being explored in 2021 as markets normalise.

Following the end of the Transition Period on 31 December 2020, a year after the UK left the European Union, the Company has become a "third country" AIFM for EU marketing purposes. The Company will make use of the National Private Placement Regime in the EU to market its products to institutional investors. For the Irish unit trusts, an Irish-based AIFM was appointed as manager: KB Associates Limited. This change was effective 4 January 2021.

The profit before tax for the year was £141,310 (2019: £242,039).

#### 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 and as an alternative fund manager. 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.

## Sciens Group Risk Services Limited

### STRATEGIC REPORT (Continued)

#### 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.

#### Going Concern

The financial position of the Company as at 31 December 2020 is shown in the Statement of Financial Position on page 11. The Company is authorised and regulated by the Financial Conduct Authority and, accordingly, it is required to maintain sufficient regulatory capital. The Directors are required to assess the going concern status of the Company together with Sciens Fund of Funds Management Holdings Limited ("Parent Company") and its Parent Company's subsidiaries (together "the Group"). The directors, who have reviewed carefully the Company's budget and business plan, and that of the Group, for the coming and following years, consider that the Group has adequate financial resources to enable it to continue in operational existence for the foreseeable future. In completing this assessment, the Directors have considered:

- The Company's current position with an assessment of the future prospects of the Company and operating performance over a period to 30 June 2022 (i.e. more than 12 months from the date of approval of these financial statements);
- The Directors have noted that, as at 31 December 2020, the balance outstanding on the Parent Company Term Loan was \$1.920m (2019: \$2.070m) with quarterly repayments of \$100,000 and a final repayment of \$1.320m on 30 September 2022. The original Term Loan agreement was for \$4.5mm with Piraeus Bank S.A.
- The Directors have noted that as at 31 December 2020 the balance outstanding on the Sciens Fund of Fund Limied (a fellow subsidiary) Term Loan was \$5.950m (2019: \$6.550m) with quarterly repayments of \$400,000 and a final repayment of \$3.550m on 30 September 2022. The original Term Loan agreement was for \$18.525m with Piraeus Bank S.A.

Management, together with the Group's Management, have reviewed the going concern status of the Group based on its cash flow projections under both its strategic base case and sensitised business plan.

The Company and Group have revenue sources which are medium to long term in nature and are dependent on the level of Assets Under Management ("AUM") and/or the initial capital investment and therefore income offers diversity.

The strategic five-year business plan of the Group assumes reasonable growth in AUM from its current base generating adequate net cash flows in the period of the plan.

In their assessment of going concern of the Company and Group, Management have prepared a sensitised business plan over the period to 30 June 2022. The sensitised business plan assumes a reasonable worst case scenario of low growth in AUM, no performance fee generated from AUM, and a steady fall in the AUM of the Group's managed funds currently in a managed wind down process. Both the strategic base case and the sensitised business plan results in a cash surplus in the period to 30 June 2022. In a worst case scenario, if no new business were to emerge in the 2021, which the Directors consider highly unlikely, reduction to overhead costs would be put into place in order to adjust the cost base of the business to a lower level of AUM.

## Sciens Group Risk Services Limited

### STRATEGIC REPORT (Continued)

#### Going Concern (continued)

The Loans mentioned above are due for repayment on 30 September 2022 and, as this is a significant event, Group Management have considered the remedies that would be available to them at the repayment date. The principal remedy for the Group would be to renegotiate the terms of the loans with a view to extending them for a further period. The Director of the Parent Company is confident that this would be achieved and therefore considers that the likelihood of these loan guarantees being called is low.

The sensitised business plan has assumed some new business and, although not included, a successful renegotiation of the Term Loans at September 2022. This results in a cash surplus at 30 June 2022. The directors have a high degree of confidence in the new business pipeline and their ability to obtain a successful outcome in the loan negotiation, but recognise that neither of these aspects are wholly within the control of the company. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern notwithstanding the potential remediation steps outlined above.

Nevertheless, after making enquiries, and considering the uncertainties described above, the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and has therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Approval

This Report was approved by the Board of Directors on 18 May 2021 and signed on their behalf by:



Roberto Botero  
Director

18 May 2021

## Sciens Group Risk Services Limited

### DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2020.

The information on strategic reporting is not shown in this report as it is included in the strategic report under s414C(11) and relates to the cautionary statement.

#### DIVIDENDS

For the year ended 31 December 2020, the Company paid a dividend to its holding company, Sciens Fund of Fund Management Holdings Limited, of £Nil (2019: £101,063).

#### 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 9. 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

#### 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.

Grant Thornton UK LLP has expressed its willingness to continue in office as auditor.

#### POST BALANCE SHEET EVENTS

There are no post balance sheet events.

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



Roberto Botero

Director  
18 May 2021

## 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.

  
Roberto Botero  
Director  
18 May 2021



# **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 2020, 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 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.

### **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.

### **Material uncertainty related to Going concern**

We draw attention to Note 1 to the financial statements, which describes the basis of going concern assessment. As described in that note, the events and conditions assumed for the assessment are not wholly within the control of the Company, which would indicate a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

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.

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report

### **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.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED**

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.

#### **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 6, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED

#### *Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks Financial Reporting Standards (FRS) 102, the Companies Act 2006 and FCA Regulation.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors, and from review of board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the directors;

Audit procedures performed by the engagement team included:

- making enquiries of the directors on whether they had knowledge of any actual, suspected or alleged fraud;
- discussing amongst the engagement team the risks of fraud;
- addressing the risks of fraud through management override of controls by performing journal entry testing. In particular, journal entries determined to be large or unusual transactions;
- identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation, knowledge of the industry in which the client operates, and understanding of the legal and regulatory requirements specific to the entity;
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and
- In assessing the potential risks of material misstatement, we obtained an understanding of the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

#### Use of our report

This report is made solely to the company's directors, 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 directors 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 directors 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  
18 May 2021

## Sciens Group Risk Services Limited

### PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	3	1,163,330	1,262,285
Operating expenses		(1,022,020)	(1,020,246)
<b>OPERATING PROFIT</b>		<b>141,310</b>	<b>242,039</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<b>141,310</b>	<b>242,039</b>
Tax charge on profit on ordinary activities	6	(17,419)	(20,625)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>123,891</b>	<b>221,414</b>

All results are derived from continuing operations.

The accompanying notes on pages 14 to 21 form an integral part of these Financial Statements.

**Sciens Group Risk Services Limited**

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2020**

	Notes	2020 £	2019 £
<b>CURRENT ASSETS</b>			
Cash		131,025	275,060
Debtors due in less than one year	7	797,049	396,616
		<hr/>	<hr/>
		928,074	671,676
<b>CREDITORS: amounts falling due within one year</b>	8	(484,839)	(362,332)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		433,235	309,344
		<hr/>	<hr/>
<b>NET ASSETS</b>		<u>433,235</u>	<u>309,344</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	9	160,001	160,001
Profit and loss account – surplus	10	273,234	149,343
		<hr/>	<hr/>
<b>SHAREHOLDER'S FUNDS</b>		<u>433,235</u>	<u>309,344</u>

The accompanying notes on pages 14 to 21 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 18 May 2021.

Signed on behalf of the Board of Directors by:

  
Roberto Botero

Director

18 May 2021

Company Registration No. 08174467

# **Sciens Group Risk Services Limited**

## **STATEMENT OF CHANGES IN EQUITY** **As at 31 December 2020**

	Called up Share Capital	Retained (Loss)/ Earnings	Total
	£	£	£
Balance at 1 January 2019	160,001	28,992	188,993
Shares issued in the year	-	-	-
Total comprehensive profit for the period	-	221,414	221,414
Dividend paid	-	(101,063)	(101,063)
Balance at 31 December 2019	160,001	149,343	309,344
Shares issued in the year	-	-	-
Total comprehensive profit for the year	-	123,891	123,891
Dividend paid	-	-	-
Balance at 31 December 2020	160,001	273,234	433,235

The accompanying notes on pages 14 to 21 form an integral part of these Financial Statements.

# **Sciens Group Risk Services Limited**

## **STATEMENT OF CASH FLOWS** **For the year ended 31 December 2020**

	Notes	2020	2019
		£	£
<b>Cash flows from operating activities</b>			
Operating profit before tax for the financial year		141,310	242,039
<i>Adjustments for</i>			
Tax		(17,419)	(20,625)
Increase in debtors	7	(400,433)	(61,608)
Increase in creditors	8	132,507	119,077
<b>Net cash (used)/generated from operating activities</b>		<b>(144,035)</b>	<b>278,883</b>
<b>Cash flows from financing activities</b>			
Dividend paid		-	(101,063)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(101,063)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(144,035)</b>	<b>177,820</b>
Cash and cash equivalents at the beginning of the year		275,060	97,240
<b>Cash and cash equivalents at the end of year</b>		<b>131,025</b>	<b>275,060</b>

The accompanying notes on pages 14 to 21 form an integral part of these Financial Statements.

## Sciens Group Risk Services Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

#### 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 2<sup>nd</sup> Floor, 34 Bruton Street, London W1J 6QX.

##### 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 2020 is shown in the Statement of Financial Position on page 11. The Company is authorised and regulated by the Financial Conduct Authority and, accordingly, it is required to maintain sufficient regulatory capital. The Directors are required to assess the going concern status of the Company together with Sciens Fund of Funds Management Holdings Limited ("Parent Company") and its Parent Company's subsidiaries (together "the Group"). The directors, who have reviewed carefully the Company's budget and business plan, and that of the Group, for the coming and following years, consider that the Group has adequate financial resources to enable it to continue in operational existence for the foreseeable future. In completing this assessment, the Directors have considered:

- The Company's current position with an assessment of the future prospects of the Company and operating performance over a period to 30 June 2022 (i.e. more than 12 months from the date of approval of these financial statements);
- The Directors have noted that, as at 31 December 2020, the balance outstanding on the Parent Company Term Loan was \$1.920m (2019: \$2.070m) with quarterly repayments of \$100,000 and a final repayment of \$1.320m on 30 September 2022. The original Term Loan agreement was for \$4.5mm with Piraeus Bank S.A.
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The strategic five-year business plan of the Group assumes reasonable growth in AUM from its current base generating adequate net cash flows in the period of the plan.

In their assessment of going concern of the Company and Group, Management have prepared a sensitised business plan over the period to 30 June 2022. The sensitised business plan assumes a reasonable worst case scenario of low growth in AUM, no performance fee generated from AUM, and a steady fall in the AUM of the Group's managed funds currently in a managed wind down process. Both the strategic base case and the sensitised business plan results in a cash surplus in the period to 30 June 2022. In a worst case scenario, if no new business were to emerge in the 2021, which the Directors consider highly unlikely, reduction to overhead costs would be put into place in order to adjust the cost base of the business to a lower level of AUM.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Going Concern (continued)**

The Loans mentioned above are due for repayment on 30 September 2022 and, as this is a significant event, Group Management have considered the remedies that would be available to them at the repayment date. The principle remedy for the Group would be to renegotiate the terms of the loans with a view to extending them for a further period. The Director of the Parent Company is confident that this would be achieved and therefore considers that the likelihood of these loan guarantees being called is low.

The sensitised business plan has assumed some new business and, although not included, a successful renegotiation of the Term Loans at September 2022. This results in a cash surplus at 30 June 2022. The directors have a high degree of confidence in the new business pipeline and their ability to obtain a successful outcome in the loan negotiation, but recognise that neither of these aspects are wholly within the control of the company. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern notwithstanding the potential remediation steps outlined above.

Nevertheless, after making enquiries, and considering the uncertainties described above, the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and has therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**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.

## Sciens Group Risk Services Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

#### 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 statement of financial position 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

	2020	2019
Profit on ordinary activities before taxation is stated after:	£	£
Depreciation	-	-
Auditor's remuneration		
- Audit fees for audit of the Company	17,950	15,090
- Client asset fees for audit of the Company	8,226	7,500
- Taxation services (non-audit services)	5,172	6,000
Loss/(profit) on currency translation	(20,842)	13,940
Staff costs (note 4)	<u>278,865</u>	<u>334,529</u>

#### 3. GEOGRAPHICAL SPLIT OF TURNOVER

	2020	2019
Turnover derives from the following locations:	£	£
Guernsey	83,171	-
Ireland	<u>1,080,159</u>	<u>1,262,285</u>
	<u>1,163,330</u>	<u>1,262,285</u>

#### 4. STAFF COSTS

The average number of staff employed by the company during the period was 4 (2019: 5).

	2020	2019
	£	£
Employee costs during the period amounted to:		
Wages and salaries	243,000	293,501
Pension	7,800	8,187
Benefits	2,390	2,037
Social security costs	<u>25,675</u>	<u>30,804</u>
	<u>278,865</u>	<u>334,529</u>

#### 5. DIRECTORS' REMUNERATION

None of the directors received remuneration from the Company (2019: £nil).

# Sciens Group Risk Services Limited

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2020 £	2019 £
<b>Analysis of tax charge/(credit for the period)</b>		
<i>Current tax</i>		
United Kingdom corporation tax at 19.00% (2019: 19.00%)	<u>17,419</u>	<u>20,625</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>17,419</u>	<u>20,625</u>
<b>Provision for deferred tax</b>		
Movement in provision:		
Provision at start of period	-	-
Deferred tax charged in the Profit and Loss Account for the period	<u>-</u>	<u>-</u>
Provision at end of period	<u>nil</u>	<u>Nil</u>
<b>Reconciliation of tax charge:</b>		
(Loss)/Profit on ordinary activities before tax	<u>141,310</u>	<u>242,039</u>
Tax at 19.00% (2019: 19.00%)	26,849	45,987
<i>Effects of:</i>		
Group relief claimed	(9,430)	(25,362)
Adjust closing deferred tax to average rate	-	-
Unexplained difference	<u>-</u>	<u>-</u>
Tax charge for the period	<u>17,419</u>	<u>20,625</u>

A deferred tax liability of £nil (2019: deferred liability £nil) in respect of carried forward trading losses has been recognised.

# Sciens Group Risk Services Limited

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2020

### 7. DEBTORS DUE IN LESS THAN ONE YEAR

	2020	2019
	£	£
Prepayments	11,355	6,200
Amounts owed by associated companies	778,690	389,708
Other debtors	7,004	708
	<u>797,049</u>	<u>396,616</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.

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Amounts due to associated companies	426,612	307,150
Corporation tax	17,419	25,536
Accruals	44,595	34,557
Other creditors	6,213	-
	<u>494,839</u>	<u>367,243</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.

### 9. CALLED UP SHARE CAPITAL

	2020	2019
	£	£
<b>Called up, allotted and fully paid</b>		
160,001 ordinary shares of £1 each	<u>160,001</u>	<u>160,001</u>

### 10. RESERVES

	<b>Profit &amp; loss account</b>
	£
At 1 January 2020	149,343
Profit for the financial year	<u>123,001</u>
At 31 December 2020	<u>272,344</u>

### 11. 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 2020, 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 2020 (2019: £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 2020, the Company was not directly exposed to market price risk. As such no fair value hierarchy has been prepared.

# Sciens Group Risk Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 11. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 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:

	2020			2019		
	Assets	Liabilities	Net Foreign currency exposure	Assets	Liabilities	Net Foreign currency exposure
	£	£	£	£	£	£
USD	181,910	192,170	(10,260)	173,403	11,652	161,751
Euro	399,591	-	399,591	251,680	-	251,680

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:

	2020	2019
	£	£
USD	(1,026)	16,175
Euro	39,959	25,168
	<u>38,933</u>	<u>41,343</u>

#### 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 faced credit risk due to the cash balances held with the Company's main banker Coutts & Co of £131,025 (2019: £275,060), and due to its fee and other debtors £790,045 (2019: £396,616). 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 Sigma Asset Management (Guernsey) Limited, and Group Management control intercompany funding on a daily basis. There are no amounts past due or impaired.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**

**11. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**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.

	<b>Demand and less than 1 month</b>	<b>1 to 3 months</b>	<b>More than 3 months</b>	<b>Total</b>
	£	£	£	£
As at 31 December 2020				
Amounts due to associated companies	77,489	154,977	194,146	426,612
Taxation	6,213	-	17,864	24,077
Accruals	456	-	44,139	44,595
	<u>84,158</u>	<u>154,977</u>	<u>256,149</u>	<u>495,284</u>
As at 31 December 2019				
Amounts due to associated companies	71,190	142,380	93,580	307,150
Taxation	-	-	25,536	25,536
Accruals	456	-	34,101	34,557
	<u>71,646</u>	<u>142,380</u>	<u>153,217</u>	<u>367,243</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 2020 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 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 significantly reduced by the launch of the two ICAV vehicles.

# Sciens Group Risk Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 12. RELATED PARTY TRANSACTIONS

Related party transactions have been carried out at arm's length.

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 2020 and for the year ended 31 December 2019.

Income and expenditure fall under the following categories:

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

	2020		2019	
	Income/ (Expense)	Debtor/ (Creditor)	Income/ (Expense)	Debtor/ (Creditor)
	£	£	£	£
Sciens Fund of Fund Management Holdings Ltd <sup>3</sup> (d)	-	32,960	-	-
Sciens Capital Limited <sup>1</sup> (a)	(10,731)	-	4,500	-
Sciens Capital Limited <sup>1</sup> (b)	(326,398)	138,755	(274,211)	11,017
Sigma Asset Management (Guernsey) Ltd <sup>1</sup> (a)	83,171	83,426	83,306	-
Sigma Asset Management (Guernsey) Ltd <sup>1</sup> (e)	(367,745)	(182,857)	(221,166)	63,322
Sciens Investment Management <sup>1</sup> (d)	-	-	-	(11,652)
Sciens Fund of Fund Management Ltd <sup>1</sup> (d)	-	(4,285)	-	-
PVE European Distressed Fund 1 <sup>2</sup> (c)	67,962	17,547	68,454	-
PVE European Distressed Fund 2 <sup>2</sup> (c) (d)	78,825	501,495	72,811	311,678
Sciens Water Opportunity ICAV <sup>2</sup> (c) (d)	525,604	(103,205)	329,867	(79,037)
SGAS ICAV – Sciens Sunrise Fund <sup>2</sup> (d)	-	479	-	-
SGAS ICAV – Sciens Steamboat Fund <sup>2</sup> (c) (d)	42,588	3,549	40,260	3,693
SGAS ICAV – Sciens Water Opportunities Segregated Fund I (c)	546,337	(128,783)	797,555	(134,532)
SGAS ICAV – Sciens Water Opportunities Segregated Fund I (d)	-	479	-	-

<sup>1</sup> These are all fellow subsidiaries of the ultimate parent company

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

<sup>2</sup> This is the ultimate holding company

### 13. ULTIMATE PARENT COMPANY

At 31 December 2020, 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.