

**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 2021**



# **Sciens Group Risk Services Limited**

## **REPORT AND FINANCIAL STATEMENTS 2021**

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**Sciens Group Risk Services Limited**

**REPORT AND FINANCIAL STATEMENTS 2021**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

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

**SECRETARY**

Chris Meyering (to 31 July 2021)

**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**

Ferguson Maidment & Co  
167 Fleet Street  
London  
EC4A 2EA  
United Kingdom

## **Sciens Group Risk Services Limited**

### **STRATEGIC REPORT**

**For the year ended 31 December 2021**

#### **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**

The Company continued to grow its alternative asset management capabilities in Ireland during the year. Although one of the sub-funds of SGAS ICAV, the Sciens Sunrise Fund, was wound down following a shareholders' resolution, assets under management continued to increase in funds related to the Sciens Water Opportunities' strategy. Both ICAVs and their sub-funds 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. Moreover, closer cooperation between the Company and Sciens Capital Limited in areas of research for potential acquisition targets in the Water sector was established and complemented with support in fund distribution and promotion.

Investment strategies within the ICAVs had broad positive performance during the year ended 31 December 2021. Despite coronavirus dominating the narrative, general positivity around a post-pandemic world rallied markets with occasional disruption by Delta and Omicron variant concerns. In the second half of the year fears of increasing inflation threatened to derail markets, with CPI rising at the fastest rate since the 1980s. Inflation that was initially labelled 'transitory' continued to surge owing to supply chain bottlenecks, excess savings and labour shortages. However, a gradual policy approach from Central Banks with clear guidance regarding expectations of future rate hikes kept markets steady.

The legacy Irish unit trusts investing in Italian non-performing loans continued to move their portfolios to real estate ownership. These trusts have been managed by an Irish-based AIFM appointed as manager, KB Associates Limited, since 4 January 2021. The Company has established a good working relationship with the Irish AIFM.

The profit before tax for the year was £975,378 (2020: £141,310).

##### **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)**

**For the year ended 31 December 2021**

#### **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 2021 is shown in the Statement of Financial Position on page 12. 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 2023 (i.e. more than 12 months from the date of approval of these financial statements);
- The Directors have noted that, as at 31 December 2021, the balance outstanding on the Parent Company Term Loan was \$1.470m (2020: \$1.920m) with quarterly repayments of \$100,000 and a final repayment of \$1.270m on 30 September 2022. The original Term Loan agreement was for \$4.5m with Piraeus Bank S.A.
- The Directors have noted that as at 31 December 2021 the balance outstanding on the Sciens Fund of Fund Limied (a fellow subsidiary) Term Loan was \$4.150m (2020: \$5.950m) with quarterly repayments of \$400,000 and a final repayment of \$3.350m 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 2023. 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 2023. In a worst case scenario, if no new business were to emerge in the 2022, 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)**

**For the year ended 31 December 2021**

#### **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. Application has been made that the loans be extended to September 2024 on their existing terms, at that date there would be no further extension required and the loans would be fully repaid. 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 a successful renegotiation of the Term Loans at September 2022. This results in a cash surplus at 30 June 2023. The directors have a high degree of confidence in the new business 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.

Nevertheless, after making enquiries, 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 27 April 2022 and signed on their behalf by:



Roberto Botero  
Director

27 April 2022

## **Sciens Group Risk Services Limited**

### **DIRECTORS' REPORT**

**For the year ended 31 December 2021**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2021.

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 2021, the Company paid a dividend to its holding company, Sciens Fund of Fund Management Holdings Limited, of £750,000 (2020: £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 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 resigned as auditors on 18 February 2022. A resolution to appoint Ferguson Maidment as auditor was passed on 23 February 2022. Ferguson Maidment have indicated their willingness to continue in office.

#### **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  
27 April 2022

## Sciens Group Risk Services Limited

### DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 December 2021

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

27 April 2022



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED**  
**For the year ended 31 December 2021**

**Opinion**

We have audited the financial statements of Sciens Group Risk Services Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, 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 FRS 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED**  
**For the year ended 31 December 2021**

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

**Matters on which we are required to report by exception**

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

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

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

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:

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED**  
**For the year ended 31 December 2021**

**The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur; by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative or potential bias; and
- investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF SCIENS GROUP RISK SERVICES LIMITED**  
**For the year ended 31 December 2021**

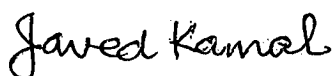
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

**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.



Javed Kamal (Senior Statutory Auditor)

For and on behalf of  
Ferguson Maidment & Co.  
Chartered accountants & statutory auditor  
167 Fleet Street  
London  
EC4A 2EA

27 April 2022

**Sciens Group Risk Services Limited****STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2021**

	Notes	2021 £	2020 £
Turnover	3	2,802,715	1,163,330
Operating expenses		(1,829,092)	(1,022,020)
<b>OPERATING PROFIT</b>		<b>973,623</b>	<b>141,310</b>
Interest receivable and similar income		1,755	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<b>975,378</b>	<b>141,310</b>
Tax charge on profit on ordinary activities	6	(141,935)	(17,419)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>833,443</b>	<b>123,891</b>

All results are derived from continuing operations.

The accompanying notes on pages 15 to 21 form an integral part of these Financial Statements.

**Sciens Group Risk Services Limited**

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2021**

	Notes	2021 £	2020 £
<b>CURRENT ASSETS</b>			
Cash		1,005,720	131,025
Debtors due in less than one year	7	495,427	797,049
		<hr/>	<hr/>
		1,501,147	928,074
<b>CREDITORS: amounts falling due within one year</b>	8	(984,469)	(494,839)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		516,678	433,235
		<hr/>	<hr/>
<b>NET ASSETS</b>		<u>516,678</u>	<u>433,235</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	9	160,001	160,001
Profit and loss account – surplus	10	356,677	273,234
		<hr/>	<hr/>
<b>SHAREHOLDER'S FUNDS</b>		<u>516,678</u>	<u>433,235</u>

The accompanying notes on pages 15 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 27 April 2022.

Signed on behalf of the Board of Directors by:

  
Roberto Bolero

Director

27 April 2022

Company Registration No. 08174467

**Sciens Group Risk Services Limited****STATEMENT OF CHANGES IN EQUITY  
As at 31 December 2021**

	Called up Share Capital	Retained (Loss)/ Earnings	Total
	£	£	£
Balance at 1 January 2020	160,001	149,343	309,344
Shares issued in the year	-	-	-
Total comprehensive profit for the period	-	123,891	123,891
Dividend paid	-	-	-
Balance at 31 December 2020	160,001	273,234	433,235
Shares issued in the year	-	-	-
Total comprehensive profit for the year	-	833,443	833,443
Dividend paid	-	(750,000)	(750,000)
Balance at 31 December 2021	160,001	356,677	516,678

The accompanying notes on pages 15 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 2021**

	Notes	2021	2020
		£	£
<b>Cash flows from operating activities</b>			
Operating profit before tax for the financial year		973,623	141,310
<i>Adjustments for</i>			
Tax		(141,935)	(17,419)
Decrease/(increase) in debtors	7	301,622	(400,433)
Increase in creditors	8	489,630	132,507
Interest received		1,755	-
<b>Net cash (used)/generated from operating activities</b>		<u>1,624,695</u>	<u>(144,035)</u>
<b>Cash flows from financing activities</b>			
Dividend paid		(750,000)	-
<b>Net cash used in financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>		874,695	(144,035)
Cash and cash equivalents at the beginning of the year		<u>131,025</u>	<u>275,060</u>
<b>Cash and cash equivalents at the end of year</b>		<u>1,005,720</u>	<u>131,025</u>

The accompanying notes on pages 15 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 2021

#### 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 2021 is shown in the Statement of Financial Position on page 12. 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 2023 (i.e. more than 12 months from the date of approval of these financial statements);
- The Directors have noted that, as at 31 December 2021, the balance outstanding on the Parent Company Term Loan was \$1.470m (2020: \$1.920m) with quarterly repayments of \$100,000 and a final repayment of \$1.270m on 30 September 2022. The original Term Loan agreement was for \$4.5mm with Piraeus Bank S.A.
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In their assessment of going concern of the Company and Group, Management have prepared a sensitised business plan over the period to 30 June 2023. 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 2023. In a worst case scenario, if no new business were to emerge in the 2022, 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**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 31 December 2021**

#### **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 principal remedy for the Group would be to renegotiate the terms of the loans with a view to extending them for a further period. Application has been made that the loans be extended to September 2024 on their existing terms, at that date there would be no further extension required and the loans would be fully repaid. 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 a successful renegotiation of the Term Loans at September 2022. This results in a cash surplus at 30 June 2023. The directors have a high degree of confidence in the new business 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.

Nevertheless, after making enquiries, 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.

##### **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 2021

#### 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

	2021	2020
Profit on ordinary activities before taxation is stated after:	£	£
Depreciation	-	-
Auditor's remuneration		
- Audit fees for audit of the Company	14,000	17,950
- Client asset fees for audit of the Company	8,000	8,226
- Taxation services (non-audit services)	5,000	5,172
Loss/(profit) on currency translation	(4,160)	(20,842)
Staff costs (note 4)	<u>332,521</u>	<u>278,865</u>

#### 3. GEOGRAPHICAL SPLIT OF TURNOVER

	2021	2020
Turnover derives from the following locations:	£	£
Guernsey	83,456	83,171
Ireland	<u>2,719,259</u>	<u>1,080,159</u>
	<u>2,802,715</u>	<u>1,163,330</u>

#### 4. STAFF COSTS

The average number of staff employed by the company during the period was 4 (2020: 4).

	2021	2020
Employee costs during the period amounted to:	£	£
Wages and salaries	249,524	243,000
Pension	8,708	7,800
Bonus	38,803	-
Benefits	4,109	2,390
Social security costs	<u>31,377</u>	<u>25,675</u>
	<u>332,521</u>	<u>278,865</u>

#### 5. DIRECTORS' REMUNERATION

None of the directors received remuneration from the Company (2020: £nil).

# **Sciens Group Risk Services Limited**

## **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 31 December 2021**

### **6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2021 £	2020 £
<b>Analysis of tax charge/(credit for the period)</b>		
<i>Current tax</i>		
United Kingdom corporation tax at 19.00% (2020: 19.00%)	<u>141,935</u>	<u>17,419</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>-</u>	<u>-</u>
<b>Tax on profit on ordinary activities</b>	<u>141,935</u>	<u>17,419</u>
<b>Reconciliation of tax charge:</b>		
(Loss)/Profit on ordinary activities before tax	<u>975,378</u>	<u>141,310</u>
Tax at 19.00% (2020: 19.00%)	185,322	26,849
<i>Effects of:</i>		
Group relief claimed	<u>(43,387)</u>	<u>(9,430)</u>
<b>Tax charge for the period</b>	<u>141,935</u>	<u>17,419</u>

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

	2021 £	2020 £
Prepayments	5,872	11,355
Amounts owed by associated companies	485,051	778,690
Other debtors	<u>4,504</u>	<u>7,004</u>
	<u>495,427</u>	<u>797,049</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**

	2021 £	2020 £
Amounts due to associated companies	526,153	426,612
Corporation tax	141,935	17,419
Accruals	54,754	44,595
Retrocessions payable	259,567	-
Other creditors	<u>2,060</u>	<u>6,213</u>
	<u>984,469</u>	<u>494,839</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**

	2021 £	2020 £
<b>Called up, allotted and fully paid</b>		
160,001 ordinary shares of £1 each	<u>160,001</u>	<u>160,001</u>

## Sciens Group Risk Services Limited

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

#### 10. RESERVES

	Profit & loss account £
At 1 January 2021	273,234
Profit for the financial year	833,443
Dividends	<u>(750,000)</u>
At 31 December 2021	<u>356,677</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 2021, 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 2021 (2020: £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 2021, 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:

	2021		Net Foreign currency exposure £	2020		Net Foreign currency exposure £
	Assets £	Liabilities £		Assets £	Liabilities £	
USD	399,074	289,113	109,961	181,910	192,170	(10,260)
Euro	394,366	-	394,366	399,591	-	399,591

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:

	2021 £	2020 £
USD	10,996	(1,026)
Euro	<u>39,437</u>	<u>39,959</u>
	<u>50,433</u>	<u>38,933</u>

## Sciens Group Risk Services Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

#### 11. 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 faced credit risk due to the cash balances held with the Company's main banker Coutts & Co of £1,005,720 (2020: £131,025), and due to its fee and other debtors £495,427 (2020: £797,049). 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 Funds that the Company manage. Management are satisfied that this will be repaid in 2022. There are no amounts 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 2021				
Amounts due to associated companies	119,292	238,584	168,277	526,153
Taxation	-	-	141,935	141,935
Fee Retrocessions payable	37,100	-	222,467	259,567
Trade Creditors	2,060	-	-	2,060
Accruals	368	-	54,386	54,754
	<u>158,820</u>	<u>238,584</u>	<u>605,755</u>	<u>984,469</u>
As at 31 December 2020				
Amounts due to associated companies	77,489	154,977	194,146	426,612
Taxation	6,213	-	17,419	23,632
Accruals	456	-	44,139	44,595
	<u>84,158</u>	<u>154,977</u>	<u>255,704</u>	<u>494,839</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 2021 the Company satisfied those 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 2021

#### 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 2021 and for the year ended 31 December 2020.

Income and expenditure fall under the following categories:

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

	2021		2020	
	Income/ (Expense)	Debtor/ (Creditor)	Income/ (Expense)	Debtor/ (Creditor)
	£	£	£	£
Sciens Fund of Fund Management Holdings Ltd <sup>3</sup> (d)	-	42,090	-	32,960
Sciens Capital Limited <sup>1</sup> (a)	3,231	-	10,731	-
Sciens Capital Limited <sup>1</sup> (b)	(470,472)	(138,681)	(326,398)	138,755
Sigma Asset Management (Guernsey) Ltd <sup>1</sup> (a)	83,456	-	83,171	83,426
Sigma Asset Management (Guernsey) Ltd <sup>1</sup> (e)	(904,858)	(20,893)	(367,745)	(182,857)
Sciens Fund of Fund Management Ltd <sup>1</sup> (d)	-	(8,703)	-	(4,285)
PVE European Distressed Fund 1 <sup>2</sup> (c) (d)	88,821	66,800	67,962	17,547
PVE European Distressed Fund 2 <sup>2</sup> (c) (d)	68,733	305,621	78,825	501,495
Sciens Water Opportunity ICAV <sup>2</sup> (c) (d)	384,009	(97,009)	525,604	(103,205)
SGAS ICAV – Sciens Sunrise Fund <sup>2</sup> (d)	-	-	-	479
SGAS ICAV – Sciens Steamboat Fund <sup>2</sup> (c) (d)	40,274	3,473	42,588	3,549
SGAS ICAV – Sciens Water Opportunities Segregated Fund 1 <sup>2</sup> (c)	2,301,945	(260,867)	546,337	(128,783)
SGAS ICAV – Sciens Diversified Real Asset Fund <sup>2</sup> (c)	240,716	54,067	-	-

<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>3</sup> This is the ultimate holding company

#### 13. ULTIMATE PARENT COMPANY

At 31 December 2021, 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.