

**Helix SCC p.l.c.**  
**Annual report and financial statements**  
**for the year ended 31 December 2019**

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# **Helix SCC p.l.c.**

## **General information**

### **Registration**

Helix SCC p.l.c. is registered in Malta as a Securitisation Cell Company Act in terms of the SCC Regulations and is established subject to the provisions of the Securitisation Act with registration number C 75886.

### **Directors**

Mr. Christoph Arnegger  
Mr. Nikolai Degiorgio

### **Registered office**

Exco Services Limited  
Level 1, LM Complex  
Brewery Street  
Mriehel  
Birkirkara  
Malta

### **Auditors**

Mazars Malta  
32, Sovereign Building  
Zaghfran Road  
Attard  
Malta

## **Helix SCC p.l.c.**

### **Directors' report for the year ended 31 December 2019**

The Directors present their report and the audited financial statements of Helix SCC plc for the year ended 31 December 2019

#### **Principal activities**

The principal activity of the company consists of securitising Life Settlements and as a securitization cell company.

#### **Results and dividends**

The results for the year are shown in the income statement and statement of comprehensive income on page 4. No dividends are being recommended.

#### **Review of business**

In the current year the company increased the number of policies and at the year end the value of policies invested increased to USD5.7m from USD4.1m from the previous year. There were no bond subscriptions in the year under review. In accordance with the prospectus, the financial result of the cell for the year, is borne by the bond owners.

#### **Financial risk management and exposures**

Helix SCC p.l.c. is exposed to certain financial risks. An overview of risk factors and financial risk management is found on note 17 to the financial statements.

#### **Directors**

The Directors of the company who served during the year were:

Mr. Christoph Arnegger  
Mr. Nikolai Degiorgio

In accordance with the company's Articles of Association, the Directors remain in office.

#### **Auditors**

The auditors, Mazars Malta, have expressed their willingness to continue in office and a resolution proposing their reappointment and authorizing the Directors to fix their remuneration will be put before the members at the next annual general meeting.

**Approved by the board on 22 December 2021 and signed on its behalf by:**

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Mr. Christoph Arnegger  
Director  

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Mr. Nikolai Degiorgio  
Director



### Statement of directors' responsibilities

The directors are required by the Companies Act (Cap 386) to prepare financial statements, which give a true and fair view of the state of affairs of the Company at the end of each financial period and of the profit or loss for that period. In preparing the financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will
- continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap 386). The directors are also responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the Company are being properly safeguarded and that fraud and other irregularities will be prevented or detected.

## Helix SCC p.l.c.

### Statement of profit or loss and other comprehensive income for the year ended 31 December 2019

		Helix SCC	Helix SCC	Fision Cell	Fision Cell	Total	Total
		2019	2018	2019	2018	2019	2018
	Notes	EUR	EUR	USD	USD	EUR	EUR
Fair value movement on life policies	7	-	-	228,723	209,993	205,834	184,561
Profit on matured policies		-	-	334,434	37,701	300,966	33,135
Interest received		-	-	8,137	708	7,322	622
Administrative expenses	5	-	-	- 359,547	- 155,253	- 323,566	- 136,450
Interest paid	6	-	-	-	- 249,158	-	- 218,982
Unrealised fair value (loss)/gain	7		-	- 211,746	156,009	- 190,556	137,115
Total comprehensive income for the year		-	-	-	-	-	-

The notes on pages 8 to 25 are an integral part of these financial statements.

# Helix SCC p.l.c.

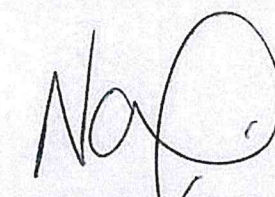
## Statement of financial position as at 31 December 2019

		Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
	Note						
<b>ASSETS</b>							
<b>Non-current assets</b>							
Financial assets at fair value through profit and loss	8	-	-	5,681,282	4,112,894	5,061,276	3,578,919
<b>Current assets</b>							
Trade and other receivables	10	-	-	139,817	577,583	124,558	502,596
Cash and cash equivalents	14	-	-	845,852	1,733,152	753,543	1,508,138
		-	-	985,669	2,310,735	878,102	2,010,734
<b>Total assets</b>		-	-	6,666,952	6,423,629	5,939,378	5,589,653
<b>EQUITY AND LIABILITIES</b>							
<b>Capital and reserves</b>							
Share capital	13	12,500	12,500	-	-	12,500	12,500
Retained earnings		- 12,500	- 12,500	-	-	- 12,500	- 12,500
		-	-	-	-	-	-
<b>Non-current liabilities</b>							
Financial liabilities at fair value through profit and loss	11	-	-	6,612,049	6,400,303	5,890,430	5,569,355
<b>Current liabilities</b>							
Trade and other payables	12	-	-	54,903	28,327	48,911	24,649
<b>Total equity and liabilities</b>		-	-	6,666,952	6,428,630	5,939,340	5,594,004

The notes on pages 8 to 25 are an integral part of these financial statements.

These financial statements were approved by the board of directors, authorised for issue on 22 December 2021 and signed on its behalf by:

  
Mag. Christoph Arnegger  
Director

  
Mr. Nikolai Degiorgio  
Director

## Helix SCC p.l.c.

### Statement of changes in equity for the year ended 31 December 2019

	Helix SCC Share capital EUR	Helix SCC Accumulated losses EUR	Fision Cell Share capital USD	Fision Cell Accumulated losses USD	Helix SCC Total EUR	Fision Cell Total EUR
<b>Balance at 31 December 2017</b>						
Issue of share capital	12,500		-	-	12,500	-
Total comprehensive income for the period				-	-	-
<b>Balance at 31 December 2018</b>	12,500	-	-	-	12,500	-
Total comprehensive income for the period	-	-	-	-	-	-
<b>Balance at 31 December 2019</b>	12,500	-	-	-	12,500	-

The notes on pages 8 to 25 are an integral part of these financial statements.



# Helix SCC p.l.c.

## Statement of cash flows for the year ended 31 December 2019

	Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
<b>Cash flows from operating activities</b>						
Profit/loss before taxation	-	-	-	-	-	-
Unrealised fair value gains	-	-	- 16,977	- 366,002	- 15,278	- 321,675
Interest paid	-	-	-	249,158	-	218,982
Movement in working capital:	-	-				
In trade and other receivables	-	-	437,766	598,905	378,037	521,149
In trade and other payables	-	-	26,576	18,896	24,262	16,443
<i>Net cash generated from operating activities</i>	-	-	447,366	463,165	387,022	402,013
<b>Cash flows from investing activities</b>						
Purchase of financial assets	-	-	-2,488,959	-3,004,328	- 2,217,335	-2,614,278
Proceeds from matured policies	-	-	1,149,293	213,956	1,023,869	186,178
<i>Net cash generated from investing activities</i>	-	-	-1,339,666	-2,790,372	- 1,193,466	-2,428,100
<b>Cash flows from financing activities</b>						
Interest paid	-	-	-	- 249,158	-	- 218,982
Proceeds from issue of asset backed notes	-	-	-	498,246	-	433,559
<i>Net cash generated from financing activities</i>	-	-	-	249,088	-	214,577
Net movement in cash and cash equivalents	-	-	- 892,300	-2,078,119	- 806,444	-1,811,510
Cash/cash equivalents at the beginning of the year	-	-	1,738,153	3,816,164	1,512,489	3,178,547
Effect of difference on exchange	-	-		108	47,463	145,452
Cash/cash equivalents at the end of the year	-	-	845,853	1,738,153	753,508	1,512,489

The notes on pages 8 to 25 are an integral part of these financial statements.

# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 1 Basis of preparation

The financial statements have been prepared on the historical cost basis, and in accordance with International Financial Reporting Standards, as adopted by the EU. The significant accounting policies adopted are set out below.

### 2 Significant accounting policies

#### *Financial instruments*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

#### (i) Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value unless the effect of discounting is material, in which case trade receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in comprehensive income when there is objective evidence that the asset is impaired.

#### (ii) Trade and other payables

Trade payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

#### (iii) Shares issued by the company

Ordinary shares issued by the company are classified as equity instruments.

**Notes to the financial statements  
for the year ended 31 December 2019**

**2 Significant accounting policies (continued)**

*Financial assets and liabilities at fair value through profit and loss*

The Company classifies its investments as financial assets and liabilities at fair value through profit or loss. The classification is dependent on the purpose for which the investments were acquired. The Directors determine the appropriate classification of investments at the time of purchase and re-evaluate such designation at reporting date. Financial assets at fair value through profit or loss are those assets managed and evaluated as part of a portfolio on a fair value basis.

Purchases and sales of investments are recognized on the trade date, the date on which the Company commits to purchase or sell the investment. Financial assets and liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed as incurred. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities at fair value through profit or loss are subsequently re-measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties, reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

**Notes to the financial statements  
for the year ended 31 December 2019**

**2 Significant accounting policies (continued)**

*Financial assets and liabilities at fair value through profit and loss (continued)*

Life settlement policies that are unquoted or otherwise not traded in an active market are valued using independent valuation expert. A valuation model is used which takes into consideration market terms at the measurement date, including marketability, liquidity, changes in discount rates, and other factors, including any new information on a policy not incorporated in the actuarial assumptions, and changes to the life expectancy estimation and changes to the relevant medical diagnostic data.

*Impairment*

All non financial assets are tested for impairment. At each statement of financial position date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

For financial assets the Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The impairment provisions of IFRS 9 on trade and other receivables were not considered to be material.

As bank balances are demand deposits, a 1-day probability of default has been applied, based on the respective external ratings of the counterparty banks. Currently, the Company holds its cash at banks with reputable and investment grade rated banking institutions. The estimated 12 month expected credit losses in terms of IFRS 9 were not considered to be material.



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## Notes to the financial statements for the year ended 31 December 2019

### 2 Significant accounting policies (continued)

#### *Revenue recognition*

Revenue from contracts with customers is recognised when control of the service is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

##### (i) Sale of investments

Investment transactions are recorded on a settlement date basis. Gains or losses on investments sold are calculated on a weighted average cost and are disclosed either within investment income or investment losses.

#### *Taxation*

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The charge/credit for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for the carryforward of unused tax losses and unused tax credits, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to settle its current tax assets and liabilities on a net basis.

#### *Currency translation*

The Financial Statements are presented in Euro (EUR), rounded to the nearest unit, which is the Company's currency in which its share capital is denominated and the Company's reporting currency as established in the Articles of Association. The Company's functional currency is Euro (EUR) whilst the functional currency of the Company's cells is the US Dollar (USD). The official closing middle rate issued by the European Central Bank as at 31 December 2018 was equal to EUR 1: USD 1.1492. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses arising from translation are included in 'other comprehensive income'.

# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 2 Significant accounting policies (continued)

#### *Related parties*

Related parties are defined as related if one party empowers another party to exercise the control or significant influence over the other party in making financial and operating decisions.

Related parties to the company are defined as shareholders, employees, members of the management board, their close relatives and companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the company except if it is impossible for one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3 Judgment in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, in particular in relation to the valuation of the life settlement policies, are described in note 16.

### 4 Changes in accounting policies and disclosures

**The accounting policies adopted are consistent with those of the previous financial period except as follows:**

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2019:

# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 4 Changes in accounting policies and disclosures (continued)

- IFRS 16 - Leases

At the simplest level, the accounting treatment of leases by lessees changed fundamentally. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting.

Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating leases.

For lessees, the lease becomes an on-balance sheet liability that attracts interest, together with a new asset on the other side of the balance sheet. In other words, lessees will appear to be more asset-rich but also more heavily indebted.

The impacts are not limited to the balance sheet. There are also changes in accounting over the life of the lease. The company will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals.

Upon implementation of the standard there is a choice of full retrospective application (i.e. restating comparatives as if IFRS 16 had always been in force), or retrospective application without restatement of prior year comparatives. This results in the cumulative impact of adoption being recorded as an adjustment to equity at the beginning of the accounting period in which the standard is first applied (the date of initial application).

The application of these amendments did not have a material effect on the company's financial statements.

- IFRIC 23 – Uncertainty over Income Tax Treatments

The interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following;

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The application of these amendments did not have a material effect on the company's financial statements.



**Notes to the financial statements  
for the year ended 31 December 2019**

**4 Changes in accounting policies and disclosures (continued)**

- Amendments to IFRS 9: Prepayment Features with Negative Compensation

The Board has issued a narrow scope amendment to IFRS 9 to enable companies to measure at amortised cost some prepayable financial assets with negative compensation. The assets affected that include some loans and debt securities would otherwise have been measured at fair value through profit and loss (FVTPL).

Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than unpaid amounts of principal and interest. However to qualify for amortised cost measurement the negative compensation must be reasonable compensation for early termination of the contract.

The application if these amendments did not have a material effect on the company's financial statements.

- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments will affect any entity that changes the terms or the membership of a defined benefit plan such that there is past service cost or a gain or loss on settlement.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The application if these amendments did not have a material effect on the company's financial statements.

- Amendments to IAS 28 : Long term Interests in Associates and Joint Ventures

The issue relates to whether the measurement, in particular relating to impairment, of long term interests in associates and joint ventures that in substance form part of the net investment in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both.

IFRS 9 *Financial Instruments* excludes interests in associates and joint ventures accounted for in accordance with IAS 28 *Investments in Associates and Joint Ventures*. However some stakeholders have said it is not clear whether that exclusion applies only to interests in associates and joint ventures to which the equity method is applied.

In this amendment the IASB clarified that the exclusion in IFRS 9 applies only to interests a company accounts for using the equity method. A company applies IFRS 9 to other interests in associates and joint ventures, including long term interests to which the equity method is not applied and that, in substance, form part of the net investment in those associates and joint ventures.



**Notes to the financial statements  
for the year ended 31 December 2019**

**4 Changes in accounting policies and disclosures (continued)**

- Amendments to IAS 28 : Long term Interests in Associates and Joint Ventures (continued)

In October 2017, the Board issued Long Term interests in Associates and Joint Ventures (Amendments to IAS 28). The amendments clarify that a company applies IFRS 9 *Financial Instruments* to long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture.

The application of these amendments did not have a material effect on the company's financial statements.

- Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The amendments made during the 2015–2017 cycle are listed below:

IFRS 3 *Business Combinations* - A company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 *Joint Arrangements* - A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 *Income Taxes* - A company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 *Borrowing Costs* - A company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The application of these amendments did not have a material effect on the company's financial statements.

**Standards, interpretations and amendments to published standards as adopted by the EU that are not yet effective for financial periods beginning on 1 January 2019**

- Amendments to References to the Conceptual Framework in IFRS Standards – effective 1 January 2020

The revised *Conceptual Framework* includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of an asset and a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The directors are of the opinion that the amendments to the framework will not have a material impact on the financial statements of the company.

**Notes to the financial statements  
for the year ended 31 December 2019**

**4 Changes in accounting policies and disclosures (continued)**

**Standards, interpretations and amendments to published standards as adopted by the EU that are not yet effective for financial periods beginning on 1 January 2019 (continued)**

- Amendments to IAS 1 and IAS 8 Definition of Material - *effective 1 January 2020*

In October 2018, the IASB issued amendments to IAS 1 Financial Statement Presentation and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of 'material' in the context of applying IFRS. As the concept of what is and is not material is crucial in preparing financial statements in accordance with IFRS, a change in the definition may fundamentally affect how preparers make judgments in preparing financial statements.

These amendments are a component of the IASB's 'Disclosure Initiative' project, which is intended to simplify financial statements and increase their usability.

The new definition changes the "bar" at which the definition is applied. The previous definition used the term "could" in the context of whether users are potentially affected, which has been interpreted broadly. The revised definition adjusts this to use the terminology "could reasonably be expected", which adds the element of reasonability, rather than any potential effect on users.

The revised definition also narrows the definition of those who may be affected from the previous term of "users" to "primary users", which further narrows the view of what may be material in a given circumstance.

Finally, the revised definition adds the concept that obscuring information may also be relevant in determining whether an element is material to primary users. For example, disclosure of a significant subsequent event would generally receive more prominence in the order in which it is presented in financial statements than insignificant disclosures.

The directors are of the opinion that the amendments to the framework will not have a material impact on the financial statements of the company.

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform- *effective 1 January 2020*

The IASB has issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

The amendment requires disclosure of the nominal amount of hedging instruments to which the reliefs are applied, any significant assumptions or judgements made in applying the reliefs, and qualitative disclosures about how the entity is impacted by IBOR reform and is managing the transition process.

The directors are of the opinion that the amendments to the framework will not have a material impact on the financial statements of the company.

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## Notes to the financial statements for the year ended 31 December 2019

### 4 Changes in accounting policies and disclosures (continued)

**Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union:**

- IFRS 17 - Insurance Contracts
- Amendment to IFRS 3 Business Combinations

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

### 5 Administrative expenses

	Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
Arranger fees	-	-	-	2,491	-	2,189
Audit fees	-	-	5,300	5,424	4,770	4,767
Bank charges	-	-	10,457	7,161	9,411	6,294
Custody fees	-	-	-	18,275	-	16,062
Directors' fees	-	-	9,952	14,170	8,956	12,454
Exchange differences	-	-	122	1,028	110	903
Insurance	-	-	102,528	40,621	92,268	35,701
Legal and professional fees	-	-	46,656	43,110	41,987	37,889
Listing and registration fees	-	-	15,373	10,500	13,834	9,228
Management advisory fees	-	-	110,493	12,473	99,436	10,962
Performance fees	-	-	58,666	-	52,795	-
	-	-	359,547	155,253	323,566	136,450

### 6 Interest paid

The asset backed securities issued by the Company through the Fision Cell do not pay interest however upon maturity of any underlying policies held by the cell the directors may pay interest attributable to the investors of these instruments. In the year under review the directors decided not to pay any interest (2018 USD249,158).



# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 7 Unrealised fair value gains/losses

	Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
On financial assets at fair value through profit and loss	-	-	228,723	209,993	205,834	184,561
On financial liabilities at fair value through profit and loss	-	-	- 211,746	156,009	-190,556	137,115
	-	-	16,977	366,002	15,278	321,676

### 8 Income tax expense

The losses incurred by the company and the Fision Cell are to be borne by the Asset Backed Securities issued by the Fision Cell, hence the result for the year of both the company and the Fision Cell is Nil. Consequently, neither the company nor the cell has incurred a tax charge.

### 9 Financial assets at fair value through profit or loss

	Helix SCC EUR	Fision Cell USD	Total EUR
1 January 2018			
Opening balance		1,112,529	926,644
Additions	-	3,004,328	2,614,278
Matured instruments	-	213,956	186,178
Fair value movement	-	209,993	182,730
Exchange differences	-	-	41,446
31 December 2018	-	4,112,894	3,578,919
Additions	-	2,488,959	2,217,335
Matured instruments	-	1,149,293	1,023,869
Fair value movement	-	228,723	203,762
Exchange differences	-	-	85,129
31 December 2019	-	5,681,282	5,061,276

### 10 Trade and other receivables

	Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
Deposit at policy originator	-	-	-	413,953	-	360,210
Prepaid premiums	-	-	139,817	142,336	124,558	123,857
Prepayments	-	-	-	21,294	-	18,529
	-	-	139,817	577,583	124,558	502,596



# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 11 Financial liabilities at fair value through profit or loss

	Helix SCC EUR	Fision Cell USD	Total EUR
1 January 2018			
Opening balance		6,058,068	5,045,867
Additions	-	498,244	433,557
Fair value movement	-	- 156,009	- 137,115
Exchange differences	-		227,045
31 December 2018	-	6,400,303	5,569,355
Additions	-	-	-
Fair value movement	-	211,746	190,556
Exchange differences	-	-	130,519
31 December 2019	-	6,612,049	5,890,430

The Company through the Fision Cell issued exchange traded instruments which are listed on the European Wholesale Securities Market as Asset Backed Securities. These instruments do not pay interest however upon maturity of any underlying policies held by the cell the directors may pay interest attributable to the investors of these instruments. At each reporting date the value of the instruments is therefore equivalent to the assets of the cell as illustrated in the above table.

ISIN Number	Details	Currency	Units Issued	Issue Price	Total
MT0001361204	Fision Life One Asset Backed Notes Due 2022	USD	54	125,000	6,750,000

### 12 Trade and other payables

	Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
Accruals and other payables	-	-	54,903	28,327	48,911	24,649

# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 13 Share capital

	2018 and 2019 EUR
<b>Authorised</b>	
50,000 Ordinary shares of EUR1 each	50,000
<b>Issued and 25% paid up</b>	
42,000 Ordinary Core A shares of EUR1 each	10,500
8,000 Ordinary Core B shares of EUR1 each	2,000
	12,500

The holders of ordinary core A shares have the right to receive notice of, attend, speak and vote at general meetings of the Company. They also have the right to appoint Directors, receive dividends and participate in the profits or assets of the Company in the repayment of capital or in a winding up of the Company.

The holder of the ordinary core B share shall only have the right to return of the paid up nominal value of the ordinary core B share in a repayment of capital or in a winding up of the Company.

### 14 Cash and cash equivalents

Analysis of the balance of cash and cash equivalents as shown in the statement of financial position:

	Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
Cash in transit	-	-	-	5,000	-	-
Cash at bank	-	-	845,852	1,733,152	753,543	1,508,138
	-	-	845,852	1,738,152	753,543	1,508,138

### 15 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The fees payable to Exco Services Limited are in relation to the provision of directorship and secretarial services provided by Nikolai Degiorgio. Such fees expensed in the Statement of Comprehensive Income during the year amounted to EUR7,000.

Christoph Arnegger, charged director's fees of EUR5,000.

**Notes to the financial statements  
for the year ended 31 December 2019****16 Financial instruments***Fair values of financial assets and financial liabilities*

At 31 December 2019 and 31 December 2018 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities. The fair values of non-current financial assets and non-current financial liabilities are not materially different from their carrying amounts.

*Financial risk management*

The exposures to risk and the way risks arise, together with the company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below. The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

*Credit risk*

Financial assets which potentially subject the company to concentrations of credit risk consist principally of receivables and cash at bank. No allowance for doubtful debts has been provided. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Credit risk with respect to receivables is limited due to credit control procedures in place. Cash at bank is placed with reliable financial institutions.

The Company's exposures to credit risk at the end of the reporting period are analyzed as follows:

	Helix SCC 2019 EUR	Helix SCC 2018 EUR	Fision Cell 2019 USD	Fision Cell 2018 USD	Total 2019 EUR	Total 2018 EUR
Trade receivables	-	-	139,817	577,583	124,558	502,596
Cash held at bank	-	-	845,852	1,738,152	690,492	1,508,138
	-	-	985,670	2,315,735	815,050	2,010,734

*Fair values of financial instruments*

The amendment to IFRS 7 for financial instruments states that such instruments are to be measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the fair value measurement hierarchy described in note 16.

*Currency risk*

Foreign currency transactions arise when the company undertakes transactions denominated in a foreign currency, or incurs or settles liabilities, denominated in a foreign currency. The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates, and management's reaction to material movements thereto.

At each year end the foreign currency exposure of Fision Cell was deemed to be immaterial.

# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 16 Financial instruments (continued)

#### *Interest rate risk*

The company has no borrowings and is therefore not exposed to interest rate risks.

#### *Liquidity risk*

The company monitors and manages its risk to a shortage of funds by maintaining sufficient cash and by monitoring the availability of raising funds to meet commitments associated with financial instruments and by maintaining adequate banking facilities.

In the case of the Fision Cell, the maturity analysis of financial assets and liabilities, based on contractual undiscounted cash flows are as follows:

#### **Financial assets**

Trade receivables	-	139,817	-	139,817
Cash and cash equivalents	845,852		-	845,852
	845,852	139,817	-	985,669

#### **Financial liabilities**

Accruals	-	54,903	-	54,903
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#### **2018**

#### **Financial assets**

Trade receivables	-	577,583	-	577,583
Cash and cash equivalents	1,733,152		-	1,733,152
	1,733,152	577,583	-	2,310,735

#### **Financial liabilities**

Accruals	-	28,327	-	28,327
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### 17 Use of estimates and judgments

These disclosures supplement the commentary on financial risk management.

#### (a) Key sources of estimation uncertainty

##### *Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. See also "Valuation of financial instruments" below.

#### (b) Critical accounting judgments in applying the company's accounting policies

Critical accounting judgments made in applying the company's accounting policies include:



**Notes to the financial statements  
for the year ended 31 December 2019**

**17 Use of estimates and judgments (continued)**

*(i) Valuation of financial instruments*

The Company's accounting policy on fair value measurements is discussed in note 2. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Life settlement policies are designated as Level 3. Further details are disclosed below.

*(ii) Main assumptions used to determine the fair value of life settlement policies*

The valuation approach to the life settlement policies uses a model which allows for the projection of premium payments and maturity benefits at an internal rate of return (defined per policy) such that the net present value of future gains at the purchase date equals the purchase price.

**Notes to the financial statements  
for the year ended 31 December 2019**

**17 Use of estimates and judgments (continued)**

**Mortality and Life Expectancy**

The valuation approach is based on applying the Life Expectancy to a mortality table in order that the mortality factor (the ultimate factor) applicable to the given insured can be derived from the table itself. The Company's approach to the mortality distribution is based on the use of the VBT 2015 tables (2015 Valuation Basic Table created by the Society of Actuaries from North America) which are common industry practice for life settlement valuations.

The Life Expectancy estimate ("LE") is one of the most important variables in pricing policies in the life settlement market and the valuation of life settlement policies is heavily dependent on LE information. After a medical report is made by independent assessors, a life expectancy at purchase date is derived for the insured. When several life expectancies are used for the same policy, the mean value of the life expectancies provided by the assessors will be considered as the policy life expectancy. For senior life settlements, the LE is then updated at the end of the LE estimate if this is reached. The LE of non-senior life settlements the LE is typically updated one year after the date of acquisition. As at 31 December 2019, the Company had 20 life settlement policies, of which 7 were a senior life settlement policy and 13 were a non-senior life settlement policies.

**Policy Internal Rate of Return (IRR)**

When a policy is purchased, the unique policy IRR is calculated. At the purchase date, it is assumed that both the death benefits and the premium payments are projected at the policy IRR (i.e. the discount rate) until the wind-up date. The wind-up date is the date to which the premium stream ceases. The baseline IRR is 0.85% per month. The policy IRR might be modified due to a change in the life expectancy or in the premium stream.

The following table provides information about the significant unobservable inputs used in determining the fair value of the life settlement policies:

<b>Fair value as at 31 December 2019</b>	<b>Key input(s)</b>	<b>Significant unobservable input(s)</b>	<b>Relationship of unobservable inputs to fair value</b>	<b>Narrative sensitivity</b>
EUR5,681,282	<ul style="list-style-type: none"> <li>- Internal rate of return (IRR)</li> <li>- Life Expectancies (mortality)</li> <li>- Cash flows (premiums and death benefits).</li> </ul>	<ul style="list-style-type: none"> <li>- Internal rate of return (IRR)</li> <li>- Life Expectancies (mortality)</li> </ul>	<ul style="list-style-type: none"> <li>- Fair value sensitive to all unobservable inputs.</li> <li>- Cash flows are fixed at policy inception.</li> </ul>	<ul style="list-style-type: none"> <li>- The higher the IRR, the lower the fair value.</li> <li>- The longer the LE, the lower the fair value.</li> </ul>

# Helix SCC p.l.c.

## Notes to the financial statements for the year ended 31 December 2019

### 17 Use of estimates and judgments (continued)

#### (iii) *Reconciliation of Level 3 fair value measurement*

This reconciliation is found in note 8 to the financial statements.

#### *Capital risk management*

The company's objectives when managing capital are to safeguard its ability to continue as a going concern; and to maximise the return to stakeholders.

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the company consists of items presented within equity in the statement of financial position. The company's directors manage the company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis.

The company's overall strategy remains unchanged from the prior year.

### 18 Statutory Information

Helix SCC p.l.c. is a public limited liability company and is incorporated in Malta. The ultimate controlling party of the company is one of the directors, Christoph Arnegger.



## **Independent auditor's report**

To the Shareholders of Helix SCC plc

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Helix SCC plc (the Company), set out on pages 4 to 25, which comprise the statement of financial position as at 31 December 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Financial Assets at fair value through profit and loss**

##### *Risk description*

At 31 December 2019, the Company held various life settlement policies amounting to €5,061,276. As described in the notes to the financial statements a valuation technique is used to determine the valuation of these policies. This valuation method carries an element of estimate and judgement.

##### *How the scope of our audit responded to the risk*

We obtained assurance over the appropriateness of management's valuation of these life settlement policies by:

- Reviewing the valuation methods and assumptions;
- Review the report of a management's expert
- Performing a critical review of the Company's governance over the purchase of these life settlement policies insurance contract including considering third party reports

Disclosures of the valuation methods used, assumptions and judgements applied can be found in note 17



## **Independent auditor's report**

### **To the Shareholders of Helix SCC plc (continued)**

#### **Other Information**

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the financial statements does not cover this information. 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. With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- 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 the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

#### **Responsibilities of the Directors**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS's, 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 has 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

**Independent auditor's report**

To the Shareholders of Helix SCC plc (continued)

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

**Use of audit report**

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act (Cap 386) of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the full extent permitted by law we do not assume responsibility to anyone other than the company's members as a body for our audit work, for this report or for the opinions we have formed.

*This copy of the audit report has been signed by  
Paul Giglio (Partner) for and on behalf of*

**Mazars Malta**  
Certified Public Accountants  
32, Sovereign Building  
Zaghfran Road  
Attard, Malta  
22 December 2021