

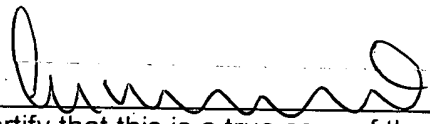
Nedgroup Investment Advisors (UK) Limited

Directors' report and financial statements

For the year ended 31 December 2016

Company Registration No 02627187

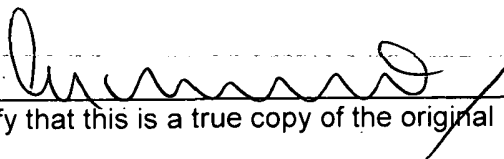



I certify that this is a true copy of the original
Simon J Spenser FCCA MIoD
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17.

Nedgroup Investment Advisors (UK) Limited

| <i>Contents</i> | <i>Page</i> |
|--|-------------|
| Company information | 1 |
| Directors' report | 2 to 3 |
| Statement of Directors' responsibilities | 4 |
| Report of the Independent Auditors | 5 to 6 |
| Statement of Profit and Loss and Other Comprehensive Income | 7 |
| Balance sheet | 8 |
| Statement of Changes in Equity | 9 |
| Notes | 10 to 16 |
| The following supplementary information does not form part of the financial statements and is unaudited: | |
| Detailed profit and loss account (unaudited) | - |


I certify that this is a true copy of the original

Simon J Spenser FCCA MloD
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17.

Nedgroup Investment Advisors (UK) Limited

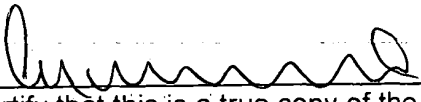
Company information

Directors: N Andrew
A G K Hamilton (appointed 15 March 2016)
A V Lodge
A Yeadon

Secretary: S J Spenser

Registered office: 1st Floor
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4GG

Auditors: KPMG Audit LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN


I certify that this is a true copy of the original

Simon J Spenser FCCA MloD
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17.

Nedgroup Investment Advisors (UK) Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Principal activity

The Company is incorporated in the United Kingdom and is regulated by the Financial Conduct Authority. The principal activity of the Company in the year under review was the provision of investment advisory services.

Business review

The Company made a profit before taxation of US\$366,472 (2015: profit US\$172,247) and a profit after taxation of US\$297,459 (2015: profit US\$160,194).

Dividends

No dividends were paid during the year (2015: nil). The profit retained for the year of US\$297,459 has been transferred to reserves (2015: US\$160,194).

Directors

The Directors who served during the year and to date were:

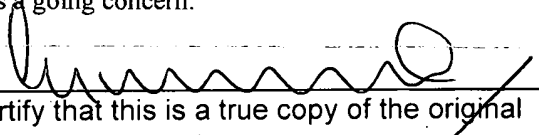
N Andrew
A G K Hamilton (appointed 15 March 2016)
A V Lodge
A Yeadon

Directors' interests

The Directors held no shares in the Company during the year or to date (2015: nil).

Going concern

The Directors are of the opinion that the going concern basis of accounting is appropriate since there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.


I certify that this is a true copy of the original

Simon J Spenser FCCA MloD
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17

Nedgroup Investment Advisors (UK) Limited

Directors' report (continued)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy is subject to a number of risks such as market risk and retention of key staff. The Board of Directors has overall responsibility for the establishment and oversight of a risk management framework and the Group has an established and comprehensive policy for the control of risks associated with its business activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

Employees

The Company has 5 employees during the year (2015:5 employees).

Political Contributions

The Company made no political donations or incurred any disclosable political expenditure during the year (2015: nil).

Post balance sheet events

Details of important events affecting the Company which have taken place since the end of the financial year are given in note 12 to the financial statements.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Registered Office

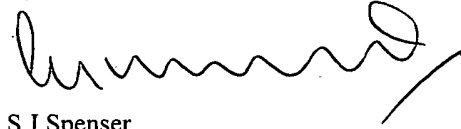
The Company's registered office is:

1st Floor
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4GG

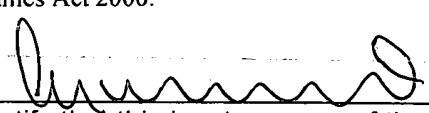
Independent Auditors

Our auditors, KPMG Audit LLC, being eligible, have expressed their willingness to continue in office in accordance with Section 485 of the Companies Act 2006.

By order of the Board



S J Spenser
Secretary


I certify that this is a true copy of the original

Simon J Spenser FCCA MIoD
Company Secretary
Certified Accountant

Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17

Nedgroup Investment Advisors (UK) Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

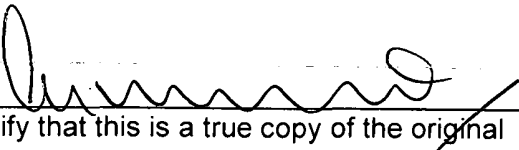
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.


I certify that this is a true copy of the original

Simon J Spenser FCCA MIoD
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Nedgroup Investment Advisors (UK) Limited

We have audited the financial statements of Nedgroup Investment Advisors (UK) Limited for the year ended 31 December 2016 which comprises the Statement of Profit and Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope for the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Report of the Independent Auditors, KPMG Audit LLC, to the members of Nedgroup Investment Advisors (UK) Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Director's Report for the financial year is consistent with the financial statements.

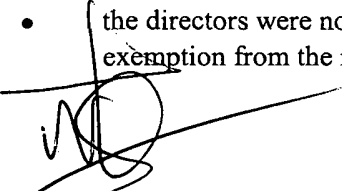
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

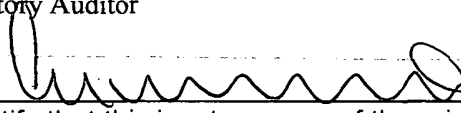
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report you if, in our opinion:

- 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.


Nicholas Quayle, Senior Statutory Auditor
for and on behalf of, KPMG Audit LLC, Statutory Auditor

Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

31 March 2017


I certify that this is a true copy of the original

Simon J Spenser FCCA MIoD
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17

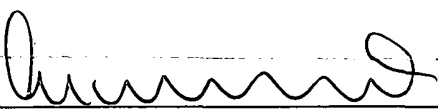
Nedgroup Investment Advisors (UK) Limited

Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2016

| | Notes | 2016 US\$ | 2015 US\$ |
|---|-------|------------------|--------------|
| Turnover | 2 | 1,626,127 | 1,803,540 |
| Administrative expenses | | (1,225,558) | (1,639,583) |
| Operating profit | 3 | 400,569 | 163,957 |
| Loss on disposal of asset | | (135) | - |
| Foreign exchange (losses)/gains | | (33,962) | 8,290 |
| Profit on ordinary activities before taxation | | 366,472 | 172,247 |
| Taxation | 5 | (69,013) | (12,053) |
| Profit for the financial year | | 297,459 | 160,194 |
| Other comprehensive income for the year, net of income tax | | - | - |
| Total comprehensive income for the year | | 297,459 | 160,194 |

The Directors consider that all results derive from continuing activities.

The notes on pages 10 to 16 form part of these financial statements.


I certify that this is a true copy of the original

Simon J Spenser FCCA MloD
Company Secretary
Certified Accountant
Nedgroup Investments, Douglas, Isle of Man, IM1 1AJ
+44 (0)1624 645155

6/7/17.

Nedgroup Investment Advisors (UK) Limited

Balance sheet

as at 31 December 2016

| | Notes | 2016 US\$ | 2016 US\$ | 2015 US\$ | 2015 US\$ |
|--|-------|------------------|------------------|------------------|------------------|
| Non-current assets | | | | | |
| Tangible fixed assets | 6 | 86,919 | | 118,518 | |
| Deferred tax | 5 | 33,945 | | 31,682 | |
| Total non-current assets | | | 120,864 | | 150,200 |
| Current assets | | | | | |
| Amounts due from fellow subsidiaries | 7 | 97,328 | | 66,283 | |
| Debtors and prepayments | | 21,137 | | 23,432 | |
| Cash at bank | | 2,079,008 | | 1,929,448 | |
| | | 2,197,473 | | 2,019,163 | |
| Liabilities falling due within one year | | | | | |
| Amounts due to fellow subsidiaries | 7 | - | | - | |
| Creditors and accruals | | (719,685) | | (902,862) | |
| Taxation | 5 | (70,967) | | (40,372) | |
| | | (790,652) | | (943,234) | |
| Net current assets | | | 1,406,821 | | 1,107,611 |
| Net assets | | | 1,527,685 | | 1,226,129 |
| Capital and reserves | | | | | |
| Ordinary share capital | 8 | 1,000,000 | | 1,000,000 | |
| Capital redemption reserve | 9 | 434,028 | | 434,028 | |
| Share option reserve | 10 | 28,494 | | 24,397 | |
| Profit and loss account | | 65,163 | | (232,296) | |
| Equity shareholder's funds | | 1,527,685 | | 1,226,129 | |

The notes on pages 10 to 16 form part of these financial statements.

These financial statements were approved by the Board of Directors on 29 March 2017 and were signed on their behalf by:



Director

A G K HAMILTON.



Director

A V LODGE.

6/7/17

Nedgroup Investment Advisors (UK) Limited

Statement of changes in Equity

For the year ended 31 December 2016

| | Notes | Share capital US\$ | Share Option Reserve US\$ | Capital Redemption Reserve US\$ | Profit and Loss Account US\$ | Total Equity US\$ |
|---|-------|-----------------------|---------------------------------|--|------------------------------------|----------------------|
| Balance at 1 January 2015 | | 1,000,000 | 19,814 | 434,028 | (392,490) | 1,061,352 |
| Profit for the financial year | | - | - | - | 160,194 | 160,194 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income | | - | - | - | 160,194 | 160,194 |
| <i>Transactions with owner, recorded directly in equity</i> | | | | | | |
| Increase in share option reserve | 10 | - | 4,583 | - | - | 4,583 |
| Total contributions by and distributions to owner | | - | 4,583 | - | - | 4,583 |
| Balance at 31 December 2015 | | 1,000,000 | 24,397 | 434,028 | (232,296) | 1,226,129 |
| Profit for the financial year | | - | - | - | 297,459 | 297,459 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income | | - | - | - | 297,459 | 297,459 |
| <i>Transactions with owner, recorded directly in equity</i> | | | | | | |
| Increase in share option reserve | 10 | - | 4,097 | - | - | 4,097 |
| Total contributions by and distributions to owner | | - | 4,097 | - | - | 4,097 |
| Balance at 31 December 2016 | | 1,000,000 | 28,494 | 434,028 | 65,163 | 1,527,685 |

The notes on pages 10 to 16 form part of these financial statements.

CP
6/7/17

Nedgroup Investment Advisors (UK) Limited

Notes

(forming part of the financial statements for the year ended 31 December 2016)

1 Accounting policies

These financial statements were prepared in accordance with UK Accounting Standards including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Acts 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Old Mutual Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Old Mutual Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 135 Rivonia Road, Sandown, 2196, Republic of South Africa.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for Share Capital and Tangible Fixed Assets;
- Disclosures in respect of transactions with wholly owned subsidiaries within the Old Mutual Plc group;
- The effects of new but not yet effective IFRSs;
- Present a third balance sheet when restating comparative information

As the consolidated financial statements of Old Mutual Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- The disclosures in relation to fair value measurement required by IFRS13 *Fair Value Measurement* (as the Company is not a Financial Institution as defined by FRS 101).

The accounting policies set out on the next page have been applied consistently to all periods presented in these financial statements.

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2016)

1 Accounting policies (continued)

a) *Measurement convention*

The financial statements are prepared under the historical cost convention.

b) *Tangible Fixed Assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of assets on a straight line basis over their estimated useful lives as follows:

| | |
|-----------------------------|----------|
| Fixtures and fittings | 5 years |
| Computer & office equipment | 4 years |
| Leased premises | 10 years |

c) *Foreign currencies*

Transactions in foreign currencies are translated into United States Dollars at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are recognised in the profit and loss account.

The exchange rate at the balance sheet date was 1.2313 (2015: 1.4824).

d) *Taxation*

Taxation includes current and deferred taxation. is recognised in the profit and loss account.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all material timing differences between the treatment of certain items for tax and accounting purposes which have arisen but not reversed by the statement of financial position date. A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

e) *Pensions*

The Company operates a defined contribution scheme whereby the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligation for contributions are recognised in the profit and loss account in the period during which the services are rendered by employees.

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2016)

1 Accounting policies (continued)

f) *Share based payments*

Employees of the Company participate in a Save As You Earn ("SAYE") scheme operated by the ultimate holding company, Old Mutual plc. The scheme offers employees the opportunity to purchase shares in Old Mutual plc at the end of a three or five year savings period. The option price is set at the outset of the savings period and represents a discount to the average market closing price over specified dates.

In accordance with International Financial Reporting Standard 2 *Share Based Payments* a charge is recognised in the Company's profit and loss statement to reflect the fair value of the option granted to employees over the savings period of the scheme. No payments are made by the Company to Old Mutual plc, therefore, this amount effectively represents a capital contribution to the Company. As a result, the amount recognised in the income statement is credited to the share option reserve.

Nedbank Group Limited operates a Voluntary Bonus Phantom Share Option Scheme, the details of which are included within the financial statements of Nedbank Group Limited which are publicly available. The bonuses, which are cash settled and valued in line with reference to the listed share price of Nedbank Group Limited, are recognised in the statement of profit and loss on an accruals basis.

Nedbank Group Limited awards units to employees of the Company under the Conditional Share Plan, the details of which are included within the financial statements of Nedbank Group Limited. The units, which are cash settled upon certain conditions being met and valued in line with reference to the listed share price of Nedbank Group Limited, are recognised in the statement of profit and loss on an accruals basis.

g) *Financial Instruments*

Classification

Financial assets that are classified as Loans and Receivables include Trade and Other Receivables and Cash and Cash equivalents.

Financial Liabilities classified at amortised cost include Creditors and Other Accruals.

Recognition and Measurement

Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash balances and call deposits with maturities of one year or less from the origination date.

Trade Debtors and Prepayments

Trade Debtors and Prepayments originated by the Company are initially recognised at fair value and subsequently stated at amortised cost less impairments losses. The carrying value of debtors and prepayments approximate their fair value.

All debtors and prepayments fall due within one year.

22
6/7/17

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2016)

1 Accounting policies (continued)

g) *Financial Instruments (continued)*

Creditors and accruals

Creditors and accruals are initially recognised at fair value less directly attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method. The carrying value of creditors and accruals approximates their fair values.

Impairment

Financial assets (including trade debtors)

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

h) *Use of judgments and estimates*

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

2 Turnover

Turnover is derived from investment advisory fees and is accounted for on an accruals basis. Investment advisory fees are earned solely from a fellow subsidiary, Nedgroup Investments (IOM) Limited. Investment Advisory fees are charged at the higher of arm's length basis or total company expenses plus 10%. During the current year investment advisory fees were earned on an arm's length basis (2015: cost plus 10% basis).

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2016)

3 Operating profit

Operating profit has been arrived at after charging the following items:

| | 2016 | 2015 |
|-------------------------------------|---------|-----------|
| | US\$ | US\$ |
| Payments provided to auditors | | |
| - Audit Services | 13,373 | 15,273 |
| - Other Services | 5,667 | 4,181 |
| Salaries and other employment costs | 975,237 | 1,325,380 |
| Depreciation | 31,513 | 31,568 |

4 Directors and employees

(2015: US\$490,000).

The average number of employees during the year was 5 (2015:5).

5 Taxation

Corporation tax at 20% (2015:20.25%) based on profits for the year

| | | |
|------------------------------------|----------|--------|
| | 81,947 | 43,735 |
| Over provision from previous years | (10,671) | - |
| Total current tax | 71,276 | 43,735 |

Deferred tax

| | | |
|---|---------|----------|
| Origination and reversal of temporary differences | (2,263) | (31,682) |
| Taxation charge | 69,013 | 12,053 |

b) Factors affecting tax charge for the period

The tax assessed for the year is lower than the rate of corporation tax. The differences are

| | 2016 | 2015 |
|--|----------|----------|
| | US\$ | US\$ |
| Profit on ordinary activities before tax | 366,472 | 172,247 |
| Profit at standard rate of Corporation Tax at 20% (2015: 20.25%) | 73,295 | 34,880 |
| Effects of: | | |
| Over provision in respect of prior periods | (10,671) | - |
| Depreciation in excess of capital allowances | 3,250 | 2,132 |
| Timing differences in respect of share based payments | 2,320 | (25,887) |
| Movement on share option reserve | 819 | 928 |
| Tax charge per the accounts | 69,013 | 12,053 |

22
6/7/17

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2016)

5 Taxation (continued)

c) Tax creditor

| | 2016 | 2015 |
|------------------------------------|-----------------|-----------------|
| | US\$ | US\$ |
| Taxation due in less than one year | <u>(70,967)</u> | <u>(40,372)</u> |

d) Deferred tax asset

| | 2016 | 2015 |
|--------------------------|---------------|---------------|
| | US\$ | US\$ |
| Balance at 1 January | 31,682 | - |
| Movement during the year | <u>2,263</u> | <u>31,682</u> |
| Balance at 31 December | <u>33,945</u> | <u>31,682</u> |

The deferred tax asset relates to the amount charged to the profit and loss account in respect of share based payments which is not yet deductible for tax purposes.

6 Tangible fixed assets

| | Computer & Office equipment US\$ | Fixtures & Fittings US\$ | Leased premises US\$ | Total US\$ |
|--|---|--------------------------------|----------------------------|-----------------|
| Cost | | | | |
| As at 1 January 2016 | 51,960 | 13,345 | 146,786 | 212,091 |
| Disposals | <u>(12,668)</u> | <u>-</u> | <u>-</u> | <u>(12,668)</u> |
| As at 31 December 2016 | <u>39,292</u> | <u>13,345</u> | <u>146,786</u> | <u>199,423</u> |
| Depreciation | | | | |
| As at 1 January 2016 | 30,655 | 7,069 | 55,849 | 93,573 |
| On disposals | <u>(12,533)</u> | <u>-</u> | <u>-</u> | <u>(12,533)</u> |
| Charge for year | 7,875 | 2,669 | 20,969 | 31,513 |
| Foreign currency difference | <u>(49)</u> | <u>-</u> | <u>-</u> | <u>(49)</u> |
| As at 31 December 2016 | <u>25,948</u> | <u>9,738</u> | <u>76,818</u> | <u>112,504</u> |
| Net book value | | | | |
| As at 31 December 2016 | <u>13,344</u> | <u>3,607</u> | <u>69,968</u> | <u>86,919</u> |
| As at 31 December 2015 | <u>21,305</u> | <u>6,276</u> | <u>90,937</u> | <u>118,518</u> |
| Cost of assets fully depreciated at 31 December 2016 | <u>6,644</u> | <u>-</u> | <u>-</u> | <u>6,644</u> |

7 Amounts due from/to fellow subsidiaries

The Company has applied the exemption available under FRS 101 regarding the disclosures required regarding Related Party Transactions. Amounts due from/to fellow subsidiaries are unsecured, interest free and repayable on demand.

22
6/7/17

Nedgroup Investment Advisors (UK) Limited

Notes (continued)

(forming part of the financial statements for the year ended 31 December 2016)

8 Share capital

| | 2016 US\$ | 2015 US\$ |
|--|------------------|------------------|
| <i>Authorised</i> | | |
| Equity: | | |
| 100,000,000 ordinary shares of US\$0.01 each | <u>1,000,000</u> | <u>1,000,000</u> |
| <i>Non-equity:</i> | | |
| 50,000,000 redeemable preference shares of US\$0.01 each | <u>500,000</u> | <u>500,000</u> |
| <i>Issued and fully paid</i> | | |
| Equity: | | |
| 100,000,000 ordinary shares of US\$0.01 each | <u>1,000,000</u> | <u>1,000,000</u> |
| | <u>1,000,000</u> | <u>1,000,000</u> |

There were no preference shares in issue as at 31 December 2016 (2015: nil).

The ordinary shares have 1 vote per share, are entitled to dividends when declared by the Directors and, on winding up of the Company, are entitled to any balances remaining after repayments to redeemable preference shareholders.

9 Capital Redemption Reserve

The Capital Redemption Reserve relates to the value of redeemable preference shares redeemed during 2005.

10 Share option reserve

The share option reserve represents the fair value of outstanding employee share options in respect of the Old Mutual plc 'Save As You Earn Scheme'. In 2016 US\$4,097 was charged to the profit and loss account (2015: US\$4,583) and credited to the share option reserve.

11 Parent and ultimate holding company

The Company's immediate parent company is Nedgroup International Holdings Limited, a company incorporated in the Isle of Man. The ultimate holding company is Old Mutual plc, a company incorporated in England and Wales and listed on the London Stock Exchange.

12 Subsequent events

The Directors are not aware of any subsequent events that require disclosure.

Handwritten signature and date 6/7/17

Nedgroup Investment Advisors (UK) Limited

Detailed profit and loss account (unaudited)

for the year ended 31 December 2016

| | US\$ | 2016 US\$ | US\$ | 2015 US\$ |
|--|---------|-----------------------|-----------|-----------------------|
| Income | | | | |
| Advisory fees | | 1,626,127 | | 1,803,540 |
| | | <u>1,626,127</u> | | <u>1,803,540</u> |
| Expenditure | | | | |
| Salaries and employment costs | 975,237 | | 1,325,380 | |
| Computer and processing costs | 29,606 | | 47,749 | |
| Legal and professional fees | 16,997 | | 19,098 | |
| Audit fees | 13,373 | | 15,273 | |
| Government fees | 7,291 | | 7,898 | |
| Insurance | 1,322 | | 1,690 | |
| Occupation & accomodation | 88,317 | | 121,319 | |
| Communication and travel | 43,044 | | 52,576 | |
| Marketing and advertising | 80 | | 1,776 | |
| Printing & stationery | 2,340 | | 2,670 | |
| Depreciation | 31,513 | | 31,568 | |
| Sundry expenses | 2,143 | | 1,616 | |
| Bank charges | 502 | | 575 | |
| Irrecoverable VAT | 13,793 | | 10,395 | |
| | | <u>(1,225,558)</u> | | <u>(1,639,583)</u> |
| Operating profit | | <u>400,569</u> | | <u>163,957</u> |
| Loss on disposal of asset | | (135) | | - |
| Foreign exchange gains/(losses) | | (33,962) | | 8,290 |
| Profit on ordinary activities before taxation | | <u><u>366,472</u></u> | | <u><u>172,247</u></u> |

This page does not form part of the audited financial statements.

6/7/17