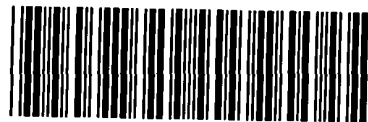


NS Asset Management LLP

Annual report and financial statements

for the year ended 31 March 2018

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LLP information

Designated Members

R J Carlson
P D Roy

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Bankers

HSBC Bank Plc
69 Pall Mall
London
SW1Y 5EY

Solicitors

Travers Smith
10 Snow Hill
London
EC1A 2AL

Registered Office

c/o Throgmorton
4th Floor
Reading Bridge House
George Street
Reading
England
RG1 8LS

NS Asset Management LLP

Registered number: OC305006

Members' report

for the year ended 31 March 2018

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

Principal activity

The principal activity of NS Asset Management LLP (the 'LLP') was to provide investment management services.

The LLP continues to act as the regulated Operator to the Unregulated Collective Investment Scheme of NS Holdings LLP. In July 2017, the LLP ceased to act as the Operator to NSCP LLP as NSCP LLP ceased to be treated as an Unregulated Collective Investment Scheme.

The LLP has been regulated by the Financial Conduct Authority ('FCA') since December 2003 but since February 2016 the LLP has been regulated by the FCA under IPRU (INV) Chapter 5 and its only regulated activity has been to act as the Operator to NS Holdings LLP and NSCP LLP.

The LLP is a subsidiary of NS Holdings LLP, a limited liability partnership incorporated in the United Kingdom.

Discontinued activities

On 24 April 2015, NS Holdings LLP sold the majority of its investment management business to Man Group Plc.

Following the sale of the investment management businesses, and closure of its private equity fund, which was not included in the sale to Man Group Plc, the LLP applied to the Financial Conduct Authority to reduce its permissions to enable it to continue to act solely as the regulated Operator of the Unregulated Collective Investment Schemes of NS Holdings LLP and NSCP LLP.

As the entity will continue to act as the Operator to NS Holdings LLP, these financial statements have been prepared on a Going Concern basis.

Results and distributions

The profit for the financial year before members' remuneration and profit shares available for discretionary division among members is £4,346 (2017: £75,458). During the year the LLP has allocated profits of £27,160 to Members (2017: £52,644). £22,814 of profits were distributed during the year (2017: £52,644).

At 1 April 2018 the LLP had retained unallocated profits of £nil (2017: £22,814).

Members' profit allocation

Any profits are shared among the Members in accordance with the Partnership Agreement and are formally approved by the Board of the LLP.

Policy for Members' drawings, subscriptions and repayment of Members' capital

Policies for Members' drawings, subscriptions and repayment of Members' capital are governed by the Partnership Agreement.

Members' report

for the year ended 31 March 2018

Members

The Members of the LLP during the year and up to the date of signing the financial statements were as follows:

R J Carlson*
P D Roy*
NS Holdings LLP

*Denotes Designated Members

Disclosure of information to auditors

Each of the persons who are Designated Members at the time when the Members' report is approved has confirmed that

- (a) so far as each Designated Member is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the LLP's auditors are unaware, and
- (b) each Designated Member has taken all the steps that ought to have been taken as a Designated Member, including making appropriate enquiries of fellow Members and of the LLP's auditors for that purpose, in order to be aware of any information needed by the LLP's auditors in connection with preparing their report and to establish that the LLP's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors.

On behalf of the Members



R J Carlson
Designated Member
26 June 2018

Statement of Designated Members' responsibilities

The Designated Members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2016 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to limited liability partnerships, the members must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its members in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The Designated Members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

To the Members of NS Asset Management LLP

Report on the audit of the financial statements

Opinion

In our opinion, NS Asset Management LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of comprehensive income, the statement of financial position as at 31 March 2018, the reconciliation of movement in Members' interests, the statement of cash flows, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Independent auditors' report

To the Members of NS Asset Management LLP

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of Designated Members' responsibilities set out on page 4, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report

To the Members of NS Asset Management LLP


Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships 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;
or
- adequate accounting records have not been kept by the limited liability partnership, 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.

We have no exceptions to report arising from this responsibility.



Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 June 2018

Statement of comprehensive income

For the year ended 31 March 2018

	Note	2018 Continuing £	2018 Discontinued £	2018 Total £	2017 Continuing £	2017 Discontinued £	2017 Total £
Income							
Operator fees		47,809	-	47,809	149,529	-	149,529
Total fees	3	47,809	-	47,809	149,529	-	149,529
Other operating income							
Foreign exchange (losses)/gains		(149)	-	(149)	(1,703)	-	(1,703)
Total operating income		47,660	-	47,660	147,826	-	147,826
Expenses							
Administration expenses		(32,000)	(11,314)	(43,314)	(34,570)	(47,019)	(81,589)
Operating profit	5	15,660	(11,314)	4,346	113,256	(47,019)	66,237
Interest income		-	-	-	221	-	221
Other income	4	-	-	-	9,000	-	9,000
Profit for the financial year and profit shares available for discretionary division among members		15,660	(11,314)	4,346	122,477	(47,019)	75,458
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		15,660	(11,314)	4,346	122,477	(47,019)	75,458

The notes on pages 12 to 15 form part of these financial statements.

Statement of financial position

As at 31 March 2018

	Note	2018 £	2017 £
Current assets			
Debtors	7	74,954	67,062
Cash at bank and in hand	8	155,104	179,351
		<u>230,058</u>	<u>246,413</u>
Current liabilities			
Creditors: amounts falling due within one year	9	(28,058)	(21,599)
Net current assets		<u>202,000</u>	<u>224,814</u>
Total assets less current liabilities		<u>202,000</u>	<u>224,814</u>
Net assets attributable to members		<u>202,000</u>	<u>224,814</u>
Represented by:			
Loans and other debts due to members			
Members' B capital		2,000	2,000
Amounts due to members		-	-
		<u>2,000</u>	<u>2,000</u>
Members' other interests			
Members' A capital		200,000	200,000
Other reserves		-	22,814
		<u>202,000</u>	<u>224,814</u>
Total Members' interests			
Loans and other debts due to Members		2,000	2,000
Members' other interests		200,000	222,814
		<u>202,000</u>	<u>224,814</u>

The financial statements on pages 8 to 15 were approved and authorised for issue by the Designated Members on 26 June 2018.

For and on behalf of the Members

P D Roy
Designated Member

The notes on pages 12 to 15 form part of these financial statements.

Reconciliation of movement in Members' interests

For the year ended 31 March 2018

	<i>Members' A Capital</i>	<i>Other Reserves</i>	<i>Total</i>	<i>Loans and other debts owed to/(from) Members</i>	<i>2018 Members' Total interests</i>	<i>2017 Members' Total interests</i>
	£	£	£	£	£	£
At 1 April 2017	200,000	22,814	222,814	2,000	224,814	203,000
Repayments of debt	-	-	-	-	-	(1,000)
Profit for the financial year	-	4,346	4,346	-	4,346	75,458
Drawings	-	-	-	(27,160)	(27,160)	(52,644)
Members' profit allocations	-	(27,160)	(27,160)	27,160	-	-
At 31 March 2018	200,000	-	200,000	2,000	202,000	224,814

Members' A capital, which is held by NS Holdings LLP, is classified as equity as the LLP has an unconditional right to refuse repayment of capital.

Members' B capital, which is held by individual partners, is classified as debt as it is repayable to the Member upon them ceasing to be a Member. Members' capital would rank equally with other unsecured creditors in the event of a winding up of the LLP. During the prior year, one B Member ceased as partner of the LLP and £1,000 of Members' B Capital was repaid to that B Member.

The notes on pages 12 to 15 form part of these financial statements.

Statement of cash flows

for the year ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	4,346	75,458
<i>Adjustments for:</i>		
Interest income	-	(221)
Other income	-	(9,000)
Increase in debtors	(12,238)	(39,457)
Increase / (Decrease) in creditors	6,459	(716,283)
Net cash used in operating activities	(1,433)	(689,503)
Cash flows from investing activities		
Interest income received	-	221
Other income received	-	9,000
Net cash generated from investing activities	-	9,221
Cash flows from financing activities		
Drawings	(22,814)	(52,644)
Repayment of B Members' capital	-	(1,000)
Net cash used in financing activities	(22,814)	(53,644)
Cash and cash equivalents at the beginning of the year	179,351	913,277
Decrease in net cash during the year	(24,247)	(733,926)
Cash and cash equivalents at the end of year	155,104	179,351

The notes on pages 12 to 15 form part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2018

1. Accounting policies

General Information

NS Asset Management LLP is a limited liability partnership incorporated in the United Kingdom. The registered office is located at 4th Floor, Reading Bridge House, George Street, Reading.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ('FRS 102'), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

Going concern

The LLP will continue to act as the Operator to NS Holdings LLP. Accordingly these financial statements have been prepared on a going concern basis, as stated in the Members' report. Based on the Designated Members' assessment, the Designated Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to apply the going concern basis.

Disclosure exemptions

The LLP is a subsidiary of NS Holdings LLP and is included in the consolidated financial statements of that Partnership, which are publicly available. Consequently, the LLP, as a qualifying entity, has taken advantage of the following disclosure exemptions available under FRS102:

- Related party transactions exemptions for disclosure of transactions with group companies.

The following principal accounting policies have been applied:

Operator fees

Operator fees are accounted for on an accruals basis.

Bank interest

Bank interest is accounted for on an accruals basis.

Foreign currencies

The LLP's functional currency is pounds sterling (£).

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date.

All differences are taken to the statement of comprehensive income.

Notes to the financial statements

for the year ended 31 March 2018

1. Accounting policies (continued)

Taxation

No provision has been made for taxation in the financial statements. Each Member is exclusively liable for any tax liabilities arising on their interest in the LLP, which will be assessed on the individual Members and not the LLP.

Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Members profit allocations

Discretionary profit allocations are recognised when formally approved by the Board of the LLP.

2. Judgements in applying accounting policies and key sources of uncertainty

In applying the company's accounting policies, the Designated Members are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Designated Members' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The Designated Members are of the opinion that due to the nature of the business, there are no critical accounting estimates or judgements used in the preparation of these financial statements.

Notes to the financial statements

for the year ended 31 March 2018

3. Income

Income in the current year represents operator fees receivable. All fees are net of value added tax and arose from the supply of services in the United Kingdom to territories as follows:

	2018 £	2017 £
Europe	47,809	149,529
	<u>47,809</u>	<u>149,529</u>

4. Other operating income

Until April 2015, the LLP recharged expenses incurred and for services rendered to other entities within the NewSmith group.

5. Operating profit

	2018 £	2017 £
Operating profit on ordinary activities is stated after charging/(crediting):		
Auditors' remuneration: - Audit services	6,000	7,500
- Taxation	3,837	14,315
- Services pursuant to legislation	1,500	1,500
	<u>11,337</u>	<u>23,315</u>

6. Members' remuneration

	2018 £	2017 £
Profit for the financial year before Members' remuneration and profit share	<u>4,346</u>	<u>75,458</u>
Profit for the financial year available for discretionary allocation among Members	<u>4,346</u>	<u>75,458</u>

The share of profits that was attributable to the Member with the largest entitlement to profit for the year was £4,346 (2017: £52,644).

The average number of Members during the year was 3 (2017: 4).

Notes to the financial statements

for the year ended 31 March 2018

7. Debtors

	2018 £	2017 £
Trade debtors	-	2,132
Prepayments and accrued income	1,826	-
Amounts owed by Group undertakings	8,901	63,455
Other debtors	60,912	-
Other taxes and social security	3,315	1,475
	<u>74,954</u>	<u>67,062</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>155,104</u>	<u>179,351</u>

9. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,854	-
Accruals and other creditors	26,204	21,599
	<u>28,058</u>	<u>21,599</u>

10. Ultimate parent undertaking

NS Holdings LLP, a limited liability partnership incorporated in the United Kingdom, is the ultimate parent undertaking and controlling party.

NS Holdings LLP is the parent undertaking of the largest group of undertakings to consolidate these financial statements as 31 March 2018. The consolidated financial statements of NS Holdings LLP are available from c/o Throgmorton, 4th Floor Reading Bridge House, George Street, Reading, England, RG1 8LS.