

NC Advisory (UK) LLP

**Members' report and financial
statements**

for the year ended 31 December 2018

Registered number: OC336953 (England and
Wales)



Information

Designated members	M Bulmer NC Advisory Limited, (the "Special Member")
Member	R Shah
Registered number	OC336953 (England and Wales)
Registered office	3rd Floor 105 Piccadilly London W1J 7NL
Independent auditors	PricewaterhouseCoopers CI LLP 37 Esplanade St. Helier Jersey JE1 4XA
Bankers	Handelsbanken Mayfair Branch 35 Hay's Mews London W1J 5PY

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Members' report

for the year ended 31 December 2018

The members present their annual report together with the audited financial statements of NC Advisory (UK) LLP (the "LLP" or "Partnership") for the year ended 31 December 2018.

Principal activities

The principal activity of the Partnership in the year under review continued to be the provision of investment advisory services. The Partnership is authorised and regulated by the Financial Conduct Authority.

Members

The members of the Partnership who were in office during the year and up to the date of the signing the financial statements were as follows:

M Bulmer (designated member)
NC Advisory Limited (designated member)
R Shah
J H Peake (resigned 31 December 2018)

Policy for members' drawings, subscriptions and repayments of members' capital

Any new member joining the Partnership shall be required to make a contribution to the Partnership and shall be allocated ownership points. The Special Member may contribute additional capital to the Partnership from time to time at its sole discretion, necessary for the Partnership to conduct its business.

No interest is payable by the Partnership to any member on the amount of any members' capital contribution. No member has any right to demand the return of their capital contribution except when an amount is being paid into the Partnership to replace that being removed, or the Partnership is being dissolved or wound up.

Each member's share of the profit shall be credited to their current account and all payments made by the Partnership to or on behalf of the member shall be debited to his current account.

The policy for members' drawings is the payment of a monthly amount on account of each member's profit share. These monthly drawings are determined by the Management Board, taking into account the need to retain sufficient funds to finance the working capital and the regulatory capital needs of the business.

If at the end of an accounting year there are losses or less profit than the aggregate amount of drawings that have already been paid, the members will between them be required to repay the difference.

Principle risks and uncertainties

The principal risks and uncertainties faced by the Partnership are those inherent within the financial services industry, but primarily include:

- Market risk - subject to market fluctuations and general economic conditions.
- Credit risk- exposed to counterparties not fulfilling their obligations.
- Operational risk - incurring losses resulting from inadequate or failed internal and external processes, systems and human error or from external events.
- Regulatory risk - subject to the effects of changes in the laws, regulations, policies and interpretations and any accounting standards in the markets in which it operates.

Members' report (continued)

for the year ended 31 December 2018

On 23 June 2016 the United Kingdom voted to leave the European Union ('Brexit'). Considering that all of NC Advisory (UK) LLP clients are outside of the EU we do not expect any significant impact on the revenue side due to Brexit. Nor do we expect additional costs in connection with any relationships with suppliers, being domestic consultants or consultants within the EU.

Members' responsibilities statement

The 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 2008, (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" and applicable law). Under company law, as applied to limited liability partnerships, the members 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 limited liability partnership and of the profit or loss of the limited liability partnership 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the regulations.

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members' report (continued)
for the year ended 31 December 2018

Statement of disclosure of information to auditors

So far as the members are aware, there is no relevant audit information (as defined by Section 419 of the Companies Act 2006) of which the Partnership's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

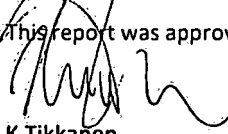
Subsequent events

There are no material events to be disclosed or adjusted for in the financial statements occurring after the reporting period up to the date of the financial statements being approved and authorised for issue.

Independent auditor

The auditors, PricewaterhouseCoopers CI LLP, were appointed during the year, and have indicated their willingness to continue in office and a resolution will be proposed for their re-appointment at a meeting of the members.

This report was approved by the board of members on 9 April 2019 and signed on their behalf by:



K Tikkanen

For and on behalf of NC Advisory Limited (the "Special Member")

Independent auditors' report to the members of NC Advisory (UK) LLP

Report on the audit of the financial statements

Opinion

In our opinion, NC Advisory (UK) LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 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 Members' Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of cash flows, the reconciliation of members' interests for the year then ended; 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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the limited liability partnership and the wider economy.

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 Members' Responsibilities Statement set out on page 2, 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.

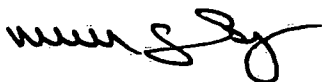
Other required reporting

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.



Michael Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Jersey, Channel Islands
10 April 2019

Statement of comprehensive income
for the year ended 31 December 2018

	Note	2018 £	2017 £
Revenue		4,554,948	5,467,570
Administrative expenses		(2,986,870)	(3,734,456)
Operating profit	4	1,568,078	1,733,114
Interest payable and similar charges	8	(8,427)	(7,338)
Profit for the year before members' remuneration and profit shares		1,559,651	1,725,776
Profit for the year before members' remuneration and profit shares		1,559,651	1,725,776
Members' remuneration charged as an expense		(1,559,651)	(1,725,776)
Result for the financial year available for discretionary division among members		-	-

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The results above are all in respect of continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

Statement of financial position

as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	7,296	10,339
Current assets			
Debtors: amounts falling due after more than one year	10	232,161	232,161
Debtors: amounts falling due within one year	10	781,378	846,039
Cash at bank and in hand	11	1,114,481	426,468
		<u>2,128,020</u>	<u>1,504,668</u>
Creditors: Amounts Falling Due Within One Year	12	<u>(1,458,920)</u>	<u>(1,273,470)</u>
Net current assets		<u>669,100</u>	<u>231,198</u>
Net assets attributable to members		<u>676,396</u>	<u>241,537</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts		601,396	166,537
Members' other interests			
Members' capital classified as equity		<u>75,000</u>	<u>75,000</u>
		<u>75,000</u>	<u>75,000</u>
		<u>676,396</u>	<u>241,537</u>
Total members' interests			
Amounts due from members (included in debtors)	10	(458,885)	-
Loans and other debts due to members		601,396	166,537
Members' other interests		75,000	75,000
		<u>217,511</u>	<u>241,537</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 9 April 2019.

K Tikkanen *on behalf of NC Advisory Ltd*
Designated member

The notes on pages 10 to 20 form part of these financial statements.

Reconciliation of members' interests

for the year ended 31 December 2018

	EQUITY		DEBT		Total members' interests
	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		
	Members' capital (classified as equity)	Total	Other amounts	Total	Total
	£	£	£	£	£
Amounts due to members			1,504,339	1,504,339	
Balance at 1 January 2017	75,000	75,000	1,504,339	1,504,339	1,579,339
Members' remuneration charged as an expense	-	-	1,725,776	1,725,776	1,725,776
Members' interests: balance at 1 January 2017	75,000	75,000	3,230,115	3,230,115	3,305,115
Drawings	-	-	(1,654,953)	(1,654,953)	(1,654,953)
Loan interest charged	-	-	7,338	7,338	7,338
Other movements	-	-	(1,415,963)	(1,415,963)	(1,415,963)
Amounts due to members			166,537	166,537	
Members' interest: balance at 31 December 2017	75,000	75,000	166,537	166,537	241,537
Members' remuneration charged as an expense	-	-	1,559,651	1,559,651	1,559,651
Members' interests after profit for the year	75,000	75,000	1,726,188	1,726,188	1,801,188
Drawings	-	-	(956,664)	(956,664)	(956,664)
Loan interest charged	-	-	8,426	8,426	8,426
Other movements	-	-	(635,439)	(635,439)	(635,439)
Amounts due to members			601,396	601,396	
Amounts due from members			(458,885)	(458,885)	
Members' interest: balance at 31 December 2018	75,000	75,000	142,511	142,511	217,511

Included within the members transactions is an unsecured loan payable to NC Advisory Limited which has a principal of £300,500 with interest accruing at LIBOR plus 1.5%.

In the event of winding up, loans and other debts due to members rank after unsecured creditors. There is no protection for unsecured creditors. All amounts due to the members are interest free and repayable on demand.

The notes on pages 10 to 20 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year after members remuneration charged as an expense	-	-
Adjustments for:		
Members' remuneration charged as an expense	1,559,651	1,725,776
Depreciation of tangible assets	5,167	58,461
Interest paid	8,427	7,338
Decrease/(increase) in debtors	64,661	(146,856)
Increase in creditors	185,450	747,581
Net cash generated from operating activities	1,823,356	2,392,300
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,124)	(4,258)
Net cash used in investing activities	(2,124)	(4,258)
Cash flows from financing activities		
Interest paid	(8,427)	(7,338)
Payments to members	(1,124,792)	(3,063,576)
Net cash used in financing activities	(1,133,219)	(3,070,914)
Net increase/(decrease) in cash and cash equivalents	688,013	(682,872)
Cash and cash equivalents at beginning of year	426,468	1,109,340
Cash and cash equivalents at the end of year	1,114,481	426,468
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,114,481	426,468
	1,114,481	426,468

The notes on pages 10 to 20 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2018

1. Partnership information

NC Advisory (UK) LLP is a limited liability partnership incorporated in England & Wales on 30 April 2008. The address of the registered office and its principal place of business is 3rd floor, 105 Piccadilly, London, W1J 7NJ. The nature of the LLP's operations and its principal activities are set out in the Members' Report on page 1.

2. Significant accounting policies

2.1 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, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (the "LLP SORP").

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 entity's accounting policies as set out below.

The financial statements are prepared in Pound Sterling (£) which is the functional currency of the LLP.

The following principal accounting policies have been applied consistently to all the years presented, unless otherwise stated.

2.2 Going concern

After reviewing the forecasts and projections the members have reasonable expectations that the LLP has adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Statement of changes in equity

A reconciliation of members' interests has been presented as a primary statement instead of a statement of changes in equity per paragraph 60A of the LLP SORP.

2.4 Revenue

Revenue comprises of the fair value of the consideration received or receivable to the LLP from its principal activity of providing investment advisory services to Nordic Capital Limited in accordance with an advisory agreement. Fees are accrued monthly on a cost plus basis and presented net of Value Added Tax.

All revenue arose from activities performed within the United Kingdom.

Revenue is recognised when it can be measured reliably and it is probable that the economic benefits associated with the transactions will flow into the LLP.

2.5 Administrative expenses

All expenses have been accounted for on an accruals basis.

Notes to the financial statements

for the year ended 31 December 2018

2. Significant accounting policies (continued)

2.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- over the term of the lease
Furniture, fixtures & fittings	- 5 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.7 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

Notes to the financial statements

for the year ended 31 December 2018

2. Significant accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Partnership's functional and presentational currency is Pound Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction or measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'interest payable or interest receivable'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.9 Taxation

The taxation payable on the Partnership profits is the personal liability of the members and consequently neither taxation nor related deferred taxation are accounted for in the financial statements. Amounts retained for tax are treated in the same way as other profits of the Partnership and are included in 'Members' interests' or in 'Loans and other debts due to members' depending on whether or not division of profits has occurred.

2.10 Loan interest

Loan interest is recognised on an accruals basis.

2.11 Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the LLP. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

The Partnership has taken advantage of the exemption included within FRS 102 available for leases that commence before the date of transition (1 January 2014). Therefore the remaining benefits of the lease incentive will continue to be recognised in accordance with previous UK GAAP.

Notes to the financial statements

for the year ended 31 December 2018

2. Significant accounting policies (continued)

2.12 Debtors

Basic financial assets include trade and other receivables. Short term debtors are measured at transaction price, less any impairment for bad and doubtful debt.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand, demand deposits with financial institutions repayable without penalty on notice and other short term highly liquid investments with original maturity of 3 months or less and bank overdrafts.

2.14 Financial instruments

The LLP only enters into transactions that result in the recognition of basic financial instruments like trade debtors, creditors and loans to related parties.

Debt instruments, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Creditors

Basic financial liabilities include trade and other payables and loans from fellow group companies. Creditors are measured at the transaction price. Other financial creditors, including loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

for the year ended 31 December 2018

2. Significant accounting policies (continued)

2.16 Related parties

For the purposes of these financial statements, a party is considered to be related to the Partnership if:

- (i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the Partnership or exercise significant influence over the Partnership in making financial and operating policy decisions, or has joint control over the Partnership;
- (ii) the Partnership and the party are subject to common control;
- (iii) the party is a member of key management personnel of the Partnership or the Partnership's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (iv) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (v) close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.17 Employee benefits

Short-term employee benefits are recognised as an expense in the period they are incurred.

The obligation for contributions to defined contribution scheme are recognised as an expense in the period they are incurred. The assets of the scheme are held separately from those of the Partnership in an independent administered pension fund.

2.18 Members capital (classified as equity)

Members capital represents the value of capital contributed by the members.

2.19 Loans and debts due to members less any amounts due from members in debtors

The members of the partnership are remunerated based on the profit of the partnership in respect of each financial year. It is allocated amongst the members in accordance with the limited liability partnership agreement.

Loans and debts due to members comprises of residual profit share and balances due in respect of expenses incurred and settled on behalf of the Partnership.

These balances are due for repayment within one year.

Notes to the financial statements

for the year ended 31 December 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described in note 2, the members are required to make judgments, estimates and assumptions which affect the amounts reported for assets and liabilities as at the year-end date and amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of estimation means that actual outcomes could differ from those estimates.

Revenue recognition

The turnover for the year is mainly attributable to advisory services provided to cover the ongoing operational support of the LLP plus a margin of 15% thereon, as determined by the Partnership agreement.

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the LLP	5,168	58,461
Exchange rate differences	6,409	3,468
Other operating lease rentals	318,209	344,683
Pension cost	43,389	36,520
	<u>433,175</u>	<u>443,132</u>

5. Services provided by the LLP's auditors

	2018 £	2017 £
Fees payable for the audit	11,910	18,605
Taxation compliance services	15,750	15,750
	<u>27,660</u>	<u>34,355</u>

Notes to the financial statements

for the year ended 31 December 2018

6. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	955,561	1,384,589
Social security costs	124,290	175,800
Cost of defined contribution scheme	43,389	36,520
	<u>1,123,240</u>	<u>1,596,909</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2018 Number	2017 Number
Administrative	<u>7</u>	<u>8</u>

7. Members' share of profits and average number of members

Profits are divided among the members during each accounting year as determined by the Partnership agreement.

	2018 Number	2017 Number
The average number of members during the year was	<u>4</u>	<u>4</u>
	2018 £	2017 £
The average members remuneration during the year was	<u>389,913</u>	<u>431,444</u>
Payable under the terms of the LLP agreement	<u>1,559,651</u>	<u>1,725,776</u>
The amount of profit attributable to the member with the largest entitlement was	<u>555,632</u>	<u>604,797</u>

Notes to the financial statements

for the year ended 31 December 2018

8. Interest payable and similar expenses

	2018 £	2017 £
Loan interest payable	8,427	7,338
	<u>8,427</u>	<u>7,338</u>

Interest payable costs are charged to the Statement of comprehensive income at the 6 month LIBOR rate + 1.5%.

9. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2018	509,376	209,713	45,242	764,331
Additions	-	-	2,124	2,124
At 31 December 2018	<u>509,376</u>	<u>209,713</u>	<u>47,366</u>	<u>766,455</u>
Accumulated depreciation				
At 1 January 2018	509,376	202,889	41,727	753,992
Charge for the year	-	2,477	2,690	5,167
At 31 December 2018	<u>509,376</u>	<u>205,366</u>	<u>44,417</u>	<u>759,159</u>
Net book value				
At 31 December 2018	<u>-</u>	<u>4,347</u>	<u>2,949</u>	<u>7,296</u>
At 31 December 2017	<u>-</u>	<u>6,824</u>	<u>3,515</u>	<u>10,339</u>

Notes to the financial statements

for the year ended 31 December 2018

10. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	232,161	232,161
	<u>232,161</u>	<u>232,161</u>
Due within one year		
Trade debtors	34,105	410,495
Other debtors	114,961	339,107
Prepayments and accrued income	173,427	96,437
Amounts due from members	458,885	-
Total basic financial assets measure at amortised cost	<u>781,378</u>	<u>846,039</u>

11. Cash at bank and in hand

	2018 £	2017 £
Cash at bank and in hand	<u>1,114,481</u>	<u>426,468</u>

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	244,108	60,048
Other taxation and social security	107,077	68,051
Other creditors	673,909	397,601
Accruals and deferred income	433,826	747,770
Total financial liabilities measure at amortised cost	<u>1,458,920</u>	<u>1,273,470</u>

13. Capital commitments

The LLP had no capital commitments at 31 December 2018 or 31 December 2017.

Notes to the financial statements
for the year ended 31 December 2018

14. Commitments under operating leases

At 31 December the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	350,200	350,200
Later than 1 year and not later than 5 years	1,215,626	1,400,800
Later than 5 years	-	165,026
	<u>1,565,826</u>	<u>1,916,026</u>

15. Contingent liabilities

There were no contingent liabilities at 31 December 2018 or 31 December 2017.

16. Related party transactions

Details of transactions between the LLP and related parties are disclosed below:

During 2008, a loan was introduced by NC Advisory Limited to the LLP of £300,500 to service ongoing costs. During the year to 31 December 2018, the loan receivable from NC Advisory (UK) LLP ("the LLP") accrued interest of £8,426 (2017 - £7,338). The amount outstanding as at 31 December 2018 was £412,078 (2017 - £403,652).

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

The above are considered to be related parties by virtue of common control.

	2018 £	2017 £
The remuneration of members and other key management during the year		
Short-term benefits	<u>1,145,983</u>	<u>1,120,979</u>

Notes to the financial statements
for the year ended 31 December 2018

17. Ultimate parent undertaking and controlling party

The immediate parent undertaking is NC Advisory Limited.

The ultimate parent undertaking and controlling party is Triona Holdings SA, a company incorporated in Switzerland.

NC Advisory Limited is the parent undertaking of the largest, and smallest, group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of NC Advisory Limited will be available from 3rd floor, 105 Piccadilly, London, W1J 7NL.