

SL Capital Partners

**SLCP
(GENERAL PARTNER NASP 2006) LIMITED**

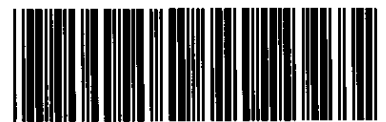
**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

**PARTNERSHIP
ACCOUNTS**

**COMPANIES HOUSE
14 SEP 2017
EDINBURGH FRONT DESK**

Registered in Scotland Number SC272867

THURSDAY



S6EZ7VOP

SCT

14/09/2017

#438

COMPANIES HOUSE

General Information

Directors

I Harris

S Hay

P McKellar

R Pim

Company Secretary

D R Thompson

Registered Office

1 George Street

Edinburgh

Lothian

EH2 2LL

United Kingdom

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

**Directors' annual report
for the year ended 31 December 2016**

The Directors present their report together with the audited financial statements of SLCP (General Partner NASP 2006) Limited (the Company) for the year ended 31 December 2016.

Directors

The names of the current Directors of the Company are shown on page 1.

The Company's ultimate parent company, Standard Life plc, maintains Directors' and Officers' liability insurance on behalf of its Directors and Officers.

Result for the year

The result for the year ended 31 December 2016 is £nil (2015: £nil). The Directors consider this result to be satisfactory.

Future outlook

The Directors are confident that the Company will maintain its financial position in the future.

Dividends

The Directors did not recommend payment of a dividend in 2016 (2015: £nil).

Annual general meeting

There was no annual general meeting held in the year, as permitted by the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP has been the Standard Life Group's auditors since 1994. In order to comply with regulations regarding mandatory auditor rotation and tendering, in last year's annual Standard Life plc accounts it was announced that the Standard Life Group were about to commence a tender process for the appointment of the external auditor. This tender resulted in the proposal, subject to shareholder approval at the 2017 AGM, to appoint KPMG as the external independent auditor for the 2017 financial year.

Disclosure of information to Auditors

So far as each Director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware.

Each of the Directors has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board of Directors



R Pim, Director

Edinburgh, 16 March 2017

**Strategic annual report
for the year ended 31 December 2016**

Review of the Company's business

The principal activity of the Company is to act as a General Partner of a Limited Partnership (NASP 2006 General Partner Limited Partnership), which is the General Partner, of a Limited Partnership (NASP 2006) ('the Fund'), whose activity is to make private equity investments, primarily in North America.

Key performance indicators (KPIs)

The Directors of Standard Life Investments (Holdings) Limited (SLIH) manage the operations of the Standard Life Investments (Holdings) Limited Group (the Group), in which the Company is a subsidiary, on a divisional basis. The Company's Directors therefore believe that an analysis using key performance indicators for the Company is not necessary or appropriate for gaining an understanding of the development, performance and position of the Company.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The main business risks to which the Company is exposed, and its financial risk management objectives and policies, are considered in Note 6 to this report and financial statements. Other key business risks include competition from other providers of investment management services.

Environmental matters

The Company follows the environmental strategy of the Standard Life Group which is disclosed within the Standard Life plc accounts.

On behalf of the Board of Directors



R Pim, Director

Edinburgh, 16 March 2017

Statement of Directors' responsibilities for the year ended 31 December 2016

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB).

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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union, and IFRSs as issued by the International Accounting Standards Board (IASB), have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Income statement
for the year ended 31 December 2016**

	2016	2015
	£	£
Revenue		
Investment management income	462,397	551,855
Total revenue	462,397	551,855
Operating expenses		
Administrative expenses	(462,397)	(551,855)
Total operating expenses	(462,397)	(551,855)
Result for the year attributable to equity holders of the Company	-	-

The notes on pages 9 to 13 form part of these financial statements.

The Company has not recorded any other comprehensive income during the years to 31 December 2016 and 31 December 2015 and has therefore not disclosed a separate statement of comprehensive income.

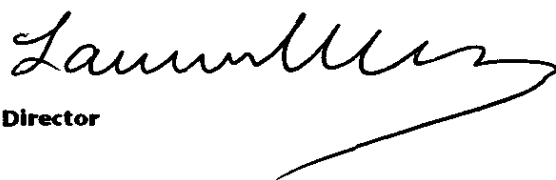
**Statement of financial position
as at 31 December 2016**

		2016	2015
	Note	£	£
Assets			
Current assets			
Trade and other receivables	4	100	100
Total assets		100	100
Equity			
Share capital	5	100	100
Total attributable to equity holders of the Company		100	100
Total equity		100	100

The notes on pages 9 to 13 form part of these financial statements.

The financial statements and accompanying notes on pages 5 to 13 were approved on behalf of the Board of Directors on 16 March 2017 and signed on its behalf on 16 March 2017 by the following Director:

I Harris, Director



**Statement of changes in equity
for the year ended 31 December 2016**

The Company has not recognised any changes in equity during the years ended 31 December 2016 and 31 December 2015.

The notes on pages 9 to 13 form part of these financial statements.

**Statement of cash flows
for the year ended 31 December 2016**

The Company had no net cash flows during the years ended 31 December 2016 and 31 December 2015.

The notes on pages 9 to 13 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2016

1. Presentation of the financial statements

The Company's significant accounting policies are included at the beginning of the relevant note. This section outlines the basis of preparation, significant accounting policies which apply to the financial statements as a whole, and a summary of the Company's critical accounting estimates and judgements in applying accounting policies.

(a) Basis of preparation

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU), with interpretations issued by the IFRS Interpretations Committee (IFRIC), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

(ii) New interpretations and amendments to existing standards that have been adopted by the Company

There have been no new interpretations or amendments to existing standards that have impacted the Company.

(iii) Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company

IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 will replace: IAS 11 *Construction contracts*, IAS 18 *Revenue* and related interpretations.

It provides a new five-step revenue recognition model for the recognition of and measurement of revenue from contracts with customers.

A detailed impact assessment commenced in 2015, reviewing contracts and analysing the revenue recognised by the Group. Further analysis of the revenues generated within our investment management business was completed in 2016 with no material impact expected.

(b) Revenue recognition

Investment management income

All fees and costs associated with the provision of investment management services are recognised, subject to recoverability, as the services are provided.

(c) Expense recognition

Administrative expenses are recognised on an accruals basis.

(d) Financial assets – designation

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise 'Trade and other receivables' in the statement of financial position.

2. Key estimates and judgements

The preparation of financial statements, in conformity with IFRS, may require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In the process of applying the Company's accounting policies, management has made no key estimates or judgements.

3. Result before tax

The Company has no employees (2015: nil.) Certain expenses, including auditors' remuneration for audit services amounting to £3,000 (2015: £2,500), are met by SL Capital Partners LLP. All other expenses are in relation to management fees charged by SL Capital Partners LLP.

Notes to the financial statements for the year ended 31 December 2016 (continued)**4. Trade and other receivables****Accounting Policy**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost.

	2016	2015
	£	£
Amounts due from parent undertaking	100	100
Total trade and other receivables	100	100

All 'Trade and other receivables' have no contractual maturity date. All of the financial assets above are non-interest bearing.

5. Share capital**Accounting Policy**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable.

	Authorised			
	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000

	Allotted, Called Up and Fully Paid			
	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Notes to the financial statements for the year ended 31 December 2016 (continued)**6. Financial risk management****(a) Standard Life group approach to risk management**

Standard Life plc, the ultimate parent of the Company, has established an Enterprise Risk Management (ERM) Framework to provide the basis for ensuring that risks inherent in the design and execution of all Standard Life Group strategy are managed in line with its expectations.

(b) Standard Life Investments (Holdings) Limited and its subsidiaries (the Group) approach to risk and capital management

The Company operates within the governance structure of the Group. The Group has its own established governance framework, with clear terms of reference for the Group Board (the Board) and risk committees and a clear organisation structure, with documented, delegated authorities and responsibilities.

The Group takes and manages risks to achieve its corporate, financial and regulatory objectives. The types of risk inherent in the pursuit of these objectives and the extent of exposure to these risks form the Group's risk profile.

The Company operates within Standard Life Group risk policies and has approved certain Group specific policies which determine the framework for identifying, assessing, monitoring and controlling risk.

Capital is managed within the regulatory framework in which the Group operates. This makes use of an Internal Capital Adequacy Assessment Process (ICAAP), approved by the Group Board, to identify the risks to which the business is exposed and to quantify their impact on capital, including changes thereto by way of stress and scenario tests. The ICAAP estimates how much capital is needed to cover the risks to which the Company is, or might be, exposed to. The Group is required at all times to maintain at least this level of capital. The Company does not have its own ICAAP but is a component of the Group ICAAP. The Group's calculation thereof is subject to review by the FCA who also monitor capital management by way of quarterly and annual submissions made by the Group and periodic visits.

The ICAAP is subject to high level quarterly review within the Group, with detailed annual review and approval by the Group Board. The potential impact of any significant risks identified outwith these timescales would be subject to immediate review.

(c) The management of financial and non-financial risks**(i) Statement of financial position reconciliation**

All assets on the statement of financial position are categorised as loans and receivables and are financial assets. None of the assets are categorised as fair value through profit and loss (FVTPL) and therefore are not disclosed in fair value hierarchy levels.

(ii) Fair value of assets and liabilities

Due to the short term nature of current financial assets the amortised cost is approximate to the fair value.

(iii) Credit risk

The Company is exposed to credit risk through intercompany balances. Intercompany balances with Standard Life Group entities have no past history of default. All trade and other receivable balances due, and the financial suitability of material counterparties, are assessed regularly.

Investment management income provides the majority of the Company's revenues. Funds are managed in accordance with legal agreements in place with both Standard Life Group companies and third parties that specify contractual payment terms. The majority of receipts by value are received quarterly.

The Company has no cash deposits and the Company current account held nil balances at the end of both 2016 and 2015.

The table below provides an analysis of total assets bearing credit risk:

	2016	2015
	£	£
Trade and other receivables	100	100
	100	100

At the statement of financial position date, none of the financial assets were impaired or past due.

Notes to the financial statements for the year ended 31 December 2016 (continued)**6. Financial risk management (continued)****(iv) Market risk**

Market risk is the risk of adverse impact on the Company of changes in the fair values of financial instruments from fluctuations in foreign currency exchange rates, interest rates and market movements.

The Group uses sensitivity test-based analysis, including market movements, foreign exchange and interest rate movements, detailed in its ICAAP, to understand their impact on expected earnings for decision making and planning purposes.

The impact of a fall in asset values at a point in time would primarily impact revenue, which is accrued based on those values, and is not hedged. However, all such revenue is paid to SL Capital Partners LLP by way of administrative expenses, therefore a change in market levels would have no impact on the profit after tax of the Company.

The Company is domiciled in and was incorporated in Scotland.

Although all revenues are in US dollars, all such revenue is paid to SL Capital Partners LLP by way of administrative expenses; therefore the Company has limited exposure to exchange rate risk.

The Company has no material exposure to interest rate risk in 2016 or 2015.

(v) Liquidity risk

Liquidity risk is the risk of the Company being unable to maintain sufficient cash and marketable securities to enable it to meet cash flow obligations as they fall due.

The Group manages its liquidity risk by regular monitoring of its cash position, credit control including the credit risk assessment noted above, forward planning including cash flow analysis, and regular reporting thereon to the Board.

The Company has no surplus cash (2015: £nil).

The following table represents the Company's ability to meet its cash commitments as they fall due:

	Financial assets	
	2016	2015
	No contractual maturity date	No contractual maturity date
	£	£
Trade and other receivables	100	100
	100	100

(vi) Operational risk

Operational risk is defined as the risk of loss, or adverse consequences for the business, resulting from inadequate or failed internal processes, people and systems, or from external events.

The types of operational risk the Company is exposed to are identified using the following operational risk categories: fraud or irregularities; regulatory or legal; customer treatment; business interruption; supplier failure; planning; process execution and people. Activities undertaken to ensure the practical operation of the controls over financial risks (i.e. market, credit, liquidity and insurance risk) are defined within the operational risk framework.

The Group assesses its exposure to operational risk to enable efficient allocation of resources to manage such risks. The Group assesses its historical operational risk exposure using objective quantitative data. The Group also assesses the impact and likelihood of operational risks materialising in the future through a combination of qualitative data arising from management's judgement and historical data, as well as monitoring key risk indicators which can highlight changing risk profiles.

The Group's control environment is subject to quarterly self-assessment by management. Managers are responsible for correcting any control weaknesses identified through this process, taking into account the cost of implementing preventive or corrective action plans and the Group's acceptable level of operational risk. The Group sets an acceptable level of operational risk through defining and observing qualitative risk appetite statements and determining a quantitative operational risk limit.

The impact of a material change to the operational risk profile of the Group, such as through a one-off transaction, the launch of new products etc. is assessed and managed through the risk governance processes.

Notes to the financial statements for the year ended 31 December 2016 (continued)**7. Related party transactions****(a) Parent and ultimate controlling party**

The Company's parent undertaking is SLCP (Holdings) Limited, whilst its ultimate controlling party is Standard Life plc.

Copies of the Annual Report and Accounts of Standard Life plc are available to download from the website www.standardlife.com.

(b) Transactions between and balances with related parties

In the normal course of business, the Company enters into transactions with related parties in respect of its investment management business. Such related party transactions are at arm's length and are unsecured.

The following are details of significant transactions with related parties during the year and year end balances arising from such transactions:

		2016		Amounts owed by related parties
		Revenues	Expenses	
		£	£	
Parent		-	-	100
Standard Life Group undertakings		462,397	462,397	-
		462,397	462,397	100

		2015		Amounts owed by related parties
		Revenues	Expenses	
		£	£	
Parent		-	-	100
Standard Life Group undertakings		551,855	551,855	-
		551,855	551,855	100

Transactions with related parties were made at market rates. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense for bad and doubtful debts has been recognised in the year, or in the prior year, in respect of the amounts owed by related parties.

(c) Compensation of key management personnel

No amounts are payable to the Directors in respect of their services to the Company as at 31 December 2016 (2015: £nil).

8. Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Company's related undertakings. The Company has no subsidiaries, associates or other significant holdings and therefore has no disclosures in related undertakings.

9. Events after the statement of financial position date

There have been no significant events after the reporting period.

Independent Auditors' Report to the Members of SLCP (General Partner NASP 2006) Limited

Report on the financial statements

Our opinion

In our opinion, SLCP (General Partner NASP 2006) Limited's financial statements (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 result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Income Statement for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 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, 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.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of SLCP (General Partner NASP 2006) Limited (continued)

Report on the financial statements (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

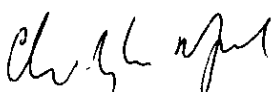
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' annual report, we consider whether those reports include the disclosures required by applicable legal requirements.



Christopher Meyrick (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
16 March 2017

NASP 2006 General Partner Limited Partnership

Audited Financial Statements for the year ended 31 December 2016

Table of Contents	Page
Manager, General Partner and Advisors	1
Report of the General Partner	2
Statement of General Partner's Responsibilities	4
Independent Auditor's Report	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Net Assets Attributable to Partners	8
Statement of Cash Flows	10
Notes to the Financial Statements	11

Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report. Any commentary, opinions, forecasts or estimates which are included within this report may not prove to be accurate and may be superseded by subsequent events. The information included in this report is based upon information which has been provided by underlying fund managers and other third parties.

Manager, General Partner and Advisors

Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner	SLCP (General Partner NASP 2006) Limited 1 George Street Edinburgh, EH2 2LL U.K.
US Legal Advisors	Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02199-3600 U.S.A.
UK Legal Advisors	King & Wood Mallesons LLP 10 Queen Street Place London, EC4R 1BE U.K. Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
Tax Advisors	Ernst & Young LLP 25 Churchill Place London, E14 5EY U.K.
Independent Auditor	Nexia Smith & Williamson 25 Moorgate London, EC2R 6AY U.K.
Administrator	Argentius (UK) Ltd Two London Bridge London, SE1 9RA U.K.
Inception Date	31 May 2006

Report of the General Partner

The General Partner, SLCP (General Partner NASP 2006) Limited, presents the audited financial statements of NASP 2006 General Partner Limited Partnership ("the Partnership") for the year ended 31 December 2016.

Structure of the Partnership

The Partnership is a Scottish Limited Partnership and commenced trading on 31 May 2006. The purpose of the Partnership is to act as the General Partner and Carried Interest Partner, Co-Investment Partner and an investor in the various limited partnerships constituting the North American Strategic Partners 2006 Fund ("the NASP 2006 Fund"). On 28 December 2007, the NASP 2006 Fund size was frozen at US\$274.5 million with each Partner's commitment reduced on a pro rata basis. The structure of the Partnership is detailed further in note 1 to the financial statements.

Directors of the General Partner

SLCP (General Partner NASP 2006) Limited has acted as the General Partner throughout the year and there have been no changes to the Directors of the General Partner during the year.

Distributions

Distributions of US\$144,171 (2015: US\$267,489) were made to the Limited Partners during the year.

Events after the reporting date

The General Partner has identified no significant events after the reporting date.

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 6. A description of the principal activity of the Partnership is provided in note 1 to the financial statements.

Disclosure of information to auditor

At the date of this report, the General Partner confirms that:

- As far as the General Partner is aware, there is no relevant information of which the Partnership's auditor is unaware; and
- The General Partner has taken all the steps that it ought to have taken as a General Partner in order to make it aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Independent auditor

The General Partner has appointed Nexia Smith & Williamson as auditor to the Partnership.

Data protection

SL Capital Partners LLP has implemented measures that it believes are necessary in order to comply with the U.K. Data Protection Act 1998.

Report of the General Partner (continued)

Strategic report

The Partnership is considered as "small" under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is therefore exempt from preparing a strategic report.

Signed on behalf of SLCP (General Partner NASP 2006) Limited

A handwritten signature in black ink, appearing to read 'Ian Harris', with a long horizontal flourish extending to the right.

Ian Harris
Director, SLCP (General Partner NASP 2006) Limited
4 May 2017

Statement of General Partner's Responsibilities

The General Partner is responsible for preparing the Report of the General Partner and the financial statements in accordance with applicable law and regulations.

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 ("the Regulations") requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has prepared the Partnership's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the U.K. and Republic of Ireland" ("FRS 102").

Under Company law as applied to qualifying partnerships, the General Partner 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 Partnership and of the profit or loss of the Partnership for that period.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Partnership will continue in business.

The General Partner is 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 qualifying 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 Auditor's Report to the Partners of NASP 2006 General Partner Limited Partnership

We have audited the financial statements of NASP 2006 General Partner Limited Partnership for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners, the Statement of Cash Flows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the U.K. and Republic of Ireland".

This report is made solely to the Partners, as a body, in accordance with Regulation 9 of The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partners 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 Partnership and the Partners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the General Partner and auditor

As explained more fully in the Statement of General Partner's Responsibilities set out on page 4, the General Partner is 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 (U.K. and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

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 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the General Partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Nexia Smith & Williamson

Lindsay Manson
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

4 May 2017

Statement of Comprehensive Income

		Year ended 31 December 2016	Year ended 31 December 2015
	Notes	US\$	US\$
Income			
Management profit share	5	644,738	844,816
Net unrealised movement on investments	11	(6,921)	6,187
Total income		<u>637,817</u>	<u>851,003</u>
Expenses			
Administrative expenses	6	5,922	(8,427)
Total expenses		<u>5,922</u>	<u>(6,427)</u>
Operating profit		<u>643,739</u>	<u>844,576</u>
Profit for the financial year		<u><u>643,739</u></u>	<u><u>844,576</u></u>

All results shown in the Statement of Comprehensive Income are from continuing operations.

The Partnership has no components of other comprehensive income in the current and comparative year.

The notes 1 to 13 form an integral part of these financial statements.

Statement of Financial Position

		At 31 December 2016	At 31 December 2015
	Notes	US\$	US\$
Fixed assets			
Financial assets at fair value through profit or loss	11	<u>671,616</u>	<u>811,385</u>
Current assets			
Debtors	7	171	226
Cash and cash equivalents		<u>6,827</u>	<u>355</u>
		<u>6,998</u>	<u>581</u>
Current liabilities			
Creditors due within one year	8	<u>(523)</u>	<u>(28)</u>
Net current assets		<u>6,475</u>	<u>553</u>
Net assets attributable to Partners		<u>678,090</u>	<u>811,938</u>
Partners' Capital			
General Partner		-	-
Carried Interest Partners		200	200
Limited Partners		<u>677,890</u>	<u>811,738</u>
Total Partners' Capital		<u>678,090</u>	<u>811,938</u>

The notes 1 to 13 form an integral part of these financial statements

The financial statements set out on pages 6 to 17 were authorised for issue by the General Partner on 4 May 2017 and were signed on its behalf by:



Ian Harris
Director, SLCP (General Partner NASP 2006) Limited

Statement of Changes in Net Assets Attributable to Partners for the year ended 31 December 2016

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Net assets attributable to Partners at the start of the year	-	200	811,738	811,938
Partners' loan drawn	-	-	11,322	11,322
Distributions to Partners	(644,738)	-	(144,171)	(788,909)
Net distributed	(644,738)	-	(132,849)	(777,587)
Profit / (loss) for the financial year	644,738	-	(999)	643,739
Net assets attributable to Partners at the end of the year	<u>-</u>	<u>200</u>	<u>677,890</u>	<u>678,090</u>

Net Assets Attributable to Partners since inception to 31 December 2016

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Partners' capital drawn	-	200	220	420
Partners' loan drawn	-	-	1,671,156	1,671,156
Temporary return of capital to Partners	-	-	(135,917)	(135,917)
Distributions to Partners	(18,022,811)	-	(1,877,096)	(19,699,707)
Net (distributed) / drawn	(18,022,811)	200	(141,637)	(18,164,048)
Total gain on Investments	18,022,811	-	819,527	18,842,138
Net assets attributable to Partners at the end of the period	<u>-</u>	<u>200</u>	<u>677,890</u>	<u>678,090</u>

The notes 1 to 13 form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Partners for the year ended 31 December 2015

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Net assets attributable to Partners at the start of the year	-	200	1,051,235	1,051,435
Partners' loan drawn	-	-	28,232	28,232
Distributions to Partners	(844,816)	-	(267,489)	(1,112,305)
Net distributed	(844,816)	-	(239,257)	(1,084,073)
Profit / (loss) for the financial year	844,816	-	(240)	844,576
Net assets attributable to Partners at the end of the year	-	200	811,738	811,938

Net Assets Attributable to Partners since inception to 31 December 2015

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Partners' capital drawn	-	200	220	420
Partners' loan drawn	-	-	1,659,834	1,659,834
Temporary return of capital to Partners	-	-	(135,917)	(135,917)
Distributions to Partners	(17,377,873)	-	(1,532,925)	(18,910,798)
Net (distributed) / drawn	(17,377,873)	200	(8,788)	(17,386,461)
Total gain on Investments	17,377,873	-	820,526	18,198,399
Net assets attributable to Partners at the end of the period	-	200	811,738	811,938

The notes 1 to 13 form an integral part of these financial statements

Statement of Cash Flows

		Year ended 31 December 2016	Year ended 31 December 2015
	Notes	US\$	US\$
Cash flows from operating activities			
Operating profit		643,739	844,576
Decrease / (increase) in debtors	7	226	(26)
Increase in creditors due within one year	8	495	6
Net unrealised movement on investments		6,921	(6,187)
Net cash inflow from operating activities		651,381	838,369
Cash flows from investing activities			
Proceeds from sale of investments		132,849	245,667
Net cash inflow from investing activities		132,849	245,667
Cash flows from financing activities			
Partners' loan drawn		11,151	28,232
Distributions to Partners		(788,909)	(1,112,305)
Net cash outflow from financing activities		(777,758)	(1,084,073)
Net increase / (decrease) in cash and cash equivalents		6,472	(37)
Cash and cash equivalents at the start of the year		355	392
Cash and cash equivalents at the end of the year		6,827	355

The notes 1 to 13 form an integral part of these financial statements.

Notes to the Financial Statements

1. Partnership background

The Partnership is a Scottish Limited Partnership and commenced trading on 31 May 2006. The Partnership's registered office is 1 George Street, Edinburgh, EH2 2LL, UK. The purpose of the Partnership is to act as the General Partner, Carried Interest Partner, Co-Investment Partner and an investor in the various limited partnerships constituting the NASP 2006 Fund. The NASP 2006 Fund is a collection of Scottish Limited Partnerships except where stated otherwise, being North American Strategic Partners 2006 L.P., a Delaware Partnership ("NASP 2006"), North American Strategic Partners Feeder 2006 L.P. ("NASP Feeder 2006"), NASP 2006 Special Limited Partnership ("NASP 2006 Special") and the Partnership.

The term of the Partnership is to continue until 90 days after the termination of NASP 2006 which is expected to be the twelfth anniversary of the final closing of NASP 2006. The life of NASP 2006 may be extended by up to three additional one year periods, and thereafter with the agreement of the General Partner and the investors.

The Partnership became the general partner of NASP 2006 at its inception on 14 June 2006. The Partnership was assigned the rights and interests to be the new general partner of NASP Feeder 2006 on 28 September 2006. The Partnership's General Partner is a company incorporated in Scotland. An Advisory Committee consisting of representatives selected from the Limited Partners of the NASP 2006 Fund provides, among other things, guidance with respect to the valuation of NASP 2006's portfolio investments.

NASP 2006 held a first close on 30 June 2006 when NASP Feeder 2006 contributed the initial portfolio as a capital contribution of US\$50,632,696 out of a US\$185.3 million commitment. A second close was held in October 2006 with the fund size increasing to US\$294.0 million. At that time, the Partnership made a commitment of US\$600,000 to NASP 2006 Special and a commitment of US\$1,350,000 to NASP 2006. The Partnership did not make a commitment to NASP Feeder 2006 but a related party to the General Partner and Manager made a US\$170 million commitment to NASP Feeder 2006. On 28 December 2007, the Manager decided that no further commitments would be made by NASP 2006 and the fund size was frozen at US\$274.5 million with each Partner's commitment reduced on a pro rata basis. As a result, the Partnership's commitment to NASP 2006 has been reduced to US\$1,225,799 and US\$544,800 to NASP 2006 Special.

SL Capital Partners LLP acts as Manager and is authorised and regulated by the Financial Conduct Authority and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. Augentius (UK) Ltd acts as the Administrator to the Partnership. The Partnership has no employees.

2. Statement of compliance

The financial statements of the Partnership have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, the Companies Act 2006 and the Regulations.

The Partnership has chosen to early adopt the Amendments to FRS 102, paragraph 34.22 which revise the disclosure requirements for financial institutions, specifically in relation to the fair value hierarchy, as presented within note 11. These amendments were approved for issue on 3 March 2016 and are otherwise effective for accounting periods beginning on or after 1 January 2017.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are presented in US Dollar, which is also the Partnership's functional currency. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in note 4.

3.2 Going concern

The General Partner has made an assessment of the Partnership's ability to continue as a going concern and is satisfied that the Partnership has the resources to continue in business for the foreseeable future. Furthermore, the General Partner is not aware of any material uncertainties that may cast significant doubt upon the Partnership's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.3 Consolidation and subsidiaries

The Partnership does not have any subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value in accordance with FRS 102. The fair value of controlled subsidiary investments is determined on a consistent basis to all other investments measured at fair value, and as described in the notes below.

Where the Partnership is deemed to control an underlying subsidiary, whereby the control be via voting rights or through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying subsidiary and its results are also not consolidated and are instead reflected as financial assets at fair value with changes in fair value reflected in the Statement of Comprehensive Income.

The Partnership has a controlled subsidiary which is held as part of its investment portfolio and is measured at fair value. As such no consolidated financial statements are prepared.

3.4 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses, are accounted for on an accruals basis in the Statement of Comprehensive Income.

Net income, gains and losses of the Partnership are allocated under the terms of the Limited Partnership Agreement ("the Agreement"). Details are set out in note 3.10.

3.5 Comparative figures

Prior year comparatives for unrealised movements on investments have been adjusted to comply with current year formats, leading to an increase in operating profit and no impact on profit for the financial year.

3.6 Financial Instruments

The Partnership has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost, using the effective interest method.

The investments in NASP 2006 and NASP 2006 Special are held as equity investments and are therefore treated as other financial assets, which are initially measured at fair value and subsequently carried at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

These financial liabilities are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant change in value. At 31 December 2016 and 31 December 2015, there were no cash equivalents.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.8 Taxation

No provision has been made in the financial statements for taxation. All Partners are individually responsible for reporting their share of the Partnership's income, gains and losses for taxation purposes.

All partnership income on the Statement of Comprehensive Income is stated gross of withholding taxes. Withholding tax suffered by the Partnership on the gains and income of its underlying investments is included within expenses. Provisions for withholding tax are calculated based on available information and estimates from underlying investments.

3.9 Net assets attributable to Partners

The Partnership's contributed capital consists of capital contributions. Net assets attributable to Partners are classified as a financial liability, due to the Partnership's finite life and contractual payment provisions to each of the Partners.

3.10 Distribution of income proceeds and capital proceeds between Partners

The Agreement provides that the General Partner and each Limited Partner share in the Profit and Losses of NASP 2006 and NASP 2006 Special, except that no Limited Partner will become liable for obligations of the Partnership in excess of their commitments. Profits and losses are allocated on the last day of each period.

Per clause 4.3 of the Agreement, after payment of any properly incurred expenses and liabilities of the Partnership, distributions shall be apportioned as follows:

- i) Amounts received by the Partnership as the entitlement to Management Profit Share in respect of NASP 2006 or NASP Feeder 2006 shall be paid to the General Partner;
- ii) Amounts received by the Partnership from NASP 2006 Special and attributable to the Partnership's interest as an 'A' or 'B' carried interest partner in that entity, shall be distributed amongst the Carried Interest Partners. Allocations shall be made in accordance with agreed distribution percentages at the date of the relevant allocation, as described further in clause 4.3.1 and Schedule 1 of the Agreement;
- iii) Amounts received by the Partnership from NASP 2006 or NASP 2006 Special and attributable to the Partnership's interest as an investor shall be paid to the Co-Investment Partners in proportion to their respective Investor Commitments (if any) at the date of the relevant allocation to which the distribution relates;
- iv) Amounts of capital contribution of NASP 2006 or NASP 2006 Special which are repaid to the Partnership shall be paid to the Limited Partners in proportion to the balances in the capital contribution accounts as Carried Interest Partners or Co-Investment Partners as applicable; and
- v) Other Distributions: Distributions not described above shall be made to the Carried Interest Partners in proportion to their respective Carried Interest Shares at the date of the relevant allocation to which the distribution relates.

4. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Partnership based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Partnership. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of investments not quoted in an active market

When the fair value of financial assets cannot be derived from an active market, their fair value is determined by using a variety of valuation techniques such as comparable recent arm's length transactions, capital asset pricing model and discounted cash flow.

The investments in NASP 2006 and NASP 2006 Special are currently stated at fair value as estimated by the General Partner. The General Partner considers the balance of the Partnership's capital account in NASP 2006 and NASP 2006 Special as being equal to fair value.

Notwithstanding this basis of valuation, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

Notes to the Financial Statements (continued)

5. Management profit share

	Year ended 31 December 2016	Year ended 31 December 2015
	US\$	US\$
Management profit share received from NASP 2006	644,638	844,716
Management profit share received from NASP Feeder 2006	100	100
	<u>644,738</u>	<u>844,816</u>

Management profit share ranks as the first charge on the net income and net realised gains in any accounting period and is paid in full by NASP 2006 and NASP Feeder 2006 whether or not they have sufficient net income and net realised gains to cover the amount.

6. Administrative expenses

	Year ended 31 December 2016	Year ended 31 December 2015
	US\$	US\$
Withholding tax (refund) / expenses	(5,991)	6,410
Bank charges	69	-
Other expenses	-	17
	<u>(5,922)</u>	<u>6,427</u>

The expenses of the Partnership, including audit fees of US\$13,163, are met by NASP 2006 Limited Partnership.

7. Debtors

	At 31 December 2016	At 31 December 2015
	US\$	US\$
Due from Limited Partners	171	41
Due from NASP 2006 Special	-	185
	<u>171</u>	<u>226</u>

There were no debtors falling due after more than one year at 31 December 2016 and 31 December 2015.

8. Creditors due within one year

	At 31 December 2016	At 31 December 2015
	US\$	US\$
Other payables	520	-
Due to Carried Interest Partners	3	3
Due to Investee Funds	-	25
	<u>523</u>	<u>28</u>

Notes to the Financial Statements (continued)

9. Related party transactions

The Agreement provides that the Partnership shall act as General Partner and is entitled to a management profit share as described in note 5. During the year the Partnership was allocated management profit share of US\$644,738 (2015: US\$844,818). The General Partner of the Partnership is SLCP (General Partner NASP 2006) Limited, a wholly owned subsidiary of the immediate controlling party, SLCP (Holdings) Limited, which is a subsidiary of the ultimate controlling parent, Standard Life plc. The General Partner is entitled to receive distributions equal to amounts received by the Partnership from NASP 2006 and NASP Feeder 2006 in respect of management profit share.

Standard Life Investments Limited ("SLIL") participates as an Investing and Carried Interest Partner and is the largest Limited Partner of the Partnership. The General Partner is a subsidiary of SLIL, which is also a subsidiary of the ultimate controlling company, Standard Life plc.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Partnership. The key management personnel for the Partnership is considered to be the General Partner. During the year ended 31 December 2016, there was no compensation paid (2015: US\$Nil) to the General Partner for the management services provided.

Certain members and employees of the Manager and the discretionary trusts of their families are Investing and Carried Interest Partners of the Partnership and are entitled to participate in the profits as disclosed in note 3.10.

At 31 December 2016, there is US\$Nil (2015: US\$185) recoverable from NASP 2006 Special in relation to withholding tax.

At 31 December 2016 US\$Nil (2015: US\$17) was due to NASP 2006 LP in relation to withholding tax.

At 31 December 2016 US\$Nil (2015: US\$8) was due to NASP 2006 Special in relation to withholding tax.

10. Risk management

The Partnership's financial assets are predominantly unsecured investments in a limited partnership, in which the maximum risk is considered to be the amount committed to the fund investments.

The Partnership's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risks which the Partnership is exposed to are market risk, credit risk and liquidity risk. The risk management policies employed by the Partnership are detailed below:

10.1 Market risk

The Partnership is at risk of the economic cycle impacting the quoted markets and hence potentially the pricing of investment deals, the valuation of underlying investments and the price and timing of exits. Market risk comprises interest rate risk, currency risk and price risk.

The Partnership has no material exposure to interest rate risk, currency risk or price risk at 31 December 2016 and 31 December 2015. Therefore no sensitivity analysis has been performed.

10.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Partnership's credit risk is mainly arising from the Partnership's investment in a limited partnership interest in NASP 2006. The Partnership monitors the performance of NASP 2006 and its underlying investments.

The Partnership places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2016, all of the Partnership's cash was held by Societe Generale which was rated "A" by Standard & Poor's at the date of the Report of the General Partner.

10.3 Liquidity risk

Liquidity risk is the risk that the Partnership may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Investments in unquoted equity are less marketable than quoted equity, as they have to be sold privately via a secondary market subject to approval of the General Partner of the Fund rather than on a public stock market. As a result the Partnership may not be able to quickly liquidate its investments at an amount close to its fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

Notes to the Financial Statements (continued)

10. Risk management (continued)

10.3 Liquidity risk (continued)

During the year ended 31 December 2016 the Partnership generated a profit from operations of US\$643,739 (2015: US\$844,576) and cash resources at the end of the year amounted to US\$6,827 (2015: US\$355). The liabilities of the Partnership (excluding net assets attributable to Partners) are due on demand. In addition, the Partnership had available to it undrawn commitments of US\$235,143 (2015: US\$246,465) from its Limited Partners, which are also due on demand.

10.4 Capital risk management

The capital of the Partnership is represented by the net assets attributable to Partners. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for Partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitments from the Limited Partners or distribute funds to the Limited Partners.

The General Partner monitors capital on the basis of the value of net assets attributable to Partners.

The Partnership has no material exposure to capital risk at 31 December 2016 and 31 December 2015. Therefore no sensitivity analysis has been performed.

11. Financial assets at fair value through profit or loss

FRS 102 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety should be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The categorisation of a Partnership investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the General Partner's perceived risk of the investment. The investment is classified within Level 3 as it has unobservable inputs and is traded infrequently or not at all.

The determination of what constitutes "observable" requires significant judgement by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Partnership's investments measured at fair value.

At 31 December 2016

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	671,615	671,615

At 31 December 2015

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	811,385	811,385

Determining the fair value of the Partnership's investment requires judgement and considers factors specific to the investment. The valuation policies applied by the General Partner are detailed in note 4.1.

Notes to the Financial Statements (continued)

11. Financial assets held at fair value through profit or loss (continued)

The changes in the investment measured at fair value for which the Partnership has used Level 3 inputs to determine fair value are as follows:

	31 December 2016	31 December 2015
	US\$	US\$
Balance at the start of the year	811,385	1,050,865
Sales	(132,849)	(245,667)
Realised and unrealised (losses) / gains on Investments	(6,921)	6,187
Balance at the end of the year	671,615	811,385
Unrealised movement included in profit or loss relating to investments still held at the reporting date	(6,921)	6,187

12. Commitments and contingencies

The Partnership has committed an aggregate of US\$1,770,599 (2015: US\$1,770,599) to the NASP 2006 Fund, and as of 31 December 2016 had funded US\$1,528,846 (2015: US\$1,517,524).

There are no contingent assets or liabilities that require disclosure in the financial statements at the year end.

13. Events after the reporting date

Subsequent events have been evaluated up to 4 May 2017. There are no significant events identified after the reporting date.

NASP 2006 Special Limited Partnership

Audited Financial Statements for the year ended 31 December 2016

Table of Contents	Page
Manager, General Partner and Advisors	1
Report of the General Partner	2
Statement of General Partner's Responsibilities	3
Independent Auditor's Report	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Net Assets Attributable to Partners	7
Statement of Cash Flows	9
Notes to the Financial Statements	10

Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report. Any commentary, opinions, forecasts or estimates which are included within this report may not prove to be accurate and may be superseded by subsequent events. The information included in this report is based upon information which has been provided by underlying fund managers and other third parties.

Manager, General Partner and Advisors

Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner	SLCP (General Partner NASP 2006) Limited 1 George Street Edinburgh, EH2 2LL U.K.
US Legal Advisors	Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02199-3600 U.S.A.
UK Legal Advisors	King & Wood Mallesons LLP 10 Queen Street Place London, EC4R 1BE U.K. Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
Tax Advisors	Ernst & Young LLP 25 Churchill Place London, E14 5EY U.K.
Independent Auditor	Nexia Smith & Williamson 25 Moorgate London, EC2R 6AY U.K.
Administrator	Augentius (UK) Ltd Two London Bridge London, SE1 9RA U.K.
Inception Date	31 May 2006

Report of the General Partner

The General Partner, SLCP (General Partner NASP 2006) Limited, presents the audited financial statements of NASP 2006 Special Limited Partnership ("the Partnership") for the year ended 31 December 2016.

Structure of the Partnership

The Partnership is a Scottish Limited Partnership and closed in October 2006 with a total size of US\$975,300 with six Limited Partners' commitments. On 28 December 2007 the North American Strategic Partners 2006 L.P. ("NASP 2006") fund size was frozen at US\$274.5 million with each Partner's commitment reduced on a pro rata basis. The structure of the Partnership is detailed further in note 1 to the financial statements.

Directors of the General Partner

SLCP (General Partner NASP 2006) Limited has acted as the General Partner throughout the year and there have been no changes to the Directors of the General Partner during the year.

Distributions

Distributions of US\$72,085 (2015: US\$135,153) were made during the year of which US\$Nil (2015: US\$1,408) was temporary return of capital, which is recatable.

Events after the reporting date

The General Partner has identified no significant events after the reporting date.

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 5. A description of the principal activity of the Partnership is provided in note 1 to the financial statements.

Disclosure of information to auditor

At the date of this report, the General Partner confirms that:

- As far as the General Partner is aware, there is no relevant information of which the Partnership's auditor is unaware; and
- The General Partner has taken all the steps that it ought to have taken as a General Partner in order to make it aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Independent auditor

The General Partner has appointed Nexia Smith & Williamson as auditor to the Partnership.

Data protection

SL Capital Partners LLP has implemented measures that it believes are necessary in order to comply with the U.K. Data Protection Act 1998.

Strategic report

The Partnership is considered as "small" under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is therefore exempt from preparing a strategic report.

Signed on behalf of the General Partner



Ian Harris
Director, SLCP (General Partner NASP 2006) Limited
4 May 2017

Statement of General Partner's Responsibilities

The General Partner is responsible for preparing the Report of the General Partner and the financial statements in accordance with applicable law and regulations.

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 ("the Regulations") requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has prepared the Partnership's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the U.K. and Republic of Ireland" ("FRS 102").

Under Company law as applied to qualifying partnerships, the General Partner 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 Partnership and of the profit or loss of the Partnership for that period.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Partnership will continue in business.

The General Partner is 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 qualifying 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 Auditor's Report to the Partners of NASP 2006 Special Limited Partnership

We have audited the financial statements of NASP 2006 Special Limited Partnership for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners, the Statement of Cash Flows and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the U.K. and Republic of Ireland'.

This report is made solely to the Partners, as a body, in accordance with Regulation 9 of The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partners 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 Partnership and the Partners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the General Partner and auditor

As explained more fully in the Statement of General Partner's Responsibilities set out on page 3, the General Partner is 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 (U.K. and Ireland). Those standards require us to comply with the Financial Reporting Council's ('FRC's') Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

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 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the General Partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Nexia Smith & Williamson

Lindsay Manson
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

4 May 2017

Statement of Comprehensive Income

		Year ended 31 December 2016	Year ended 31 December 2015
	Note	US\$	US\$
Income			
Net unrealised movement on investment	10	<u>(3,460)</u>	<u>(5,478,511)</u>
Total income		<u>(3,460)</u>	<u>(5,478,511)</u>
Expenses			
Withholding tax		<u>-</u>	<u>(4,843)</u>
Total expenses		<u>-</u>	<u>(4,843)</u>
Operating loss		<u>(3,460)</u>	<u>(5,483,154)</u>
Loss for the financial year		<u>(3,460)</u>	<u>(5,483,154)</u>

All results shown in the Statement of Comprehensive Income are from continuing operations.

The Partnership has no components of other comprehensive income in the current and comparative year.

The notes 1 to 12 form an integral part of these financial statements.

Statement of Financial Position

		At 31 December 2016 US\$	At 31 December 2015 US\$
	Notes		
Fixed assets			
Financial assets at fair value through profit or loss	10	<u>335,742</u>	<u>404,736</u>
Current assets			
Cash and cash equivalents		<u>263</u>	<u>2,203</u>
Current liabilities			
Creditors due within one year	7	<u>(20)</u>	<u>(1,960)</u>
Net current assets		<u>243</u>	<u>243</u>
Net assets attributable to Partners		<u><u>335,985</u></u>	<u><u>404,979</u></u>
Partners' Capital			
Carried Interest Partners		16	16
Limited Partners		335,969	404,963
Total Partners' Capital		<u><u>335,985</u></u>	<u><u>404,979</u></u>

The notes 1 to 12 form an integral part of these financial statements.

The financial statements set out on pages 5 to 15 were authorised for issue by the General Partner on 4 May 2017 and were signed on its behalf by:



Ian Harris
Director, SLCP (General Partner NASP 2006) Limited

Statement of Changes in Net Assets Attributable to Partners for the year ended 31 December 2016

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Net assets attributable to Partners at the start of the year	-	16	404,863	404,879
Partners' loan drawn	-	-	8,551	8,551
Temporary return of capital to Partners	-	-	-	-
Distributions to Partners	-	-	(72,085)	(72,085)
Net distributed	-	-	(65,534)	(65,534)
Loss for the financial year	-	-	(3,460)	(3,460)
Net assets attributable to Partners at the end of the year	-	16	335,989	335,985

Net Assets Attributable to Partners since inception to 31 December 2016

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Partners' capital drawn	-	16	10	26
Partners' loan drawn	-	-	836,985	836,985
Temporary return of capital to Partners	-	-	(69,388)	(69,388)
Distributions to Partners	-	-	(838,547)	(838,547)
Net drawn / (distributed)	-	16	(70,920)	(70,904)
Total profit on Investments	-	-	408,889	408,889
Net assets attributable to Partners at the end of the period	-	16	335,969	335,985

The notes 1 to 12 form an integral part of these financial statements.

Statement of Changes in Net Assets Attributable to Partners for the year ended 31 December 2015

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Net assets attributable to Partners at the start of the year	-	5,483,049	525,603	6,008,652
Partners' loan drawn	-	-	14,634	14,634
Temporary return of capital to Partners	-	-	(1,408)	(1,408)
Distributions to Partners	-	-	(133,745)	(133,745)
Net distributed	-	-	(120,519)	(120,519)
Loss for the financial year	-	(5,483,033)	(121)	(5,483,154)
Net assets attributable to Partners at the end of the year	-	16	404,963	404,979

Net Assets Attributable to Partners since inception to 31 December 2015

	General Partner	Carried Interest Partners	Limited Partners	Total
	US\$	US\$	US\$	US\$
Partners' capital drawn	-	16	10	26
Partners' loan drawn	-	-	830,434	830,434
Temporary return of capital to Partners	-	-	(69,368)	(69,368)
Distributions to Partners	-	-	(766,462)	(766,462)
Net drawn / (distributed)	-	16	(5,386)	(5,370)
Total profit on Investments	-	-	410,349	410,349
Net assets attributable to Partners at the end of the period	-	16	404,963	404,979

The notes 1 to 12 form an integral part of these financial statements.

Statement of Cash Flows

	Note	Year ended 31 December 2016 US\$	Year ended 31 December 2015 US\$
Cash flows from operating activities			
Operating loss		(3,460)	(5,483,154)
(Decrease) / increase in creditors due within one year	7	(1,940)	1,289
Net unrealised movements on investment		3,460	5,478,511
Net cash outflow from operating activities		(1,940)	(3,364)
Cash flows from investing activities			
Proceeds from sale of investment		65,534	125,149
Net cash inflow from investing activities		65,534	125,149
Cash flows from financing activities			
Partners' loan drawn		6,551	14,834
Temporary return of capital to Partners		-	(1,408)
Distributions to Partners		(72,085)	(133,745)
Net cash outflow from financing activities		(65,534)	(120,519)
Net (decrease) / increase in cash and cash equivalents		(1,940)	1,276
Cash and cash equivalents at the start of the year		2,203	927
Cash and cash equivalents at the end of the year		263	2,203

The notes 1 to 12 form an integral part of these financial statements.

Notes to the Financial Statements

1. Partnership background

The Partnership is a Scottish Limited Partnership and commenced trading on 31 May 2006. The Partnership's registered office is 1 George Street, Edinburgh, EH2 2LL, UK. The purpose of the Partnership is to be a Founder Partner and an investor in NASP 2006. At its final close, on 17 January 2007, NASP 2006 had a total fund size of US\$302.3 million. At that time the Partnership made a commitment of US\$975,000 as an investor interest and US\$21 of capital as the Founder Partner in NASP 2006. The other investors in NASP 2006 include North American Strategic Partners (Feeder) 2006 ("NASP Feeder 2006") and NASP 2006 General Partner Limited Partnership ("NASP 2006 GP"). NASP 2006 GP made a US\$600,000 commitment to the Partnership in addition to its commitment of US\$1.3 million made directly to NASP 2006. On 28 December 2007, it was decided that no further commitments would be made by NASP 2006 and the fund size was frozen at US\$274.5 million with each Partner's commitment reduced on a pro rata basis. As a result, the Partnership's commitment to NASP 2006 has been reduced to US\$885,300. The term of the Partnership is to continue until 90 days after the termination of NASP 2006 which is expected to be the twelfth anniversary of the final closing. The life of NASP 2006 may be extended by up to three additional one year periods, and thereafter with the agreement of the General Partner and the investors.

The Partnership's General Partner, SLCP (General Partner NASP 2006) Limited, is a Scottish limited company. SL Capital Partners LLP acts as Manager and is authorised and regulated by the Financial Conduct Authority and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. Augustus (UK) Ltd acts as the Administrator to the Partnership. The Partnership has no employees.

2. Statement of compliance

The financial statements of the Partnership have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, the Companies Act 2006 and the Regulations.

The Partnership has chosen to early adopt the Amendments to FRS 102, paragraph 34.22 which revise the disclosure requirements for financial institutions, specifically in relation to the fair value hierarchy, as presented within note 10. These amendments were approved for issue on 3 March 2016 and are otherwise effective for accounting periods beginning on or after 1 January 2017.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are presented in US Dollar, which is also the Partnership's functional currency. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in note 4.

3.2 Going concern

The General Partner has made an assessment of the Partnership's ability to continue as a going concern and is satisfied that the Partnership has the resources to continue in business for the foreseeable future. Furthermore, the General Partner is not aware of any material uncertainties that may cast significant doubt upon the Partnership's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3.3 Consolidation and subsidiaries

The Partnership does not have any subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value in accordance with FRS 102. The fair value of controlled subsidiary investments is determined on a consistent basis to all other investments measured at fair value, and as described in the notes below.

Where the Partnership is deemed to control an underlying subsidiary, whereby the control be via voting rights or through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying subsidiary and its results are also not consolidated and are instead reflected as financial assets at fair value with changes in fair value reflected in the Statement of Comprehensive Income.

The Partnership has a controlled subsidiary which is held as part of its investment portfolio and is measured at fair value. As such no consolidated financial statements are prepared.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.4 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses, are accounted for on an accruals basis in the Statement of Comprehensive Income.

Net income, gains and losses of the Partnership are allocated under the terms of the Limited Partnership Agreement ("the Agreement"). Details are set out in note 3.10.

3.5 Financial instruments

The Partnership has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost, using the effective interest method.

The investment in NASP 2006 is held as an equity investment and is therefore treated as other financial assets, which are initially measured at fair value and subsequently carried at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

These financial liabilities are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant change in value. At 31 December 2016 and 31 December 2015, there were no cash equivalents.

3.7 Taxation

No provision has been made in the financial statements for taxation of the General Partner and the Limited Partners. All Limited Partners are individually responsible for reporting their share of the Partnership's income, gains and losses for taxation purposes.

All Partnership income on the Statement of Comprehensive Income is stated gross of withholding taxes. Withholding tax suffered by the Partnership on the gains and income of its underlying investments is included within expenses. Provisions for withholding tax are calculated based on available information and estimates from underlying investments.

3.8 Net assets attributable to Partners

The Partnership's contributed capital consists of capital and loan contributions. Net assets attributable to Partners are classified as a financial liability, due to the Partnership's finite life and contractual payment provisions to each of the Partners.

3.9 Carried interest entitlement

The entitlement for carried interest, where appropriate, has been calculated on the hypothetical liquidation of the Partners' Capital in NASP 2006 at the year end. This represents the estimated share of Partners' Capital in NASP 2006 that would be attributable to the Founder Partner following the repayment of the Limited Partner Capital Contributions and the Preferred Return.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.10 Distribution of income proceeds and capital proceeds between Partners

The Agreement provides that the General Partner and each Limited Partner share in the profits and losses of NASP 2006 and NASP 2006 Special except that no Limited Partner will become liable for obligations of the Partnership in excess of their commitments. Profits and losses are allocated on the last day of each period.

Per clause 4.4 of the Agreement, after payment of any properly incurred expenses and liabilities of the Partnership, distributions shall be apportioned as follows:

(a) Amounts received by the Partnership from NASP 2006 and attributable to the Partnership's interest in NASP 2006 as the Founder Partner and not as an investor shall be allocated to the Carried Interest Partners in proportion to their respective Carried Interest Shares at the date of the relevant allocation to which the distribution relates;

(b) Amounts received by the Partnership from NASP 2006 and attributable to the Partnership's interest in NASP 2006 as an investor shall be allocated to the Carried Interest Partners in proportion to their respective Investor Commitments (if any) at the date of the relevant allocation to which the distribution relates;

(c) Any amounts of capital contribution of NASP 2006 which are repaid to the Partnership shall be paid to the Limited Partners in proportion to the balances in the capital contribution accounts of such Limited Partners;

(d) Other Distributions: Distributions not described above shall be made to the Carried Interest Partners in proportion to their respective Carried Interest Shares at the date of the relevant allocation to which the distribution relates.

4. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Partnership based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Partnership. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of investments not quoted in an active market

When the fair value of financial assets cannot be derived from an active market, their fair value is determined by using a variety of valuation techniques such as comparable recent arm's length transactions, capital asset pricing model and discounted cash flow.

The investment in NASP 2006 is currently stated at fair value as estimated by the General Partner. The General Partner considers the balance of the Partnership's capital account in NASP 2006 as being equal to fair value.

Notwithstanding this basis of valuation, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

5. Investment in NASP 2006

The Partnership holds an investment in NASP 2006, it is also the Founder Partner of NASP 2006 and is therefore entitled to its share of the profits of NASP 2006. NASP 2006's limited partnership agreement (clause 7.2) provides that the partners of NASP 2006 will receive distributions equalling the sum of: (a) repayment of Partners' Outstanding Capital Commitments; and (b) Preferred Return.

In general, subsequent distributions will be allocated 100% to the Founder Partner until the Founder Partner has received aggregate distributions equalling 5% of net profits from Portfolio Investments.

All remaining distributions in excess of the catch up amount, described above, will be allocated: (a) 5% to the Founder Partner; and (b) 95% to all Limited Partners in proportion to their Loan Commitments.

Notes to the Financial Statements (continued)

6. Expenses

The expenses of the Partnership, including audit fees of US\$14,841, were met by NASP 2006.

7. Creditors due within one year

	At 31 December 2016	At 31 December 2015
	US\$	US\$
Due to Limited Partners	20	1,762
Due to NASP 2006	-	198
	<u>20</u>	<u>1,960</u>

8. Related party transactions

The General Partner of the Partnership is a wholly owned subsidiary of the immediate controlling party, SLCP (Holdings) Limited, which is a subsidiary of the ultimate controlling parent, Standard Life plc.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Partnership. The key management personnel for the Partnership is considered to be the General Partner. During the year ended 31 December 2016, there was no compensation paid (2015: US\$Nil) to the General Partner for the management services provided.

Certain members and employees of the Manager are Carried Interest Partners and investors in the Partnership and are entitled to participate in the profits as disclosed in note 3.10.

At 31 December 2016 US\$Nil (2015: US\$13) was due to NASP 2006 and US\$Nil (2015: US\$185) was due to NASP 2006 GP in relation to withholding tax.

9. Risk management

The financial assets of NASP 2006 are predominantly unsecured investments in limited partnerships, in which the maximum risk is considered to be the amount committed to the fund investments.

The investing activities of NASP 2006 expose it to various types of risk that are associated with the financial instruments and markets in which NASP 2006 invests. The most important types of financial risks which NASP 2006 and therefore the Partnership, are exposed to are market risk, credit risk and liquidity risk. The risk management policies employed by the Partnership are detailed below:

9.1 Market risk

The Partnership is at risk of the economic cycle impacting the quoted markets and hence potentially the pricing of investment deals, the valuation of underlying investments and the price and timing of exits. Market risk comprises interest rate risk, currency risk and price risk.

The Partnership has no material exposure to interest rate risk, currency risk or price risk at 31 December 2016 and 31 December 2015. Therefore no sensitivity analysis has been performed.

9.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Partnership's credit risk is mainly arising from the Partnership's investment in NASP 2006. The Partnership monitors the performance of NASP 2006 and its underlying investments.

The Partnership places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2016, all of the Partnership's cash was held by Societe Generale which was rated "A" by Standard & Poor's at the date of the Report of the General Partner.

9.3 Liquidity risk

Liquidity risk is the risk that the Partnership may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Notes to the Financial Statements (continued)

9. Risk management (continued)

9.3 Liquidity risk (continued)

Investments in unquoted equity are less marketable than quoted equity, as they have to be sold privately via a secondary market subject to approval of the General Partner of the Fund rather than on a public stock market. As a result the Partnership may not be able to quickly liquidate its investments at an amount close to its fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

During the year ended 31 December 2016 the Partnership generated a loss from operations of US\$3,460 (2015: US\$5,483,154) and cash resources at the end of the year amounted to US\$263 (2015: US\$2,203). The liabilities of the Partnership (excluding net assets attributable to Partners) are due on demand. In addition, the Partnership had available to it undrawn commitments of US\$117,673 (2015: US\$124,222) from its Limited Partners, which are also due on demand.

9.4 Capital risk management

The capital of the Partnership is represented by the net assets attributable to Partners. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for Partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Partnership. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitments from the Limited Partners or distribute funds to the Limited Partners.

The General Partner monitors capital on the basis of the value of net assets attributable to Partners.

The Partnership has no material exposure to capital risk at 31 December 2016 and 31 December 2015. Therefore no sensitivity analysis has been performed.

10. Financial assets at fair value through profit or loss

FRS 102 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety should be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The categorisation of a Partnership investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the General Partner's perceived risk of the investment. The investment is classified within Level 3 as it has unobservable inputs and is traded infrequently or not at all.

The determination of what constitutes "observable" requires significant judgement by the General Partner. The General Partner considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Partnership's investment measured at fair value.

Notes to the Financial Statements (continued)

10. Financial assets at fair value through profit or loss (continued)

At 31 December 2016

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	335,742	335,742

At 31 December 2015

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	404,736	404,736

Determining the fair value of the Partnership's investment requires judgement and considers factors specific to the investment. The valuation policies applied by the General Partner are detailed in note 4.1.

The changes in the investment measured at fair value for which the Partnership has used Level 3 inputs to determine fair value are as follows:

	31 December 2016 US\$	31 December 2015 US\$
Balance at the start of the year	404,736	6,008,396
Sales	(65,534)	(125,149)
Realised and unrealised losses on investment	(3,460)	(5,478,511)
Balance at the end of the year	<u>335,742</u>	<u>404,736</u>
Unrealised movement included in profit or loss relating to investment still held at the reporting date	<u>(3,460)</u>	<u>(5,478,511)</u>

11. Commitments and Contingencies

At 31 December 2016, the Partnership had a commitment of US\$885,300 (2015: US\$885,300) as an investor in NASP 2006, and as of 31 December 2016 has funded US\$782,997 (2015: US\$756,447). The Partnership has also committed and funded US\$16 (2015: US\$16) as the Founder Partner in NASP 2006. In addition the Partnership has unfunded commitments including recallable distributions of US\$122,302 (2015: US\$128,853).

There are no contingent assets or liabilities that require disclosure in the financial statements at the year end.

12. Events after the reporting date

Subsequent events have been evaluated up to 4 May 2017. There are no significant events identified after the reporting date.