REGISTERED NUMBER: OC383390

KINGSWAY CAPITAL LLP (CHANGE OF NAME TO ASH PARK CAPITAL LLP on 14 August 2018)

ANNUAL REPORT AND FINANCIAL STATEMENTS

♦ *Year ended 31 March 2018* ♦

CONTENTS

REPORT OF THE MEMBERS

The members of Kingsway Capital LLP ("the LLP") present the annual report and audited financial statements for the year ended 31 March 2018.

Principal Activity

The principal activity of the LLP is the provision of investment advisory and management services.

Business Review and Future Developments

The LLP was authorised by the Financial Conduct Authority ("FCA") as an alternative investment fund manager on 1 May 2015.

For the period 1 April 2017 to 31 January 2018, the LLP provided investment management services to six funds. At the end of this period the LLP transferred its business to Kingsway Capital Partners Limited and became dormant.

The members expect to resume regulated activities within six months of the date of this report and have therefore prepared these financial statements on a going concern basis.

The profit for the year is shown in the income statement on page 7.

Members

Members during the year and up to the date of this report were:

Member	Appointed	Resigned
Manuel Stotz (designated member)	14/03/2013	
Patrick Nelson	14/03/2013	31/01/2018
Tamir Saeed	11/11/2014	12/12/2017
Yaser Anwar	13/01/2015	12/12/2017
Conor McNaughton	11/11/2014	31/01/2018
Afonso Campos	01/06/2015	12/12/2017
James Isenwater (designated member)	02/11/2015	
Jonathan Fell (designated member)	02/11/2015	
Maurits Pot	01/07/2016	12/12/2017
Sunil Sharda	01/08/2016	12/12/2017
Mark Purdy	19/07/2016	
Harold Thompson	19/07/2016	
Sam Neckar	01/02/2017	12/12/2017
Taube Hodson Stonex Partners (UK) Limited	01/07/2015	12/12/2017

REPORT OF THE MEMBERS - continued

Policies for Members Profits, Bonuses, Drawings, Subscriptions and Repayment of Members Capital

Policies for members' profits, drawings and transfers from equity to debt, subscriptions and repayment of members' capital are governed by the Limited Liability Partnership Agreement ("the Agreement") dated 8 January 2018 (previously dated 2 November 2015). In summary, the Executive Committee determines the capital contribution to be made by each member which shall be repayable only on winding-up of the LLP or except as specifically provided in the Agreement. The Executive Committee has discretion to determine the level of each member's drawings and each member is allowed to withdraw amounts standing to the credit of their Distribution Account.

Principal Risks and Uncertainties

The LLP provides investment management services to funds specialising in consumer staples in global markets and therefore it is exposed to the general risks and uncertainties of the financial markets. The principal risk that the LLP faces is loss of reputation resulting from poor investment decisions. Other key risks include: foreign exchange risk as evidenced by its US dollar and Euro denominated income; credit risk arising from trade debtors and cash held with banks; and liquidity risk that the available cash is insufficient for the LLP to meet its obligations associated with its financial liabilities. The LLP formally reviews all risks and establishes appropriate procedures and controls to monitor and mitigate them and limit the adverse effects on the financial performance of the LLP. In particular, the LLP assesses the credit quality of its counterparties by taking into account their financial position, past experience, any independent credit ratings and other factors. The financial and regulatory compliance functions are outsourced to a third party provider thus offering a degree of independence during the process of control.

Pillar 3 Disclosures

The LLP has documented the disclosures required by the FCA under BIPRU II in the unaudited Appendix to these financial statements.

Disclosure of Information to Auditors

It is stated by the members who held office at the date of approval of this Members' Report that, so far as they are aware, there is no relevant audit information of which the LLP's auditors are unaware, and all the members have taken all the steps that they ought to have taken as members to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Auditor

Rawlinson & Hunter Audit LLP, the independent auditor of the LLP, have indicated their willingness to continue in office. A resolution concerning their re-appointment will be proposed at a meeting of the members.

This report was approved and signed on behalf of Kingsway Capital LLP on 6 July 2018 by:

James Isenwater	Manuel Stotz
Designated Member	Designated Member

STATEMENT OF MEMBERS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ("the Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the LLP'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 UK and Republic of Ireland'). Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members 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 UK Accounting Standards 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 LLP will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSWAY CAPITAL LLP

OPINION

We have audited the financial statements of Kingsway Capital LLP ("the LLP") for the year ended 31 March 2018, which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2018 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 limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The members are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSWAY CAPITAL LLP - continued

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability 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
- we have not received all the information and explanations we require for our audit; or

RESPONSIBILITIES OF MEMBERS

As explained more fully in the Members' responsibilities statement on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Rawlinson & Hunter Audit LLP

Kulwarn Nagra (Senior Statutory Auditor)
For and on behalf of
Rawlinson & Hunter Audit LLP, Statutory Auditor & Chartered Accountants
Eighth Floor, 6 New Street Square
New Fetter Lane, London
EC4A 3AQ

6 July 2018

INCOME STATEMENT
for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Turnover	1	12,470,625	12,631,964
Other operating income		42,144	-
Administration expenses		(2,533,057)	(2,014,887)
Operating profit	2	9,979,712	10,617,077
Interest receivable and similar income		62,105	4,094
Profit for the year before members' remuneration and profit shares		10,041,817	10,621,171
Members' remuneration charged as an expense		(2,807,991)	(4,953,387)
Profit for the year available for discretionary division among members		7,233,826	5,667,784

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Profit for the year available for discretionary division among members	7,233,826	5,667,784
Other comprehensive income	-	-
Total comprehensive income for the year	7,233,826	5,667,784

All activities relate to discontinued operations.

The notes on pages 11 to 19 form part of these financial statements.

BALANCE SHEET
as at 31 March 2018

	Note	31 March 2018 £	31 March 2017 £
Fixed Assets			
Tangible assets	5	-	89,397
Current assets			
Debtors	6	276	7,470,604
Cash at bank and in hand		200,546	385,707
		200,822	7,856,311
Current liabilities			
Creditors: amounts falling due within one year	7	(422)	(288,514)
Net current assets		200,400	7,567,797
Net assets attributable to members		200,400	7,657,194
Represented by:			
Loans and other debts due to members within one year	9	-	1,048,310
Members' other interests classified as equity			
Members' capital	9	200,400	941,100
Other reserves	9	-	5,667,784
		200,400	6,608,884
		200,400	7,657,194
Total members' interests:			
Members' other interests	9	200,400	6,608,884
Loans and other debts due from members	9	(276)	(3,669,993)
Loans and other debts due to members	9	-	1,048,310
		200,124	3,987,201

The financial statements were approved on 6 July 2018 and signed by the designated members:

James Isenwater
Designated Member

Manuel Stotz
Designated Member

Kingsway Capital LLP
Company No: OC383390

The notes on pages 11 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2018

	Members' capital (classified as equity) £	Other reserves £	Total £
Members' interests at 1 April 2016	940,800	2,013,459	2,954,259
Profit for the year available for discretionary division among members	-	5,667,784	5,667,784
Members' interests after profit for the year	940,800	7,681,243	8,622,043
Introduced by members	300	-	300
Allocation of profit	-	(2,013,459)	(2,013,459)
Members' interests at 31 March 2017	941,100	5,667,784	6,608,884
Members' interests at 1 April 2017	941,100	5,667,784	6,608,884
Profit for the year available for discretionary division among members	-	7,233,826	7,233,826
Members' interests after profit for the year	941,100	12,901,610	13,842,710
Introduced by members	200,800	-	200,800
Repaid to members	(941,500)	-	(941,500)
Allocation of profit	-	(12,901,610)	(12,910,610)
Members' interests at 31 March 2018	200,400	-	200,400

The notes on pages 11 to 19 form part of these financial statements.

CASH FLOW STATEMENT
for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Net cash generated from operating activities	10	13,576,694	9,640,916
Cash flow from investing activities			
Interest received		66,030	169
Proceeds from disposal of tangible fixed assets		56,947	913
Purchase of tangible fixed assets		(16,554)	(42,018)
Net cash generated from/(used in) investing activities		106,423	(40,936)
Cash flow from financing activities			
Capital introduced by members		200,800	300
Capital repaid to members		(941,500)	-
Drawings paid to members		(13,331,228)	(9,095,685)
Loans repaid by/(provided to) members		243,034	(243,312)
Net cash used in financing activities		(13,828,894)	(9,338,697)
Net (decrease)/increase in cash and cash equivalents		(145,777)	261,283
Exchange loss on cash and cash equivalents		(39,384)	(82,493)
Cash and cash equivalents at the beginning of year		385,707	206,917
Cash and cash equivalents at end of year		200,546	385,707

The notes on pages 11 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

1. ACCOUNTING POLICIES

General information
Kingsway Capital LLP ("the LLP") is a Limited Liability Partnership incorporated in the United Kingdom. The address of its registered office is 6 New Street Square, New Fetter Lane, London, EC4A 3AQ.

Statement of compliance
The financial statements of the LLP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102'), the Amendments to FRS 102 (issued in July 2015) and the Companies Act 2006.

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.

a) **Basis of accounting**
The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice: Accounting by Limited Liability Partnerships (2017 version). Applicable accounting standards and policies in the United Kingdom are applied consistently.

b) **Going concern**
On the basis of their assessment of the LLP's financial position and resources, the members believe that the LLP is well placed to manage its business risks and they have a reasonable expectation that the LLP has adequate resources to resume regulated activities and continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) **Turnover**
Turnover comprises investment management fees. Fees are recognised in the income statement in the period in which services have been provided in accordance with the investment management agreements, exclusive of value added tax. In the current year 88%, 8% and 4% (2017: 87%, 7% and 6%) of turnover was derived from Luxembourg, the Republic of Ireland and the Cayman Islands respectively.

d) **Administrative expenses**
Administrative expenses relate to costs incurred by the LLP in relation to the administration of the business of the LLP and are recognised on an accruals basis.

e) **Taxation**
No provision for taxation is made in the LLP's financial statements as any liability arising is assessable directly on the individual members.

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (CONTINUED)

f) Foreign currencies

Functional and presentation currency:
The LLP's functional and presentation currency is pound sterling.

Transactions and balances:
Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within operating profit.

g) Employee benefits

The LLP provides benefits to any employees, including a defined contribution pension scheme and holiday pay.

Short term benefits:
Short-term employee benefits such as salaries and compensated absence are recognised as an expense in the year employees render services to the LLP. A liability is recognised at each balance sheet date to the extent that employee holiday allowance has been accrued but not taken, the expense being recognised as staff costs in the income statement.

Pension contributions:
Pension contributions to occupational or personal pension schemes for eligible employees are accounted for in the income statement on an accruals basis.

h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, any deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisitions and that are readily convertible to known amounts of cash with insignificant risk of change in value.

i) Financial instruments

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

(i) Financial assets
Basic financial assets, including debtors 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.

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement immediately.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement immediately.

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.

(ii) Financial liabilities
Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

The LLP does not hold or issue derivative financial instruments.

(iii) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (CONTINUED)

j) Tangible assets

Tangible assets are stated at historical purchase cost less accumulated depreciation. Costs include those costs which are directly attributable to bringing the asset into working condition for its intended use.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, over their estimated useful lives. It is calculated on a straight-line basis over the following period:

Furniture & fittings	- 36 months
Office equipment	- 36 months
Computer equipment	- 36 months
Leasehold improvements	- period from date of purchase to end of lease

k) Leases

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

Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

l) Members' remuneration and interests

Members' rights to participate in the profits or losses, or assets of the LLP are analysed between those that give rise to, from the LLP's perspective, either a financial liability or equity, in accordance with Sections 11 and 12 of FRS 102 'Basic Financial Instruments' and 'Other Financial Instruments Issues' respectively and Section 22 of FRS 102 'Liabilities and Equity'. Members' different participation rights are analysed separately into liability and equity elements. Where the LLP has a contractual obligation to deliver cash or another financial asset to the member, the capital is treated as debt. Where the LLP has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts (i.e. repayment of the member's capital is discretionary), it is treated as equity.

(i) Members' remuneration
Non-discretionary amounts becoming due to members in respect of participation rights in the profits of the LLP for an accounting period that give rise to liabilities are presented as an expense within the income statement (within the heading Members' remuneration charged as an expense).

Amounts becoming due to members in respect of equity participation rights, following a discretionary division of profits, are debited directly to equity in the accounting period in which the division occurs.

(ii) Members' interests
Such amounts are not presented as an expense within the income statement. A discretionary division of profits that takes place after the balance sheet date is a non-adjusting event under section 32 of FRS 102, 'Events after End of the Reporting Period'.

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2018

1. ACCOUNTING POLICIES (CONTINUED)

m) Critical judgements and estimates in applying the accounting policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. No judgements or estimates were applied that had a significant effect on the amounts recognised in the financial statements.

2. OPERATING PROFIT

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
This is stated after charging/(crediting):		
Staff costs (note 3)	217,080	282,015
Auditor's remuneration:		
Fees payable to the LLP's auditor for the audit of the annual financial statements	8,240	8,240
Fees payable to the LLP's auditor for other services:		
- other services relating to taxation	2,925	6,310
- other services	500	500
Operating lease rentals - property	114,804	153,900
Depreciation	48,098	50,524
Foreign exchange gain	(65,616)	(187,179)

3. EMPLOYEES

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Wages and salaries	194,052	248,951
Other pension costs	3,472	5,000
Social security costs	19,556	28,064
	217,080	282,015

Other pension costs include defined contributions to a personal pension plan. At the year end, outstanding contributions to the personal pension plan were £Nil (2017: £Nil).

The average monthly number of persons employed by the LLP during the year was as follows:

	2018	2017
Office and management	4	4

NOTES TO THE FINANCIAL STATEMENTS – continued
for the year ended 31 March 2018

4. MEMBERS

During the year no members received remuneration other than their entitlement to LLP profit. There were no additional key management personnel.

The profit for the year available for discretionary division among members was £7,233,826 (2017: £5,667,784), and this had been fully allocated to members at 31 March 2018.

The largest allocation of profit to a member during the year was £5,670,980 (2017: £3,724,535).

The average monthly number of members during the year was as follows:

	2018	2017
Office and management	11	12
Corporate member	1	1
	12	13

5. TANGIBLE ASSETS

	Furniture & fixtures	Office equipment	Computer equipment	Leasehold improvements	Total
	£	£	£	£	£
Cost:					
At 1 April 2017	71,285	26,286	41,902	35,658	175,131
Additions	1,184	9,202	6,168	-	16,554
Disposals	(72,469)	(35,488)	(48,070)	(35,658)	(191,685)
At 31 March 2018	-	-	-	-	-
Depreciation:					
At 1 April 2017	39,272	14,398	19,340	12,724	85,734
Charge for year	19,940	7,958	12,656	7,544	48,098
Disposals	(59,212)	(22,356)	(31,996)	(20,268)	(133,832)
At 31 March 2018	-	-	-	-	-
Net book value:					
At 31 March 2018	-	-	-	-	-
At 31 March 2017	32,013	11,888	22,562	22,934	89,397

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2018

6. DEBTORS

	31 March 2018 £	31 March 2017 £
Trade debtors	-	3,128,081
Amounts due from members (note 9)	276	3,669,993
Prepayments and accrued income	-	362,111
Other debtors	-	95,290
VAT receivable	-	20,115
Amounts falling due within one year	276	7,275,590
Amounts falling due after more than one year:		
Rent deposit	-	195,014
	276	7,470,604

7. CREDITORS: amounts falling due within one year

	31 March 2018 £	31 March 2017 £
Trade creditors	-	140,841
Other creditors	-	-
Other taxes and social security	-	3,874
Accruals	422	143,799
	422	288,514

8. FINANCIAL INSTRUMENTS

	31 March 2018 £	31 March 2017 £
Financial assets at fair value through profit and loss (a)	200,546	385,707
Financial assets that are debt instruments measured at amortised cost (b)	276	7,340,550
Financial liabilities at fair value through profit and loss	-	-
Financial liabilities measured at amortised cost (c)	422	284,640

(a) consists of cash at bank and in hand
(b) consists of amounts due from members (2017: trade debtors, amounts due from members, accrued income, other debtors and the rent deposit)
(c) consists of accruals (2017: trade creditors and accruals)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2018

9. RECONCILIATION OF MOVEMENTS IN MEMBERS' OTHER AND TOTAL INTERESTS

	Members' capital £	Other reserves classified as equity £	Total £	Loans and other debts due to/from members £	2018 Total £	2017 Total £
Amounts due to members	-	-	-	1,048,310	-	-
Amounts due from members	-	-	-	(3,669,993)	-	-
Opening members' interests	941,100	5,667,784	6,608,884	(2,621,683)	3,987,201	2,704,727
Members' remuneration charged as an expense	-	2,807,991	2,807,991	-	2,807,991	4,953,387
Profit for the year available for discretionary division among members	-	7,233,826	7,233,826	-	7,233,826	5,667,784
Members' interests after profit for the year	941,100	15,709,601	16,650,701	(2,621,683)	14,029,018	13,325,898
Allocation of profit	-	(15,709,601)	(15,709,601)	15,709,601	-	-
Introduced by members	200,800	-	200,800	-	200,800	300
Repaid to members	(941,500)	-	(941,500)	-	(941,500)	-
Drawings	-	-	-	(13,331,228)	(13,331,228)	(9,095,685)
Other movements	-	-	-	243,034	243,034	(243,312)
	200,400	-	200,400	(276)	200,124	3,987,201
Amounts due from members	-	-	-	(276)	-	-
Members' interests	200,400	-	200,400	(276)	200,124	3,987,201

Members' capital amounts may only be returned to a member where either a) an amount equal to the amount to be returned is first contributed to the LLP as additional capital by one or more other member; b) the LLP receives regulatory approval to reduce its capital; or c) the LLP is wound up or otherwise dissolved.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2018

10. RECONCILIATION OF PROFIT TO NET CASH FROM OPERATING ACTIVITIES

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Profit for the year	7,233,826	5,667,784
Members' remuneration charged as an expense	2,807,991	4,953,387
Interest income	(62,105)	(4,094)
Operating profit	9,979,712	10,617,077
Decrease/(increase) in debtors	3,796,687	(1,147,680)
(Decrease)/increase in creditors	(288,092)	38,011
Depreciation	48,098	50,524
Loss on disposal of tangible assets	905	491
Foreign exchange translation adjustment	39,384	82,493
Net cash generated from operating activities	13,576,694	9,640,916

11. FINANCIAL COMMITMENTS

Operating Leases

As at 31 March 2018 the LLP had no future minimum lease payments under non-cancellable operating leases for land and buildings:

	31 March 2018 £	31 March 2017 £
Within one year	-	162,000
Between one and two years	-	162,000
Between two to five years	-	93,205
	-	417,205

12. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

Kingsway Capital LLP ("the LLP") is under the immediate control of the designated members.

13. RELATED PARTY TRANSACTIONS

During the year Kingsway Capital Advisors LLP ("KCA") was the Appointed Representative of the LLP providing research and advisory regulated services to the LLP. KCA received from the LLP related fees of £736,272. As at 31 March 2018 no balances were to be paid between the LLP and KCA. Former members of the LLP are members of KCA.

On 31 January 2018 Kingsway Capital Partners Limited ("KCPL") acquired the business and net assets, excluding cash, of the LLP, as part of a group reconstruction. KCPL is ultimately controlled by Manuel Stotz who is also a designated member of the LLP.

APPENDIX: PILLAR 3 AND REMUNERATION DISCLOSURE

The following Appendix does not form part of the audited financial statements:

Kingsway Capital LLP ("the Firm") was authorised by the Financial Conduct Authority ("FCA") as a full scope Alternative Investment Fund Manager ("AIFM") on 1 May 2015. The Firm is authorised to provide discretionary investment management services to Alternative Investment Funds ("AIFs") and segregated managed accounts.

For regulatory capital purposes the Firm is categorised by the FCA as a collective portfolio management investment firm ("CPMI") and a BIPRU (Prudential sourcebook for Banks, Building Societies and Investment Firms) investment firm.

Pillar 3 disclosure fulfils the Firm's obligation to disclose key information on its risk exposures and risk assessment processes, regulatory capital and remuneration arrangements.

I. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Firm's Executive Committee has ultimate responsibility for establishing the Firm's business strategy, risk tolerance and risk management framework. It is supported by the Firm's Risk Management Committee which has responsibility for ensuring the effective operation of the risk management framework.

The Firm-wide business risks identified, including the controls in place to mitigate these risks, are documented in the Firm's Internal Capital Adequacy Assessment Process document ("ICAAP"). This document is reviewed no less than annually and updated in the event of any material change to the Firm's business or risk profile.

Although no client relationship is being conducted as at the date of these accounts, the following key risks are relevant to the Firm in its capacity as an AIFM and, as relevant, will apply to the resumption of investment management activity following the transfer of clients from an alternate investment manager.

1. Corporate Governance Risks

In order to manage its business affairs effectively the Firm operates with adequate internal arrangements including a proper organisational structure and well defined lines of responsibility for its staff, the ability to oversee any outsourced functions and identify and manage conflicts of interests. These risks are largely mitigated through the Firm having a small number of staff and a simple business model.

2. Business & Market Risks

The Firm considers that its key resource is the quality and experience of its staff, especially the loss of the Firm's founder, and provider of the Firm's capital, and the key portfolio managers. The Firm's ICAAP assesses the adequacy of capital to cover the Firm's cost to close in a worst case scenario. All key staff are members ("Partners") of the Firm, a limited liability partnership, and are incentivised to benefit from profits in proportion to their designated profit share.

The Firm relies upon the retention, and the investment performance, of client portfolios that it manages to generate revenue. The Firm is therefore exposed to the risk of investor redemptions and/or a material decline in the value of client portfolios due to adverse market conditions. Where it provides investment management services the Firm mitigates its investment risks through its due diligence process, monitoring of its investment risk limits and the experience of staff.

APPENDIX: PILLAR 3 AND REMUNERATION DISCLOSURE (CONTINUED)

I. RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

3. Operational Risks

The Firm is exposed to risks inherent in a possible failure of its operational controls resulting for example in trading errors or incorrect client valuations, failure or errors of third party service providers, systems failures and cybersecurity threats. The Firm mitigates these risks through the ongoing review of its operational procedures. It also holds professional indemnity insurance, has implemented business continuity arrangements and external cyber-security "penetration" testing.

4. Prudential and Credit Risks

The Firm is exposed to the risk of non-payment of management fees by its clients and counterparty exposure relating to the Firm's trade debtors, bank accounts and other debtors. Management fees are paid monthly or quarterly and are regularly monitored. The Firm holds its cash balances with a large, creditworthy regulated UK bank. The Firm's approach to calculating its credit risk requirement is described in II. Capital Adequacy below.

5. Legal and Reputational Risks

The Firm operates in developed, regulated markets and is exposed to the potential risk of a material regulatory breach, market abuse and/or bribery. It aims to mitigate such risks through its compliance policies and procedures and ensuring that its staff are aware of their responsibilities in this respect. All investment decisions are taken by experienced portfolio managers and the Firm holds professional indemnity insurance.

6. Liquidity Risks

The Firm is required to maintain sufficient levels of liquidity to ensure that it can meet its liabilities as they fall due in accordance with its Liquidity Policy and, as an AIFM, to hold liquid assets in excess of capital required. The Firm maintains sufficient cash reserves to meet its working capital requirements in case of an unexpected shortfall. Debtors have historically settled promptly with these, cash positions and expected cash flows being monitored regularly by senior management.

APPENDIX: PILLAR 3 AND REMUNERATION DISCLOSURE (CONTINUED)

II. CAPITAL ADEQUACY

As a CPMI firm the Firm is subject to both the regulatory capital regimes of the Alternative Investment Fund Managers Directive ("AIFMD"), in respect of its AIFs, and relevant provisions applicable to investment firms contained in the Capital Requirement Directive ("CRD"), as amended.

Capital requirements arising from Pillar 1 and Pillar 2 of the CRD are compared to any higher requirements arising from the AIFMD asset based capital calculation and professional indemnity insurance ("PII") elements to derive the total regulatory capital required by the Firm.

The CRD Pillar 1 capital requirement is the greatest of:

1. a base capital requirement of Euro 50,000;
2. the sum of market and credit risk requirements; and
3. the Fixed Overhead Requirement ("FOR").

Pillar 2 capital is any additional capital assessed by the Firm, or the FCA, that is needed to safeguard against current and future risks not adequately covered under the Pillar 1 capital requirement, taking into account the specific risks which the Firm may face and the internal controls which the Firm has put in place to mitigate those risks. The Firm's ICAAP, stress-tested through financial forecasting, breakeven analysis and, in order to address the worst case scenario, the Firm's costs to close, has confirmed that no additional Pillar 2 capital is required in excess of its Pillar 1 capital requirement.

The Firm's capital requirement typically consists of the FOR, although market and credit risks are reviewed monthly. In accordance with FCA Rules, credit risk arising on outstanding investment fees and bank balances is calculated using a standardised approach, being 8% of the relevant risk weighted exposure amount.

As at 31 March 2018 the Firm's regulatory capital position was:

Capital item	**£000**
Tier 1 Capital: Partners' Capital less Profit and Loss	200
Total Capital Resources Requirement: Fixed Overhead Requirement and the AIFMD own funds and PII capital requirement	110

III. THE REMUNERATION CODE

The aim of the Remuneration Code ("the Code") is to ensure that firms have remuneration policies which promote and are consistent with effective risk management, and do not expose firms to excessive risk. Remuneration as defined by the Code includes all forms of fixed remuneration and variable remuneration but excludes amounts awarded as a return on capital.

The Firm is classified as a Proportionality Level Three, the lowest risk category, as it does not manage or trade proprietary positions. This means that the Firm can dis-apply many of the technical requirements of the Code.

The Firm is also subject to the AIFMD Remuneration Code ("AIFMD Code") and having considered the application of both Remuneration Codes, and particularly the FCA's approach to proportionality in the application of the AIFMD Code in dis-applying the Pay-out Process Rules, relating to deferral, payment in AIF units or equivalent and performance adjustment, the Firm is satisfied that its remuneration arrangements are not required to vary depending upon which Remuneration Code is applicable. The Firm has also determined that it can dis-apply the Pay-out Process Rules.

APPENDIX: PILLAR 3 AND REMUNERATION DISCLOSURE (CONTINUED)

III. THE REMUNERATION CODE (CONTINUED)

1. Remuneration Policies

The Firm has established a Remuneration Policy which addresses potential conflicts of interest arising from remuneration arrangements by taking into account the controls in place to guard against the Firm's authorised persons being rewarded for taking inappropriate levels of risk. The Firm is satisfied that the policies in place are appropriate to its size, internal organization and the nature, scope and complexity of its activities.

2. The Decision Making Process

The Firm's Executive Committee determines the Firm's remuneration arrangements and individual rewards, ensuring that they are consistent with the Firm's level of tolerated risk and financial and regulatory capital considerations.

3. Code Staff and Senior Management

Code Staff are staff assessed as having a material impact on the Firm's risk profile, including senior management constituting members of the Executive Committee. During its financial year ending 31 March 2018, the Firm had a total of thirteen Code Staff, all of whom were Partners of the Firm, of which six were members of the Executive Committee during the financial year.

4. Link between Pay and Performance

Partners are allocated a profit share for each financial year made up of a "Priority Profit Share", constituting fixed monthly drawings by each Partner in anticipation of and on account of his/her share of profits for that financial year, and a discretionary profit share, the "Residual Profit Share". For staff managing Kingsway Funds, prior to their transfer to a new regulated investment management entity, the Residual Profit Share was determined by the Executive Committee, based upon the performance of the Firm and the contribution of each Partner. The Residual Profit Share for the principals managing the Ash Park Funds consists of a pre-agreed percentage share of the net profits relating to the fee revenue derived from the client portfolios which they manage, less certain pre-determined expenses directly associated with the management of these portfolios.

Partners involved in managing the Kingsway Funds are entitled to receive additional performance related remuneration ("Carry") through participation as limited partners in special purpose affiliated vehicles ("Carry Partnerships").

Employees received a salary and an annual discretionary bonus, determined by the Executive Committee based upon their individually assessed contribution to the Firm.

5. Quantitative Remuneration Data

The aggregate remuneration for staff assessed as Code Staff for the Firm for the year ended 31 March 2018, is £2,913,014. Remuneration for the financial year considered as "fixed" for the purpose of this disclosure was £1,626,186, of which £780,645 relates to Senior Managers, and £1,286,828 has been treated as "variable" remuneration, of which £636,910 relates to Senior Managers. Variable remuneration consists of Residual Profit Share determined pursuant to the discretion of the Executive Committee. During the financial year to 31 March 2018 no remuneration awards in respect of the Carry Partnerships were awarded.