

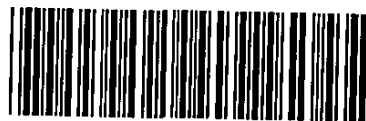
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PROSPECT INVESTMENT MANAGEMENT (I) LLP

REPORT AND UNAUDITED ACCOUNTS

YEAR ENDED 31 MARCH 2012

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COMPANIES HOUSE

PROSPECT INVESTMENT MANAGEMENT (I) LLP

I N D E X

Year ended 31 March 2012

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PROSPECT INVESTMENT MANAGEMENT (I) LLP

G E N E R A L I N F O R M A T I O N

Year ended 31 March 2012

Designated members	D J Morrison D B Newlands I A Diacono K M Robinski V A Morrison Prospect Investment Management Limited
Registered office	22 Chancery Lane London WC2A 1LS
Registered number	OC 310021
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ
Solicitors	S J Berwin 10 Queen Street Place London EC4R 1BE
FSA membership number	425516
FSA principal firm	
Name	Prospect Investment Management Limited
FSA membership number	189093

PROSPECT INVESTMENT MANAGEMENT (I) LLP

M E M B E R S ' R E P O R T

Year ended 31 March 2012

The members present their report and unaudited accounts for the year ended 31 March 2012

Activities and future prospects

The LLP is registered with the Financial Services Authority (FSA) as an appointed representative for its designated member, Prospect Investment Management Limited

The principal activity of the LLP is that of providing investment advice

The members are satisfied with the financial position of the LLP at the year end and its result for the year. The members expect that the present level of activity will be sustained for the foreseeable future

Results for the year and allocation to members

The profit for the year available for division among the members was £1,164,689 (2011 - £656,528)

Designated members

Those members who held the position of designated member during the year are shown on page 2

Members' interests

Members are required to subscribe for capital in accordance with the LLP deed dated 31 March 2005 and the members' individual agreed terms. No interest is paid on capital

No member has the right directly or indirectly to withdraw or receive back any part of their subscribed capital, other than pro-rata to their capital contributions, except upon ceasing to be a member or upon the termination and dissolution of the LLP

Members may receive drawings representing payment on account of profits to be allocated on a monthly basis subject to there being profits available. Members are allocated residual profits for a financial year following the finalisation of the financial statements for that year. The partnership retains from a member's profit allocation and drawings such amounts as may be required to cover any current or foreseen losses, liabilities and expenditure of the LLP

Members shall be allocated investment realisation proceeds, upon the sale or other realisation of an investment, in proportion to the agreed terms for that investment

Approved by the members on 3 July 2012 and signed on their behalf by-



D J MORRISON
Designated member

PROSPECT INVESTMENT MANAGEMENT (I) LLP**PROFIT AND LOSS ACCOUNT****Year ended 31 March 2012**

	Note	2012 £	2011 £
Turnover	1	1,317,821	885,875
Administrative expenses		<u>(153,456)</u>	<u>(229,701)</u>
Operating profit	2	1,164,365	656,174
Interest receivable		<u>324</u>	<u>354</u>
Profit for the financial year before members' remuneration and profit shares		1,164,689	656,528
Members' remuneration charged as an expense		<u>(1,164,689)</u>	<u>(656,528)</u>
Profit before and after tax for the financial year available for discretionary division among members		-	-

PROSPECT INVESTMENT MANAGEMENT (I) LLP

LLP number: OC 310021

B A L A N C E S H E E T

At 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	3		890		1,163
Investments	4	380,310		371,709	
Less: non-recourse liability	4	(366,386)		(371,709)	
			13,924		-
			<u>14,814</u>		<u>1,163</u>
Current assets					
Debtors	5		-		4,050
Cash at bank and in hand			48,866		67,727
			<u>48,866</u>		<u>71,777</u>
Creditors amounts falling due within one year	6		(40,941)		(45,956)
Net current assets			<u>7,925</u>		<u>25,821</u>
Total assets less current liabilities			<u>22,739</u>		<u>26,984</u>
Represented by					
Loans and other debts due to members within one year - classified as a liability under FRS 25			<u>22,739</u>		<u>26,984</u>
Total members' interests					
Loans and other debts due to members	7		<u>22,739</u>		<u>26,984</u>

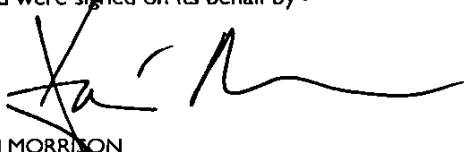
Members' statement

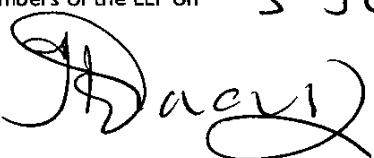
For the year ended 31 March 2012 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 as applied to Limited Liability Partnerships by the Limited Liability Partnerships' (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small companies

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to Limited Liability Partnerships subject to the small Limited Liability Partnerships regime of the Companies Act 2006 (as applied to Limited Liability Partnerships)

The accounts on pages 4 to 9 were approved by the members of the LLP on 3 July 2012 and were signed on its behalf by -


D J MORRISON
Designated member


I A DIACONO
Designated member

PROSPECT INVESTMENT MANAGEMENT (I) LLP

ACCOUNTING POLICIES

Year ended 31 March 2012

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008) and the Statement of Recommended Practice Accounting by Limited Liability Partnerships. The particular accounting policies adopted are as below:

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment - 2 years straight line
Office equipment - 5 years straight line

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Investments

Investments and related non-recourse liabilities are stated at cost less provision for any permanent diminution in value. Where the investments are denoted in foreign currencies, the balances for the investment and the associated non-recourse liability are recorded at the exchange rate ruling at the balance sheet date.

Income recognition

Income is recognised in the accounts in the year to which it relates on an accruals basis.

Members' remuneration

A member's share in the profit or loss for the year is accounted for as an allocation of profits.

Operating leases

Rental payable under the operating lease is charged on a straight line basis over the term of the lease.

PROSPECT INVESTMENT MANAGEMENT (I) LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

1. Turnover

Turnover represents amounts receivable for services provided during the year exclusive of VAT. All turnover relates to services provided within the UK.

The contributions of the various activities to turnover are set out below:

	2012 £	2011 £
By activity		
Investment advisory fees	460,013	512,476
Intermediary service fees	812,501	319,583
Service charge and other fees	45,307	53,816
	<u>1,317,821</u>	<u>885,875</u>

2. Operating profit

Operating profit is stated after charging:

Depreciation of tangible fixed assets	1,725	2,036
Operating lease rentals - land and buildings	<u>71,659</u>	<u>64,769</u>

3. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2011	-	17,534	17,534
Additions	769	682	1,451
At 31 March 2012	<u>769</u>	<u>18,216</u>	<u>18,985</u>
Depreciation			
At 1 April 2011	-	16,371	16,371
Provision for the year	154	1,571	1,725
At 31 March 2012	<u>154</u>	<u>17,941</u>	<u>18,096</u>
Net book value			
At 31 March 2012	<u>616</u>	<u>274</u>	<u>890</u>
At 31 March 2011	<u>-</u>	<u>1,163</u>	<u>1,163</u>

PROSPECT INVESTMENT MANAGEMENT (I) LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

4. Fixed asset investments	Other investments other than loans
	£
Cost	
At 1 April 2011	865,679
Additions	13,907
Foreign exchange differences	(3,960)
At 31 March 2012	<u>875,626</u>
Diminution in value	
At 1 April 2011	493,970
Foreign exchange differences	1,346
At 31 March 2012	<u>495,317</u>
Net book value	380,310
Non-recourse liability	<u>(366,386)</u>
	<u>13,924</u>

The fixed asset investments represent the cost of shares purchased by the LLP on a deferred payment basis

The consideration payable by the LLP for the investments will not become due until it realises its holdings in the relevant investments and may not exceed the amount realised on sale

The amount by which the net book value exceeds the non-recourse liability represents the portion of the investment purchased outright

5. Debtors	2012	2011
	£	£
Trade debtors	-	4,050
	<u>-</u>	<u>4,050</u>

6. Creditors: amounts falling due within one year

Trade creditors	7,500	8,363
Other taxation and social security costs	29,877	34,221
Accruals and deferred income	3,564	3,372
	<u>40,941</u>	<u>45,956</u>

PROSPECT INVESTMENT MANAGEMENT (I) LLP**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2012****7. Members interests**

	Loans and other debts due to members	Total members' interests
	Debts due to/from members £	Total £
Amounts due to members at 1 April 2011	26,984	
Members' interests at 1 April 2011	26,984	26,984
Members' remuneration charged as an expense	1,164,689	1,164,689
Members' interests after profit for the year	1,191,673	1,191,673
Drawings	(1,168,934)	(1,168,934)
Members' interests at 31 March 2012	22,739	22,779
Amounts due to members at 31 March 2012	22,739	

Loans and other debts due to members rank equally with debts due to ordinary creditors in a winding up

The profit attributable to the member with the largest entitlement to profit is £814,842 (2011 - £471,763)

The average number of members in the year was six (2011 - six)

8. Ultimate controlling party

The members of the LLP consider D J Morrison to be its ultimate controlling party

9. Related party transactions

During the year, the LLP provided services to Prospect Investment Management Limited, a designated member of the LLP and a company of which David Morrison is the controlling shareholder. Services to the value of £812,501 (2011 - £319,583) were provided and paid during the year.

During the year Prospect Investment Management Limited charged the LLP £7,000 (2011 - £7,000) in appointed representative and regulatory fees. £5,000 (2011 - £nil) remained outstanding at the year end.