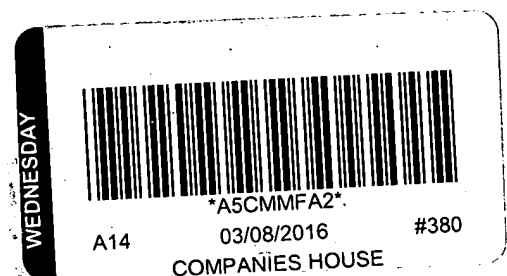


PROSPECT INVESTMENT MANAGEMENT (I) LLP

REPORT AND UNAUDITED ACCOUNTS

YEAR ENDED 31 MARCH 2016



PROSPECT INVESTMENT MANAGEMENT (I) LLP

I N D E X

Year ended 31 March 2016

	Page
General information	2
Members' report	3
Profit and loss account	4
Balance sheet	5
Accounting policies	6
Notes to the financial statements	7

PROSPECT INVESTMENT MANAGEMENT (I) LLP

GENERAL INFORMATION

Year ended 31 March 2016

Designated members	D J Morrison D B Newlands I A Diacono K M Robinski (resigned 17 June 2015) 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
FCA membership number	425516
FCA principal firm	
Name	Prospect Investment Management Limited
FCA membership number	189093

PROSPECT INVESTMENT MANAGEMENT (1) LLP

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

Year ended 31 March 2016

The members present their report and unaudited accounts for the year ended 31 March 2016.

Activities and future prospects

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

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

Results for the year and allocation to members

The profit for the year available for division among the members was £247,106 (2015 - £1,270,128).

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 18th July 2016 and signed on their behalf by:-



D.J. MORRISON
Designated member

PROSPECT INVESTMENT MANAGEMENT (I) LLP

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	1	280,535	1,328,515
Administrative expenses		(66,124)	(58,807)
Operating profit	2	214,411	1,269,708
Profit on disposal of investments		32,662	-
Interest receivable		33	420
Profit for the financial year before members' remuneration and profit shares		247,106	1,270,128
Members' remuneration charged as an expense		(247,106)	(1,270,128)
Profit before and after tax for the financial year available for discretionary division among members		-	-

PROSPECT INVESTMENT MANAGEMENT (1) LLP

LLP number: OC 310021

BALANCE SHEET**At 31 March 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	3		-		1,398
Investments	4	-		12,390	
			-		12,390
			-		13,788
Current assets					
Cash at bank and in hand			111,076		49,118
			111,076		49,118
Creditors: amounts falling due within one year	5		(12,029)		(20,134)
Net current assets			99,047		28,984
Total assets less current liabilities			99,047		42,772
Represented by:					
Loans and other debts due to members within one year - classified as a liability under FRS 25			99,047		42,772
Total members' interests					
Loans and other debts due to members	6		99,047		42,772

Members' statement

For the year ended 31 March 2016 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.

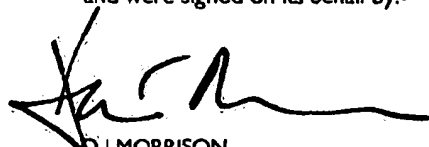
The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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
and were signed on its behalf by:-

13th July

2016


D J MORRISON
Designated member


I A DIACONO
Designated member

PROSPECT INVESTMENT MANAGEMENT (I) LLP

ACCOUNTING POLICIES

Year ended 31 March 2016

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

Rent payable under operating leases 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 2015****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:

	2016 £	2015 £
By activity:		
Investment advisory fees	193,271	342,972
Delegated Intermediary service fees and commissions	85,080	981,283
Service charge and other fees	2,184	4,260
	<u>280,535</u>	<u>1,328,515</u>

2. Operating profit

Operating profit is stated after charging:

Depreciation of tangible fixed assets	2,210	2,457
Operating lease rentals - land and buildings	<u>31,778</u>	<u>15,906</u>

3. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2015	769	25,488	26,257
Additions	-	812	812
At 31 March 2016	<u>769</u>	<u>26,300</u>	<u>27,069</u>
Depreciation			
At 1 April 2015	616	24,243	24,859
Charge for the year	153	2,057	2,210
At 31 March 2016	<u>769</u>	<u>26,300</u>	<u>27,069</u>
Net book value			
At 31 March 2016	-	-	-
At 31 March 2015	<u>153</u>	<u>1,245</u>	<u>1,398</u>

PROSPECT INVESTMENT MANAGEMENT (1) LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

4. Fixed asset investments	Other investments other than loans
	£
Cost	
At 1 April 2015	12,390
Disposal	(12,390)
Foreign exchange differences	-
At 31 March 2016	-
Diminution in value	
At 1 April 2015	-
Disposal	-
At 31 March 2016	-
Net book value at 31 March 2016	
Non-recourse liability	-
	-
Net book value at 31 March 2015	12,390
Non-recourse liability	-
	-

Fixed asset investments that were purchased by the LLP on a deferred payment basis were disposed of during the year which resulted in the loss on disposal and the non-recourse liability creditor being debited and credited respectively to the profit and loss account during the year.

5. Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	1,612	258
Other creditors	391	-
Other taxation and social security costs	7,541	16,796
Accruals and deferred income	2,485	3,080
	<u>12,029</u>	<u>20,134</u>

PROSPECT INVESTMENT MANAGEMENT (I) LLP**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 March 2016**

6. Members interests	Loans and other debts due to members	Total members' interests
	£	Total £
Amounts due to members at 1 April 2015	42,772	
Members' interests at 1 April 2015	42,772	42,772
Members' remuneration charged as an expense	247,106	247,106
Members' interests after profit for the year	289,878	289,878
Drawings	(190,831)	(190,831)
Members' interests at 31 March 2016	99,047	99,047
Amounts due to members at 31 March 2016	99,047	

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 £159,922 (2015 - £1,099,328).

The average number of members in the year was six (2015 - six).

7. Ultimate controlling party

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

8. 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 D J Morrison is the controlling shareholder. Services to the value of £ 85,080 (2015 - £981,283) were provided during the year. During the year Prospect Investment Management Limited also charged the LLP £7,000 (2015 - £7,000) in appointed representative and regulatory fees. At the year end, the LLP owed Prospect Investment Management Limited £nil (2015 - £nil).
