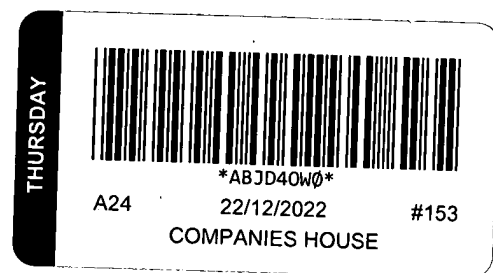


Registered number: OC312327

**PRUSIK INVESTMENT MANAGEMENT LLP  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**



# PRUSIK INVESTMENT MANAGEMENT LLP

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## INFORMATION

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<b>Designated Members</b>	A Morris T Naughton
<b>LLP registered number</b>	OC312327
<b>Registered office</b>	6th Floor Moss House 15-16 Brook's Mews London W1K 4DS
<b>Independent auditors</b>	Blick Rothenberg Audit LLP 16 Great Queen Street Covent Garden London WC2B 5AH
<b>Bankers</b>	Barclays Bank plc Leicester LE87 2BB

# PRUSIK INVESTMENT MANAGEMENT LLP

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## MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The members present their annual report together with the audited financial statements of Prusik Investment Management LLP (the "LLP") for the year ended 31 March 2022.

### Principal activities

The principal activity of the LLP during the year was investment management.. The members intend to continue to develop the business. The LLP is regulated by the Financial Conduct Authority ('FCA').

### Designated Members

The following were designated members of the LLP during the year:

A Morris  
T Naughton

### Policy with respect to members' drawings and subscription and repayment of members' capital

Members share profits and losses in accordance with agreed profit sharing agreements.

Members' capital and drawings are determined by the regulatory capital requirements of the FCA and any trading needs of the LLP. Members' capital may only be repaid on a winding up of the LLP, if further capital is available to replace that being repaid or if such repayment has been agreed by the FCA.

### Pillar III disclosures

The LLP has documented the disclosures required by the FCA under BIPRU 11. These are included as an appendix to the accounts.

### Members' responsibilities statement

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 judgments 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.

# PRUSIK INVESTMENT MANAGEMENT LLP

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## MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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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 to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). 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.

### Disclosure of information to auditors

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

### Auditors

The auditors, Blick Rothenberg Audit LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 28 July 2022 and signed on their behalf by:



A Morris  
Designated member

# **PRUSIK INVESTMENT MANAGEMENT LLP**

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRUSIK INVESTMENT MANAGEMENT LLP FOR THE YEAR ENDED 31 MARCH 2022**

### **Opinion**

We have audited the financial statements of Prusik Investment Management LLP (the 'LLP') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Reconciliation of Members' Interests and the notes to the financial statements, 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 2022 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 Auditors' 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**

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **PRUSIK INVESTMENT MANAGEMENT LLP**

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRUSIK INVESTMENT MANAGEMENT LLP (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

### **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.

### **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement set out on page 2, the members are responsible for the preparation of the financial statements 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.

### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the LLP's policies with regards to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the LLP's policies for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the LLP's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the LLP operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the LLP. The key laws and regulations we considered in this context included the UK Companies Act 2006, as applied to limited liability partnerships, the Financial Services and Markets Act 2000 and applicable tax legislation.

A particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank

# PRUSIK INVESTMENT MANAGEMENT LLP

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRUSIK INVESTMENT MANAGEMENT LLP (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

statements of the LLP for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The LLP was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the LLP and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the LLP.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### Use of our report

This report is made solely to the LLP's members, as a body, 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 Auditors' 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Lewis (senior statutory auditor)  
for and on behalf of

**Blick Rothenberg Audit LLP**

Statutory Auditor  
16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

28 July 2022

## PRUSIK INVESTMENT MANAGEMENT LLP

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	As restated 2021 £
Turnover	3	8,808,922	8,680,803
Administrative expenses		(6,422,799)	(5,092,547)
<b>Operating profit</b>	4	<b>2,386,123</b>	3,588,256
Interest receivable and similar income		276	230
<b>Profit for the year before members' remuneration and profit shares available for discretionary division among members</b>		<b>2,386,399</b>	3,588,486

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 11 to 17 form part of these financial statements.



**PRUSIK INVESTMENT MANAGEMENT LLP****BALANCE SHEET  
AS AT 31 MARCH 2022**

	Note	2022 £	As restated 2021 £
<b>Fixed assets</b>			
Tangible assets	7	7,821	852
		<u>7,821</u>	<u>852</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	983,303	2,269,949
Current asset investments	9	412,379	439,771
Bank and cash balances		2,193,557	1,263,574
		<u>3,589,239</u>	<u>3,973,294</u>
Creditors: amounts falling due within one year	10	(1,997,797)	(2,268,001)
<b>Net current assets</b>		<u>1,591,442</u>	<u>1,705,293</u>
<b>Total assets less current liabilities</b>		<u>1,599,263</u>	<u>1,706,145</u>
<b>Net assets attributable to members</b>		<u>1,599,263</u>	<u>1,706,145</u>
<b>Represented by:</b>			
<b>Members' other interests</b>			
Members' capital classified as equity		682,913	682,913
Other reserves classified as equity		916,350	1,023,232
		<u>1,599,263</u>	<u>1,706,145</u>
		<u>1,599,263</u>	<u>1,706,145</u>
<b>Total members' interests</b>			
Members' other interests		1,599,263	1,706,145
		<u>1,599,263</u>	<u>1,706,145</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 28 July 2022.



A Morris  
Designated member

The notes on pages 11 to 17 form part of these financial statements.

# PRUSIK INVESTMENT MANAGEMENT LLP

## RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2022

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Balance at 1 April 2020	682,913	768,441	1,451,354	-	-	1,451,354
Profit for the year available for discretionary division among members	-	3,588,486	3,588,486	-	-	3,588,486
Members' interests after profit for the year	682,913	4,356,927	5,039,840	-	-	5,039,840
Allocated profit for the year	-	(3,333,695)	(3,333,695)	3,333,695	3,333,695	-
Amounts withdrawn by members	-	-	-	(2,579,738)	(2,579,738)	(2,579,738)
Amounts transferred to other creditors on retirement	-	-	-	(753,957)	(753,957)	(753,957)
Balance at 31 March 2021 (as originally stated)	682,913	1,457,255	2,140,168	-	-	2,140,168
Prior year adjustment	-	(434,023)	(434,023)	-	-	(434,023)
Balance at 31 March 2021 (as restated)	682,913	1,023,232	1,706,145	-	-	1,706,145
Profit for the year available for discretionary division among members	-	2,386,399	2,386,399	-	-	2,386,399
Members' interests after profit for the year	682,913	3,409,631	4,092,544	-	-	4,092,544
Allocated profit for the year	-	(2,493,281)	(2,493,281)	2,493,281	2,493,281	-
Amounts withdrawn by members	-	-	-	(2,493,281)	(2,493,281)	(2,493,281)
Balance at 31 March 2022	682,913	916,350	1,599,263	-	-	1,599,263

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests, apart from FCA capital resource requirements.

# PRUSIK INVESTMENT MANAGEMENT LLP

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	As restated 2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,386,399	3,588,486
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,189	10,674
Interest receivable	(276)	(230)
Decrease/(increase) in debtors	1,286,646	(1,444,897)
(Decrease)/increase in creditors	(192,029)	381,092
<b>Net cash generated from operating activities</b>	<b>3,481,929</b>	<b>2,535,125</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(8,158)	(1,432)
Purchase of short-term unlisted investments	(461,055)	(265,000)
Sale of short-term unlisted investments	410,272	165,060
Interest received	276	230
<b>Net cash from investing activities</b>	<b>(58,665)</b>	<b>(101,142)</b>
<b>Cash flows from financing activities</b>		
Amounts paid to members	(2,493,281)	(2,579,738)
<b>Net cash used in financing activities</b>	<b>(2,493,281)</b>	<b>(2,579,738)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>929,983</b>	<b>(145,755)</b>
Cash and cash equivalents at beginning of year	1,263,574	1,409,329
<b>Cash and cash equivalents at the end of year</b>	<b>2,193,557</b>	<b>1,263,574</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,193,557	1,263,574
	<b>2,193,557</b>	<b>1,263,574</b>

The notes on pages 11 to 17 form part of these financial statements.

# PRUSIK INVESTMENT MANAGEMENT LLP

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 1. General information

Prusik Investment Management LLP is limited liability partnership incorporated in the United Kingdom and registered in England and Wales.

The partnership's registered address is 6th Floor Moss House, 15-16 Brooks Mews, London, W1K 4DS.

The principal activity is fund management.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" published in December 2018.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions made that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgement in applying the LLP's accounting policies. Due to the straightforward nature of the business management consider that no critical judgements have been made in applying the LLP's accounting policies.

#### 2.2 Revenue

Turnover comprises revenue recognised by the LLP in respect of services supplied, exclusive of value added tax. Management fees are recognised as they accrue. Performance fees are recognised on crystallisation.

#### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Leasehold improvements	- over 5 years
Office equipment	- over 3 years
Computer equipment	- over 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

# PRUSIK INVESTMENT MANAGEMENT LLP

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 2. Accounting policies (continued)

#### 2.4 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

#### 2.5 Valuation of investments

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

#### 2.6 Financial instruments

The LLP does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The LLP does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment. The LLP's cash holdings comprise on demand balances and deposit accounts. All cash is held with banks with strong external credit ratings. Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the LLP only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

#### 2.7 Foreign currency translation

##### Functional and presentation currency

The LLP's functional and presentational currency is pound sterling.

##### Transactions and balances

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

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

#### 2.8 Members' remuneration

Profits allocated at the discretion of the LLP are included within "other reserves" until such time as the LLP exercises its discretion to allocate them.

#### 2.9 Tax provision

The taxation payable on profits is the personal liability of the members during the year.

# PRUSIK INVESTMENT MANAGEMENT LLP

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 3. Turnover

The turnover and operating profit for the year was derived from the LLP's principal continuing activity which was carried out wholly within the United Kingdom.

### 4. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets owned by the LLP	1,189	10,674
Auditor's remuneration - audit	13,000	12,500
Auditor's remuneration - non-audit	11,221	10,475
Difference on foreign exchange	35,520	10,394
Operating lease rentals	177,208	137,699
	<u>247,138</u>	<u>171,742</u>

### 5. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	2,163,901	1,708,045
Social security costs	301,632	222,046
Cost of defined contribution scheme	15,202	-
	<u>2,480,735</u>	<u>1,930,091</u>

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

	2022 No.	2021 No.
Operations staff	7	7
	<u>7</u>	<u>7</u>

# PRUSIK INVESTMENT MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 6. Information in relation to members

	2022 Number	2021 Number
The average number of members during the year was	2	3
	2022 £	2021 £
The amount of profit attributable to the member with the largest entitlement was	2,386,399	2,408,069

### 7. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2021	59,948	958	-	60,906
Additions	-	804	7,354	8,158
Transfers between classes	-	(958)	958	-
At 31 March 2022	59,948	804	8,312	69,064
Depreciation				
At 1 April 2021	59,948	106	-	60,054
Charge for the year on owned assets	-	111	1,078	1,189
Transfers between classes	-	(186)	186	-
At 31 March 2022	59,948	31	1,264	61,243
Net book value				
At 31 March 2022	-	773	7,048	7,821
At 31 March 2021	-	852	-	852

## PRUSIK INVESTMENT MANAGEMENT LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 8. Debtors

	2022 £	2021 £
Trade debtors	707,529	2,073,643
Other debtors	99,997	106,463
Prepayments and accrued income	175,777	89,843
	<u>983,303</u>	<u>2,269,949</u>

Included in other debtors is a rent deposit of £54,086 (2021: £54,086) due in more than one year.

#### 9. Current asset investments

	2022 £	2021 £
Unlisted investments	412,379	439,771

Unlisted investments represent the LLP's only financial assets measured at fair value. The investments are in funds managed by the LLP and are revalued in accordance with prices calculated by third-party administrators. Since the investments are deferred bonuses held on behalf of employees over a vesting period determined by the LLP, any fair value gains and losses are offset by the movement in the bonus accrual.

#### 10. Creditors: amounts falling due within one year

	2022 £	As restated 2021 £
Trade creditors	23,135	106,398
Other taxation and social security	900,879	-
Other creditors	4,151	753,957
Accruals and deferred income	1,069,632	1,407,646
	<u>1,997,797</u>	<u>2,268,001</u>



# PRUSIK INVESTMENT MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 11. Analysis of Net Debt

	At 1 April 2021 £	Arising from cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,263,574	929,983	2,193,557
Net funds (before members' debt)	<u>1,263,574</u>	<u>929,983</u>	<u>2,193,557</u>

£100,817 (2021: £95,188) of the LLP's cash at bank is not available for use by the LLP. This relates to cash held in a separate bank account for the purpose of satisfying future liabilities of a third party. An equivalent balance is included in trade creditors and accruals in respect of this amount.

### 12. Prior Year Adjustment

The LLP is party to an agreement which results in payments to Prusik Investment Management Singapore Pty, an entity under the common control of the members of the LLP, for fund management and business support services. During the year, the members have reviewed the accounting for this agreement and now consider a provision should have been recognised at 31 March 2021 for quarterly performance fees.

As a result, the prior year figures have been restated, as noted in the table below, to increase the prior year expense by £434,023.

	31 March 2021 £
Profit for the year as previously reported	4,022,509
Effect of prior year adjustment	(434,023)
<b>Restated profit for the year</b>	<u>3,588,486</u>
Net assets as previously reported	2,140,168
Effect of prior year adjustment	(434,023)
<b>Restated net assets</b>	<u>1,706,145</u>

# PRUSIK INVESTMENT MANAGEMENT LLP

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 13. Commitments under operating leases

At 31 March 2022 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	180,285	180,285
Later than 1 year and not later than 5 years	346,656	526,744
	<u>526,941</u>	<u>707,029</u>

### 14. Related party transactions

During the year, the LLP was charged £2,845,188 (2021 (as restated): £2,261,570) in respect of business support services by Prusik Investment Management Singapore Pty Ltd. The LLP and Prusik Investment Management Singapore Pty Ltd are under the common control of the members of the LLP. At the year end £154,476 (2021 (as restated): £434,023) was due to Prusik Investment Management Singapore Pty Ltd.

### 15. Controlling party

In the opinion of the designated members there is no ultimate controlling party.

## **PRUSIK INVESTMENT MANAGEMENT LLP**

**FSA No: 431813**

Prusik Investment Management LLP (the “firm”) is authorised and regulated by the Financial Conduct Authority. Under the rules of the FCA, the firm is classified as a BIPRU Firm. This means that the base capital requirement is the equivalent of €50,000. The overall capital requirement for the firm is therefore the higher of the equivalent of €50,000, the sum of the market risk and credit risk exposures that the firm is exposed to (£343,000), and an expenditure requirement which is one quarter of the relevant expenditure for the previous financial year. The highest of these elements is the one quarter of the relevant expenditure for the previous financial year which the firm calculated to be £659,000.

At the date of the 2021 ICAAP the firm has total regulatory capital amounting to £1,451,000 with a surplus of own funds of £656,000. All of the firm’s capital is Tier 1 capital.

The firm is authorised by the FCA to provide investment management, investment advisory and associated services. It does not risk its own capital in the financial markets and is not allowed to by the FCA.

### **Market Risk**

Market risk is the risk that the value of, or income arising from, the firm’s assets and liabilities varies as a result of changes in the market price of financial assets, changes in exchange rates or changes in interest rates. The firm employs a number of risk management controls and checks in its portfolio management system which is continually monitored by the COO together with the fund managers.

The firm does not take proprietary trading risk. The only market risk that the firm faces is currency risk in that currently its main income is denominated in US dollars and its expenses are incurred in both dollars and sterling. The firm also maintains some balances in sterling. For capital adequacy purposes, in accordance with the rules of the FCA, the firm monitors its current exposure due to amounts held and receivable in currencies other than sterling. The directors also consider the future exposures as part of their overall risk monitoring.

### **Credit Risk**

Credit Risk refers to the potential risk that customers fail to meet their obligations as they fall due.

The firm earns its income from investment management fees from the funds which it manages. The three Irish-domiciled funds are connected to the firm and as such the firm, through its Partners in their roles of fund managers, is aware at all times of the ability of any of the funds to pay its fees when due. The firm is exposed to credit risk for fees earned but not received. Generally, fees are received promptly, and the total credit exposure is small.

The firm also has credit exposure to its bankers. The partners consider the credit risk arising due to its relationships with its bankers to be acceptable.

**Liquidity risk**

The firm's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in fees received/receivable. The firm maintains what it considers to be sufficient cash balances at its bankers to cover liquidity risk.

**Operational Risk**

Operational risk is the risk of loss arising from failed or inadequate internal processes or systems, human error or other factors. This risk is managed by the firm's COO who has responsibility for putting in place appropriate controls for the business. In addition, the firm's Compliance Officer carries out on-going regular reviews of processes and controls. The firm makes use of outside consultants where necessary to monitor the effectiveness of the controls.

**Business Risk**

Business risk is the risk that the firm may not be able to carry out its business plan and could therefore suffer losses if its income falls. This is a risk that all businesses face. The partners hold weekly meetings, or more regularly if required, when the firm's strategy and business progression are discussed. They also continuously monitor income and expenditure levels and adjust their plans accordingly.

**Concentration Risk**

Concentration risk is the risk that the firm is overly dependent upon any one customer or any one group of connected customers either in terms of income dependency or in terms of credit risk.

Whilst the majority of the income of the firm is paid contractually by related parties, these parties are sufficiently capitalized and able to meet their obligations.

**Pension Obligation Risk**

The firm has no defined benefit schemes and thus has no pension obligation risk.

**Residual Risk**

Residual risk is any risk not covered by the specific risk categories outlined above.

The partners do not consider that there are any residual risks that require the firm to maintain any additional capital.

## **Remuneration Disclosures**

The FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), and specifically BIPRU 11, includes a requirement for disclosure of the Firm's approach to linking remuneration to risk.

The Partnership feels that its Remuneration Policy appropriately addresses potential conflicts of interest and that the Firm's authorised persons are not rewarded for taking inappropriate levels of risk. Under the Remuneration Code, the Firm is classified as a Level Three firm, which allows it to disapply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing the Firm's policy.

### **The Decision-Making Process**

On grounds of proportionality, Prusik's Governing Body also serves as the remuneration committee.

### **The Link between Pay and Performance**

Overall remuneration may include an annual incentive compensation reflecting individual performance and responsibility, both short-term and long-term, as well as the Firm's overall performance.

### **Incentive Compensation**

The award of incentive compensation is a qualitative decision where employee and supervisory input are significant components and is currently not used.

### **Code Staff**

Due to the small size and the lack of complexity of Prusik's business, both principals of the Firm, together with three other individuals are regarded as Code Staff.

### **Quantitative Remuneration Data**

We are required under BIPRU 11.5.18R(6) and 11.5.18R(7) to disclose aggregate quantitative information on remuneration broken down by business area and by senior management and members of staff whose actions have a material impact on the risk profile of the Firm, respectively. The firm has only one business area, that of fund management, for which the aggregate quantitative remuneration paid by Prusik Investment Management LLP for the year ended 31 March 2021 was £4,873,740.