

Limited Liability Partnership Registration No. OC348642 (England and Wales)

LTS CAPITAL LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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LTS CAPITAL LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

| | |
|---|---|
| Designated members | Mr A Nahum Mr S Dalah |
| Limited liability partnership number | OC348642 |
| Registered office | 1st Floor 314 Regents Park Road Finchley London N3 2LT |
| Auditor | UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW |

LTS CAPITAL LLP

CONTENTS

| | Page |
|--------------------------------------|-------------|
| Members' report | 1 - 3 |
| Members' responsibilities statement | 4 |
| Independent auditor's report | 5 - 6 |
| Statement of comprehensive income | 7 |
| Balance sheet | 8 - 9 |
| Reconciliation of members' interests | 10 - 11 |
| Statement of cash flows | 12 |
| Notes to the financial statements | 13 - 22 |

LTS CAPITAL LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The members present their report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the LLP in the period under review was that of the provision of investment management services.

The results for the year and the financial position at the year end were considered satisfactory by the members who expect growth in the foreseeable future.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Nahum
Mr S Dalah

Capital resources and requirements

The European Union Capital Requirements Directive (CRD) seeks to create a direct correlation between a firm's capital requirement and the risks it faces through its operational activities, by way of an approach in three stages which have become known as the three pillars.

Pillar 1 (minimum capital requirement) sets minimum capital requirements for firms in respect of credit, market and operational risk.

Pillar 2 (supervisory review) places an obligation on firms to hold internal capital that is consistent with their risk profile and strategy, and establishes a joint supervisory process to enable the regulator to review firms' capital adequacy assessments.

Pillar 3 (market discipline) requires firms to make specific disclosures with the aim of strengthening the market's role in judging individual firms' capital adequacy.

The disclosures we are required to make under Pillar 3 are set out below.

Risk Management

The members are responsible for:

- o determining the firm's strategy;
- o identifying the risks relating to the firm's activities, processes and systems;
- o setting the levels of tolerable risk;
- o establishing policies and procedures for assessing and managing risk.

LTS CAPITAL LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

The principal risks identified by the members are:

- o Operational risk, which is the risk of loss resulting from inadequate or failed internal processes, or from external events;
- o Business risk, which covers losses arising from events such as loss of key customers, departure of key personnel, reputational damage or economic downturn.

The members have adopted risk management policies and procedures which are proportionate to the nature, scale and complexity of the firm's business. The identification and mitigation of operational and business risks are part of the day to day responsibilities of the firm's management, and these risks are also reviewed at formal meetings of the members.

The firm is a BIPRU firm, and its minimum or Pillar 1 capital requirement is therefore the highest of:

- o Fixed overheads requirement;
- o Credit risk requirement plus market risk requirement;
- o Base requirement, namely €50,000.

The members conduct an individual capital adequacy assessment process (ICAAP), at least annually, in order to estimate the amount of capital the firm should hold in line with its risk profile and strategy. As at 31 March 2017 the total capital requirement indicated by the ICAAP was less than the Pillar 1 requirement, and the latter is therefore the firm's overall regulatory capital requirement.

The firm's capital resources comprise the partners' capital and reserves, without deduction. All such capital qualifies as Tier 1 capital as defined in BIPRU.

As at 31 March 2017 the firm's regulatory capital position was as follows:

| | |
|-------------------------------|------|
| | £000 |
| Capital resources | £652 |
| Capital resources requirement | £90 |
| Surplus | £562 |

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor aware of that information.

LTS CAPITAL LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

On behalf of the members



.....
Mr A Nahum
Designated Member

28/07/17

LTS CAPITAL LLP

MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

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. 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 limited liability partnership and of the profit or loss of the limited liability partnership 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and 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 Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of LTS Capital LLP for the year ended 31 March 2017 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2017 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LTS CAPITAL LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to 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.

UHY Hacker Young

Daniel Hutson (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

28 July 2017

Chartered Accountants
Statutory Auditor

LTS CAPITAL LLP**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

| | Notes | 2017 £ | 2016 £ |
|---|----------|-----------|-----------|
| Turnover | 3 | 991,955 | 692,664 |
| Cost of sales | | (96,809) | (134,133) |
| Gross profit | | 895,146 | 558,531 |
| Administrative expenses | | (313,938) | (250,032) |
| Operating profit | 4 | 581,208 | 308,499 |
| Interest receivable and similar income | 6 | 88 | 207 |
| Profit for the financial year before taxation | | 581,296 | 308,706 |
| Profit for the financial year before members' remuneration and profit shares | | 581,296 | 308,706 |
| Profit for the financial year before members' remuneration and profit shares | | 581,296 | 308,706 |
| Members' remuneration charged as an expense | | - | - |
| Profit for the financial year available for discretionary division among members | | 581,296 | 308,706 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LTS CAPITAL LLP

BALANCE SHEET

AS AT 31 MARCH 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|-----------------|----------------|------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 10,448 | | 19,568 |
| Current assets | | | | | |
| Debtors | 9 | 591,640 | | 158,663 | |
| Cash at bank and in hand | | 344,747 | | 441,751 | |
| | | <u>936,387</u> | | <u>600,414</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(97,074)</u> | | <u>(162,643)</u> | |
| Net current assets | | | 839,313 | | 437,771 |
| Total assets less current liabilities | | | <u>849,761</u> | | <u>457,339</u> |
| Represented by: | | | | | |
| Loans and other debts due to members within one year | | | | | |
| Amounts due in respect of profits | | | 198,465 | | 78,633 |
| Members' other interests | | | | | |
| Members' capital classified as equity | | | 70,000 | | 70,000 |
| Other reserves classified as equity | | | 581,296 | | 308,706 |
| | | | <u>849,761</u> | | <u>457,339</u> |
| Total members' interests | | | | | |
| Loans and other debts due to members | | | 198,465 | | 78,633 |
| Members' other interests | | | 651,296 | | 378,706 |
| | | | <u>849,761</u> | | <u>457,339</u> |

LTS CAPITAL LLP

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the members and authorised for issue on 28/7/17 and are signed on their behalf by:



.....
Mr A Nahum

Designated member

Limited Liability Partnership Registration No. OC348642

LTS CAPITAL LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2017**

| <i>Current financial year</i> | EQUITY | | | DEBT | TOTAL | |
|--|--|-----------------------|--------------|----------------------|---------------------------|-------------------|
| | Members' other interests | | | | MEMBERS' INTERESTS | |
| | Members' capital (classified as equity) | Other reserves | Total | Other amounts | Total | Total 2017 |
| | £ | £ | £ | £ | £ | £ |
| Amount due to members | | | | 78,633 | | |
| Members' interests at 1 April 2016 | 70,000 | 308,706 | 378,706 | 78,633 | 78,633 | 457,339 |
| Profit for the financial year available for discretionary division among members | - | 581,296 | 581,296 | - | - | 581,296 |
| Members' interests after profit for the year | 70,000 | 890,002 | 960,002 | 78,633 | 78,633 | 1,038,635 |
| Allocation of profit for the financial year | - | (308,706) | (308,706) | 308,706 | 308,706 | - |
| Drawings | - | - | - | (188,874) | (188,874) | (188,874) |
| Members' interests at 31 March 2017 | 70,000 | 581,296 | 651,296 | 198,465 | 198,465 | 849,761 |
| Amounts due to members | | | | 198,465 | | |
| | | | | 198,465 | | |

LTS CAPITAL LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

| <i>Prior financial year</i> | EQUITY | | | DEBT | TOTAL | |
|--|--|-----------------------|--------------|----------------------|---------------------------|-------------------|
| | Members' other interests | | | | MEMBERS' INTERESTS | |
| | Members' capital (classified as equity) | Other reserves | Total | Other amounts | Total | Total 2016 |
| | £ | £ | £ | £ | £ | £ |
| Amount due from members | | | | (43,350) | | |
| Members' interests at 1 April 2015 | 70,000 | 489,889 | 559,889 | (43,350) | (43,350) | 516,539 |
| Profit for the financial year available for discretionary division among members | - | 308,706 | 308,706 | - | - | 308,706 |
| Members' interests after profit for the year | 70,000 | 798,595 | 868,595 | (43,350) | (43,350) | 825,245 |
| Allocation of profit for the financial year | - | (489,889) | (489,889) | 489,889 | 489,889 | - |
| Drawings | - | - | - | (367,906) | (367,906) | (367,906) |
| Members' interests at 31 March 2016 | 70,000 | 308,706 | 378,706 | 78,633 | 78,633 | 457,339 |
| Amounts due to members | | | | 78,633 | | |
| | | | | 78,633 | | |

LTS CAPITAL LLP**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2017**

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 14 | | 96,706 | | 254,668 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (4,924) | | (584) | |
| Interest received | | 88 | | 207 | |
| | | <u> </u> | | <u> </u> | |
| Net cash used in investing activities | | | (4,836) | | (377) |
| Financing activities | | | | | |
| Payments to members that represent a return on amounts subscribed or otherwise contributed | | (188,874) | | (367,906) | |
| | | <u> </u> | | <u> </u> | |
| Net cash used in financing activities | | | (188,874) | | (367,906) |
| Net decrease in cash and cash equivalents | | | <u> </u> | | <u> </u> |
| | | | (97,004) | | (113,615) |
| Cash and cash equivalents at beginning of year | | | 441,751 | | 555,366 |
| | | | <u> </u> | | <u> </u> |
| Cash and cash equivalents at end of year | | | <u> </u> | | <u> </u> |
| | | | 344,747 | | 441,751 |
| | | | <u> </u> | | <u> </u> |

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Limited liability partnership information

LTS Capital LLP is a limited liability partnership incorporated in England and Wales. The registered office is 1st Floor, 314 Regents Park Road, Finchley, London, N3 2LT.

The limited liability partnerships's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for fund management and consultancy services net of VAT.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|-------------------|
| Leasehold Improvements | 25% straight line |
| Fixtures, fittings & equipment | 25% straight line |
| Computer equipment | 25% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, 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. Financial liabilities classified as payable within one year are not amortised.

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. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The members have not identified any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover

The total turnover of the limited liability partnership for the year has been derived from its principal activity wholly undertaken in the United Kingdom

4 Operating profit

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Operating profit for the year is stated after charging/(crediting): | £ | £ |
| Exchange losses/(gains) | 282 | (28,846) |
| Fees payable to the LLP's auditor for the audit of the LLP's annual accounts | 5,750 | 6,500 |
| Depreciation of owned tangible fixed assets | 14,044 | 13,333 |
| Operating lease charges | 43,393 | 44,933 |
| | <u> </u> | <u> </u> |

LTS CAPITAL LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017****5 Employees**

The average number of persons (excluding members) employed by the partnership during the year was:

| | 2017 | 2016 |
|----------------|---------------|---------------|
| | Number | Number |
| Administration | 3 | 2 |

Their aggregate remuneration comprised:

| | 2017 | 2016 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 161,682 | 116,351 |
| Social security costs | 17,101 | 9,612 |
| | <u>178,783</u> | <u>125,963</u> |

6 Interest receivable and similar income

| | 2017 | 2016 |
|------------------------|-------------|-------------|
| | £ | £ |
| Interest income | | |
| Other interest income | 88 | 207 |

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

7 Tangible fixed assets

| | Leasehold Improvements | Fixtures, fittings & equipment | Computer equipment | Total |
|------------------------------------|------------------------|--------------------------------|--------------------|--------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 April 2016 | 10,809 | 14,068 | 31,908 | 56,785 |
| Additions | - | 4,100 | 824 | 4,924 |
| At 31 March 2017 | 10,809 | 18,168 | 32,732 | 61,709 |
| Depreciation and impairment | | | | |
| At 1 April 2016 | 7,992 | 9,106 | 20,119 | 37,217 |
| Depreciation charged in the year | 2,703 | 4,542 | 6,799 | 14,044 |
| At 31 March 2017 | 10,695 | 13,648 | 26,918 | 51,261 |
| Carrying amount | | | | |
| At 31 March 2017 | 114 | 4,520 | 5,814 | 10,448 |
| At 31 March 2016 | 2,817 | 4,962 | 11,789 | 19,568 |

8 Financial instruments

| | 2017 | 2016 |
|---|---------|---------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 383,489 | 78,237 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 92,361 | 160,312 |

9 Debtors

| | 2017 | 2016 |
|---|---------|---------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 382,954 | 78,130 |
| Other debtors | 3,599 | 5,618 |
| Prepayments and accrued income | 205,087 | 74,915 |
| | 591,640 | 158,663 |

LTS CAPITAL LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017****10 Creditors: amounts falling due within one year**

| | 2017 | 2016 |
|------------------------------------|---------------|----------------|
| | £ | £ |
| Trade creditors | 24,346 | 20,769 |
| Other taxation and social security | 4,713 | 2,331 |
| Other creditors | 11,453 | 32,199 |
| Accruals and deferred income | 56,562 | 107,344 |
| | <u>97,074</u> | <u>162,643</u> |

11 Loans and other debts due to members

| | 2017 | 2016 |
|-------------------------------------|----------------|---------------|
| | £ | £ |
| Analysis of loans | | |
| Amounts falling due within one year | <u>198,465</u> | <u>78,633</u> |

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

12 Operating lease commitments**Lessee**

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2017 | 2016 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 11,058 | 28,011 |
| Between two and five years | 979 | - |
| | <u>12,037</u> | <u>28,011</u> |

13 Controlling party

The LLP is controlled by A Nahum, a designated member of the LLP.

LTS CAPITAL LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2017

| 14 Cash generated from operations | 2017 | 2016 |
|--|---------------|----------------|
| | £ | £ |
| Profit for the year | 581,296 | 308,706 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | (88) | (207) |
| Depreciation and impairment of tangible fixed assets | 14,044 | 13,333 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (435,424) | 16,509 |
| (Decrease) in creditors | (63,122) | (83,673) |
| Cash generated from operations | <u>96,706</u> | <u>254,668</u> |