

Company Registration No 04171034
England and Wales

PROSPECT ENTERPRISES LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

127666-B-2011

Registered Office
6th Floor, 94 Wigmore Street
London
W1U 3RF

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PROSPECT ENTERPRISES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The director presents his report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the company is that of an investment company

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future

Results and dividends

The results for the year are set out on page 5

No dividends have been paid during this or the comparative period

Director

The following director has held office since 1 January 2011

T Lane

Financial instruments

Treasury operations and financial instruments

The company has various financial instruments arising from its activities and operations. The company does not trade speculatively or otherwise in regard to derivatives or similar instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business

Interest rate risk

The company is exposed to fair value interest rate risk on any fixed rate borrowings and cash flow interest rate risk on any floating rate deposits, bank overdrafts and loans

Foreign currency risk

The company's principal foreign currency exposures arise from trading with and funding to or from overseas companies

Credit risk

Investment of cash surpluses and borrowings are made through banks and companies who must be approved by the Board. Debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary

Auditors

Matthew Edwards & Co were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

PROSPECT ENTERPRISES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of director's responsibilities in respect of the Directors' report and the financial statements

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to

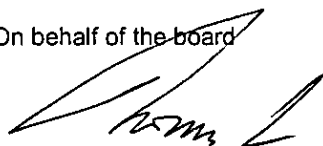
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



T. Lane

Director

21.09.12

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E-mail audit@matthew-edwards.com

PROSPECT ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PROSPECT ENTERPRISES LIMITED

We have audited the financial statements of Prospect Enterprises Limited for the year ended 31 December 2011 set out on pages 5 to 11. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended, and
- 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

PROSPECT ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PROSPECT ENTERPRISES LIMITED

Emphasis of Matter - Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the ultimate beneficial shareholder as the company's current liabilities exceed its total assets. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mr Nigel Morris BA FCA (Senior Statutory Auditor)
for and on behalf of Matthew Edwards & Co.

21.09.12

Chartered Accountants
Statutory Auditor

86 Jermyn Street
St James
London
England
SW1Y 6AW

PROSPECT ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 €	2010 €
Administrative expenses		(6,734)	(8,648)
Operating loss	2	(6,734)	(8,648)
Interest charge waived		10,483	-
		10,483	-
Profit/(loss) on ordinary activities before interest		3,749	(8,648)
Amounts written off investments	3	-	5,000,000
Interest payable and similar charges	4	(181)	(10,693)
Profit on ordinary activities before taxation		3,568	4,980,659
Tax on profit on ordinary activities	5	-	-
Profit for the year	10	3,568	4,980,659

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

There are no recognised gains and losses other than those passing through the profit and loss account

PROSPECT ENTERPRISES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 €	2010 €
Fixed assets			
Investments	6	12,582,290	12,582,290
Current assets			
Cash at bank and in hand		20,183	32,669
		<u>20,183</u>	<u>32,669</u>
Creditors, amounts falling due within one year	7	<u>(12,676,848)</u>	<u>(10,192,902)</u>
Net current liabilities		<u>(12,656,665)</u>	<u>(10,160,233)</u>
Total assets less current liabilities		<u>(74,375)</u>	<u>2,422,057</u>
Creditors amounts falling due after more than one year	8	<u>-</u>	<u>(2,500,000)</u>
		<u>(74,375)</u>	<u>(77,943)</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	<u>(74,377)</u>	<u>(77,945)</u>
Shareholders' funds	11	<u>(74,375)</u>	<u>(77,943)</u>

Approved by the Board and authorised for issue on

21.09.12

T Lane
Director

Company Registration No 04171034

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 Foreign currency translation

The company's accounting records are maintained in Euros.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Exemption from FRS9

The company has taken advantage of the exemption in Financial Reporting Standard No 9 not to disclose amounts relating to the associate on the grounds that it is exempt from preparing consolidated financial statements.

2 Operating loss

2011	2010
€	€

Operating loss is stated after charging

Fees payable to the company's auditor for the audit of the company's annual accounts

1,307	1,837
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3 Amounts written off investments

2011	2010
€	€

Amounts written off investments in prior years written back

- fixed assets

-	(5,000,000)
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PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

4	Interest payable	2011	2010
		€	€
	Foreign exchange losses and other interest	181	10,693
		<u>181</u>	<u>10,693</u>
		<u><u>181</u></u>	<u><u>10,693</u></u>
5	Taxation	2011	2010
		€	€
	Domestic current year tax		
	Domestic corporate taxation of 26.49% (2010 - 28.00%)	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Total current tax	<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	3,568	4,980,659
		<u>3,568</u>	<u>4,980,659</u>
		<u><u>3,568</u></u>	<u><u>4,980,659</u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of corporation tax of 26.49% (2010 - 28.00%)	945	1,394,585
		<u>945</u>	<u>1,394,585</u>
		<u><u>945</u></u>	<u><u>1,394,585</u></u>
	Effects of		
	Losses not recognised for accounting purposes	1,842	5,415
	Amounts previously written off investments written back	-	(1,400,000)
	Amounts written off loan	(2,787)	-
		<u>(2,787)</u>	<u>-</u>
		<u>(945)</u>	<u>(1,394,585)</u>
		<u><u>(945)</u></u>	<u><u>(1,394,585)</u></u>
	Current tax charge for the year	<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>

The company has estimated losses of €61,477 (2010 - €62,422) available for carry forward against future trading profits

On the basis of these financial statements no provision has been made for corporation tax

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6 Fixed asset investments

	Shares in participating interests €	Loans to participating interests €	Total €
Cost			
At 1 January 2011 & at 31 December 2011	2,582,290	10,000,000	12,582,290
Net book value			
At 31 December 2011	2,582,290	10,000,000	12,582,290
At 31 December 2010	2,582,290	10,000,000	12,582,290

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
Cabefin SRL	Italy	Ordinary	43 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves €	Profit/(loss) for the year €
Cabefin SRL	Investment	13,646,142	(19,163)

7 Creditors: amounts falling due within one year

	2011 €	2010 €
Other creditors	12,672,784	10,188,249
Accruals and deferred income	4,064	4,653
	12,676,848	10,192,902

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

8	Creditors' amounts falling due after more than one year	2011	2010
		€	€
	Other loans	-	2,500,000
		<u> </u>	<u> </u>
	Analysis of loans		
	Wholly repayable within five years	-	2,500,000
		<u> </u>	<u> </u>
		-	2,500,000
		<u> </u>	<u> </u>
	Loan maturity analysis		
	In more than one year but not more than two years	-	2,500,000
		<u> </u>	<u> </u>
9	Share capital	2011	2010
		€	€
	Allotted, called up and fully paid		
	1 Ordinary shares	2	2
		<u> </u>	<u> </u>
	The shares have a par value of £1 each		
10	Statement of movements on profit and loss account		Profit and loss account
			€
	Balance at 1 January 2011		(77,945)
	Profit for the year		3,568
			<u> </u>
	Balance at 31 December 2011		(74,377)
			<u> </u>
11	Reconciliation of movements in shareholders' funds	2011	2010
		€	€
	Profit for the financial year	3,568	4,980,659
	Opening shareholders' funds	(77,943)	(5,058,602)
		<u> </u>	<u> </u>
	Closing shareholders' funds	(74,375)	(77,943)
		<u> </u>	<u> </u>

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

12 Employees

Number of employees

There were no employees during the year or the prior period apart from the director who received no remuneration during this or the prior period

13 Related party relationships and transactions

The directors are aware of the identity of the ultimate controlling party. However, they are under a duty of confidentiality that prevents them disclosing certain information otherwise required by Financial Reporting Standard 8. Therefore they have taken the exemption offered by the standard in respect of confidentiality.