

TENNYSON CAPITAL ADVISORS LLP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st OCTOBER 2006

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COMPANIES HOUSE

TAYLOR COCKS
Chartered Accountants
Abbey House
Hickleys Court
South Street
Farnham
Surrey
GU9 7QQ

TENNYSON CAPITAL ADVISORS LLP
FINANCIAL STATEMENTS ACCOUNTS
YEAR ENDED 31st OCTOBER 2006

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TENNYSON CAPITAL ADVISORS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Partners	Mr A Stocks Mr J C Mitchell Tennyson Capital Limited
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Registered office	25 Dover Street London W1S 4LX
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Accountants	Taylor Cocks Chartered Accountants Abbey House Hickleys Court South Street Farnham Surrey GU9 7QQ
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Bankers	HSBC Bank plc 18a Curzon Street London W1J 7LA
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TENNYSON CAPITAL ADVISORS LLP

MEMBERS' REPORT

YEAR ENDED 31st OCTOBER 2006

The members present their report and the financial statements of the Limited Liability Partnership ('LLP') for the year ended 31st October 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of marketing advice and support. The members intend to continue to develop the business.

RESULTS

The trading results for the period, and the LLP's position at the end of the period are shown in the attached accounts.

DESIGNATED MEMBERS

The designated members who served the LLP during the period were as follows:

Mr J C Mitchell
Mr A Stocks
Tennyson Capital Limited

Mr T A Herman resigned as a member on 20th February 2006.

Members share profits and losses in accordance with agreed profit share agreements. Members' capital is determined by the regulatory capital requirements of the FSA and any trading needs of the LLP.

MEMBER'S RESPONSIBILITIES

The LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the LLP at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the members are required to select suitable accounting policies, as described on page 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The members must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Under the LLP regulations, the members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and which enable them to ensure that the financial statements will comply with those regulations. The members have a general responsibility 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.

TENNYSON CAPITAL ADVISORS LLP

MEMBERS' REPORT (continued)

YEAR ENDED 31st OCTOBER 2006

AUDITORS

A resolution to re-appoint Taylor Cocks as auditors for the ensuing year will be proposed at the annual general meeting

Registered office
25 Dover Street
London
W1S 4LX

Signed on behalf of the members

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal stroke.

Mr A Stocks
Designated Member

Approved on 23-4-2007

TENNYSON CAPITAL ADVISORS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

TENNYSON CAPITAL ADVISORS LLP

YEAR ENDED 31st OCTOBER 2006

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10

This report is made solely to the partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985/9 as applied to limited liability partnerships by Regulation 3 of the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the 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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE MEMBERS AND THE AUDITORS

As described in the Statement of Member's Responsibilities the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by Regulation 3 of the Limited Liability Partnerships Regulations 2001). We also report to you if, in our opinion, the member's Report is not consistent with the financial statements, if the partnership has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding member's remuneration and transactions with the partnership is not disclosed.

We read the member's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

TENNYSON CAPITAL ADVISORS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

TENNYSON CAPITAL ADVISORS LLP (continued)

YEAR ENDED 31st OCTOBER 2006

OPINION

In our opinion the financial statements give a true and fair view of the state of the partnership's affairs as at 31st October 2006 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by Regulation 3 of the Limited Liability Partnerships Regulations 2001)

Abbey House
Hickleys Court
South Street
Farnham
Surrey
GU9 7QQ

26/4/07

Taylor Cocks

Chartered Accountants
& Registered Auditors

TENNYSON CAPITAL ADVISORS LLP

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st OCTOBER 2006

	Note	2006 £	2005 £
TURNOVER		251,273	95,043
Administrative expenses		143,327	161,273
OPERATING PROFIT/(LOSS)		107,946	(66,230)
Interest receivable		198	190
Interest payable		(464)	(2,107)
Amounts written off to investments		(80,000)	-
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AVAILABLE FOR DIVISION AMONG MEMBERS		27,680	(68,147)

The LLP has no recognised gains or losses other than the results for the period as set out above

All activities of the LLP are classed as continuing

The notes on page 10 to 14 form part of these financial statements

TENNYSON CAPITAL ADVISORS LLP

BALANCE SHEET

31st OCTOBER 2006

	Note	2006 £	£	2005 £	£
FIXED ASSETS					
Investment	4		20,000		100,000
Tangible assets	3		-		13,249
			<u>20,000</u>		<u>113,249</u>
CURRENT ASSETS					
Debtors	5	26,882		37,294	
Cash at bank and in hand		<u>13,933</u>		<u>8,957</u>	
		40,815		46,251	
CREDITORS Amounts falling due within one year	6	<u>(36,331)</u>		<u>(53,104)</u>	
NET CURRENT ASSETS			<u>4,484</u>		<u>(6,853)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			24,484		106,396
CREDITORS Amounts falling due after more than one year			-		-
NET ASSETS			<u>24,484</u>		<u>106,396</u>

The notes on page 10 to 14 form part of these financial statements

TENNYSON CAPITAL ADVISORS LLP

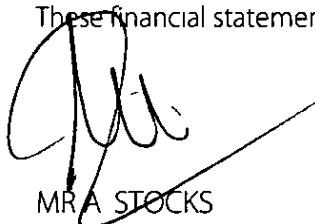
BALANCE SHEET (continued)

31st OCTOBER 2006

	Note	2006 £	£	2005 £	£
MEMBERS' OTHER INTERESTS					
Members' capital	7		354,798		464,390
Other reserves	7		(330,314)		(357,994)
			<u>24,484</u>		<u>106,396</u>
TOTAL MEMBERS' INTERESTS					
Members' other interests			<u>24,484</u>		<u>106,396</u>

PARTNERS' APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the partners on the 23-4-2007


MRA STOCKS

The notes on page 10 to 14 form part of these financial statements

TENNYSON CAPITAL ADVISORS LLP

CASH FLOW STATEMENT

YEAR ENDED 31st OCTOBER 2006

	2006		2005	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		122,350		(71,632)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	198		190	
Interest element of hire purchase	(464)		(2,107)	
Bank interest paid	(51)		-	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(266)		(1,917)
CAPITAL EXPENDITURE				
Payments to acquire fixed assets	-		-	
Payments to acquire investments	-		-	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		-		-
NET CASH INFLOW BEFORE FINANCING		122,084		(73,549)
FINANCING				
Funding from hire purchase			-	
Repayment of capital	(7,515)		(5,344)	
NET CASH OUTFLOW FROM FINANCING		(7,515)		(5,344)
TRANSACTIONS WITH MEMBERS				
Drawings		(120,100)		
Partnership funds introduced		10,507		80,290
INCREASE IN CASH		4,976		1,397

The notes on page 10 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st OCTOBER 2006

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP), 'Accounting by Limited Liability Partnerships' published on 29th May 2002

Turnover

The turnover shown in the profit and loss account represents the amount of services provided during the period, stated net of value added tax. Turnover is derived wholly in the UK

Tax provisions

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

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	-	Over 3 years
Office Equipment	-	Over 3 years

Investments

Investments are initially recorded at cost less provisions for any permanent diminution in value

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

TENNYSON CAPITAL ADVISORS LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st OCTOBER 2006

2 OPERATING PROFIT

Operating profit is stated after charging	2006 £
Members' emoluments	—
Depreciation of owned fixed assets	<u>13,249</u>

3 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Office Equipment £	Total £
COST OR VALUATION			
At 1st November 2005	15,083	24,666	39,749
Additions	—	—	—
At 31st October 2006	<u>15,083</u>	<u>24,666</u>	<u>39,749</u>
DEPRECIATION			
At 1st November 2005	10,056	16,444	26,500
Charge for the period	5,027	8,222	13,249
At 31st October 2006	<u>15,083</u>	<u>24,666</u>	<u>39,749</u>
NET BOOK VALUE			
At 31st October 2006	—	—	—
At 31st October 2005	<u>5,027</u>	<u>8,222</u>	<u>13,249</u>

Hire purchase agreements

Included within the net book value of £NIL is £NIL (2005 - £13,249) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £NIL (2005 - £13,250)

4 INVESTMENT

Dickson Capital Management LLP

	£
COST	
At 1 November 2005	100,000
Written off	(80,000)
At 31 October 2006	<u>20,000</u>
NET BOOK VALUE	
At 31 October 2006	<u>20,000</u>
At 31 October 2005	<u>100,000</u>

TENNYSON CAPITAL ADVISORS LLP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st OCTOBER 2006

5 DEBTORS

	2006	2005
	£	£
Accrued income	9,382	19,794
VAT recoverable	-	-
Rent deposit	17,500	17,500
	<u>26,882</u>	<u>37,294</u>

6 CREDITORS Amounts falling due within one year

	2006	2005
	£	£
Trade creditors	2,649	31,317
VAT	4,686	3,022
Accruals and deferred income	12,704	11,250
Other Creditors	16,292	-
Hire purchase agreements	-	7,515
	<u>36,331</u>	<u>53,104</u>

7 TOTAL MEMBERS' INTERESTS

	Members' Capital	Other Reserves	Members' Interests
	£	£	£
At 31st October 2005	464,390	(357,994)	106,396
Drawings	(120,100)	-	(120,100)
Introduced by members	10,508	-	10,508
Profit for the financial period available for division among members	-	27,680	27,680
At 31st October 2006	<u>354,798</u>	<u>(330,314)</u>	<u>24,484</u>

Members' other interests rank after unsecured creditors, and loans and other debts due to members rank pari passu with unsecured creditors in the event of winding up

TENNYSON CAPITAL ADVISORS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st OCTOBER 2006

8 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Operating profit/(loss)	107,946	(66,230)
Decrease/(Increase) in debtors	10,412	(17,377)
(Decrease) in creditors	(9,257)	(1,275)
Depreciation	13,249	13,250
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	122,350	(71,632)
	<hr/>	<hr/>

9 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006	2005
	£	£
Increase in cash in the period	4,976	1,397
New hire purchase agreements	7,515	11,789
	<hr/>	<hr/>
Change in net debt	12,491	13,186
Net debt at 31st October 2005	1,442	(11,744)
	<hr/>	<hr/>
Net debt at 31st October 2006	13,933	1,442
	<hr/>	<hr/>

10 ANALYSIS OF CHANGES IN NET FUNDS

	At 1st November 2005	Cash flows	At 31st October 2006
	£	£	£
Net cash			
Cash in hand and at bank	8,957	4,976	13,933
Debt			
Hire purchase agreements	(7,515)	7,515	-
	<hr/>	<hr/>	<hr/>
Net Debt	1,442	12,491	13,933
	<hr/>	<hr/>	<hr/>

11 ULTIMATE CONTROL

The LLP is controlled by its designated members, Mr JC Mitchell and Mr AJ Stocks

TENNYSON CAPITAL ADVISORS LLP

MANAGEMENT INFORMATION

YEAR ENDED 31st OCTOBER 2006

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on page 4

TENNYSON CAPITAL ADVISORS LLP
 DETAILED PROFIT AND LOSS ACCOUNT
 YEAR ENDED 31st OCTOBER 2006

	2006	2005
	£	£
TURNOVER	251,273	95,043
OVERHEADS		
Administrative expenses	143,327	161,273
OPERATING PROFIT (LOSS)	107,946	(66,230)
Bank interest receivable	198	190
Bank interest payable	(464)	(2,107)
Amounts written off to investments	(80,000)	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES	<u>27,680</u>	<u>(68,147)</u>

TENNYSON CAPITAL ADVISORS LLP

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st OCTOBER 2006

	2006		2005	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Wages and salaries		1,205		21,110
Establishment expenses				
Rent, rates and water	46,215		44,854	
Insurance	632		884	
Premises expenses	<u>2,159</u>		<u>2,960</u>	
		49,006		48,698
General expenses				
Travel and subsistence	5,791		8,712	
Telephone	2,236		1,624	
Hire of equipment	6,651		6,782	
General expenses	1,637		517	
Late filing penalty	-		100	
Advertising	3,776		9,555	
Legal and professional fees	48,885		24,338	
IT Consultancy	7,433		20,439	
Auditors remuneration	7,174		5,750	
Depreciation	<u>13,249</u>		<u>13,250</u>	
		96,832		91,067
Financial costs				
Bad debts written off	(4,200)			
Bank charges	<u>484</u>		<u>398</u>	
		3,716		398
		<u>143,327</u>		<u>161,273</u>
INTEREST RECEIVABLE				
Bank interest receivable		198		190
AMOUNTS WRITTEN OFF INVESTMENTS				
Written off		<u>80,000</u>		-
INTEREST PAYABLE				
Bank interest payable		51		-
Hire purchase interest and charges		413		2,107
		<u>464</u>		<u>2,107</u>