

OC 304943

**Tennyson Capital
Advisors LLP**

Report and Accounts
31 October 2004



OFFICERS AND PROFESSIONAL ADVISERS

Members T A Herman
J C Mitchell
A J Stocks
Tennyson Capital Limited

Auditors Rees Pollock
35 New Bridge Street
London
EC4V 6BW

Bankers National Westminster
Bishopsgate
P O Box 34
15 Bishopsgate
London
EC2P 2AP

Solicitors M W Cornish
Solicitors
Gainsborough House
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London
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London
W1S 4LX

Registered Number OC 304943

MEMBERS' REPORT

The members present their report and accounts of the Limited Liability Partnership ('LLP') for the period to 31 October 2004.

Principal activities and business review

The LLP was incorporated on 26 June 2003 and obtained authorisation from the Financial Services Authority to carry on investment business on 24 November 2003. The LLP was incorporated as Norfolk Market (Europe) LLP and changed its name to Tennyson Capital Advisors LLP on 31 March 2004.

The principal activity of the LLP during the period 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 financial position at the end of the period are shown in the attached accounts.

The designated members

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

T A Herman	(appointed 26 June 2003)
J C Mitchell	(appointed 26 June 2003)
A J Stocks	(appointed 19 July 2004)
Tennyson Capital Limited	(appointed 19 July 2004)

Policy regarding members' drawings and the subscription and repayment of members' capital

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.

Members' responsibilities

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

In preparing those accounts, the members are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, and to make judgements and estimates that are prudent and reasonable. The members must also prepare the accounts on the going concern basis unless it is inappropriate to presume that the LLP 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 the financial position of the limited liability partnership and which enable them to ensure that the accounts will comply with those regulations. The members have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the limited liability partnership and to prevent and detect fraud and other irregularities.

MEMBERS' REPORT

Auditors

Rees Pollock were appointed as the partnership's first auditors. A resolution to re-appoint Rees Pollock as auditors for the ensuing period will be proposed at the annual general meeting.

ON BEHALF OF THE MEMBERS

A handwritten signature in black ink, appearing to be 'A J Stocks', with a long, sweeping horizontal line extending to the right.

A J Stocks
Designated Member

23 February 2005



REESPOLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TENNYSON CAPITAL ADVISORS CAPITAL LLP

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 (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 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 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 on page 2, the partnership's members are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 members' report is not consistent with the accounts, 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 members' remuneration and transactions with the partnership is not disclosed.

We read the members' 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 accounts. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the partnership's affairs as at 31 October 2004 and of the loss for the period 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).

Rees Pollock

Rees Pollock
Chartered Accountants
Registered Auditors

25 February 2005

Tennyson Capital Advisors LLP

PROFIT AND LOSS ACCOUNT

for the period to 31 October 2004

	Note	Period to 31 October 2004 £
TURNOVER	2	801
Administrative expenses		(280,870)
OPERATING LOSS	3	(280,069)
Interest receivable		176
Interest payable	6	(9,954)
LOSS FOR THE FINANCIAL PERIOD AVAILABLE FOR DIVISION AMONG MEMBERS		<u>(289,847)</u>

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

All of the activities of the LLP are classed as continuing.

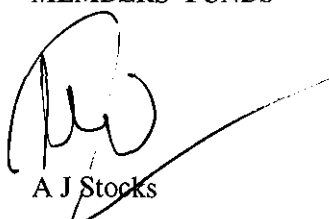
The notes on pages 8 to 12 form part of these accounts

Tennyson Capital Advisors LLP

BALANCE SHEET

at 31 October 2004

	Note	As at 2004 £
FIXED ASSETS		
Investment	8	100,000
Tangible fixed assets	7	26,499
		<u>126,499</u>
CURRENT ASSETS		
Debtors	9	19,917
Cash at bank		7,560
		<u>27,477</u>
CREDITORS: amounts falling due within one period	10	(53,278)
NET CURRENT LIABILITIES		<u>(25,801)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		100,698
CREDITORS: amounts falling due after more than one year	11	(6,445)
NET ASSETS		<u>94,253</u>
MEMBERS' OTHER INTERESTS		
Members' capital	13	384,100
Other reserves		(289,847)
		<u>94,253</u>
TOTAL MEMBERS' INTERESTS		
Members' other interests	13	94,253
MEMBERS' FUNDS	13	<u>94,253</u>


A J Stocks

23 February 2005

The notes on pages 8 to 12 form part of these accounts

CASH FLOW STATEMENT
 for the period to 31 October 2004

	Note	Period to 31 October 2004 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	14	(240,263)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received		176
Interest element of finance leases		<u>(9,954)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(9,778)
CAPITAL EXPENDITURE		
Payments to acquire investments		<u>(100,000)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(100,000)
NET CASH OUTFLOW BEFORE FINANCING		(350,041)
FINANCING		
Capital element of finance leases		<u>(26,499)</u>
NET CASH OUTFLOW FROM FINANCING		(26,499)
TRANSACTIONS WITH MEMBERS		
Partnership funds introduced		<u>384,100</u>
INCREASE IN CASH	15	<u>7,560</u>

The notes on pages 8 to 12 form part of these accounts

NOTES TO THE ACCOUNTS
for the period to 31 October 2004

1. ACCOUNTING POLICIES

Basis of accounting

The accounts 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 29 May 2002.

Tax provisions

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

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with depreciation policies below. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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	- 3 years
Office equipment	- 3 years

Investments

All investments are initially recorded at cost less provisions for any permanent diminution in value.

2. 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.

NOTES TO THE ACCOUNTS
for the period to 31 October 2004**3. OPERATING LOSS**

Operating loss is stated after charging:

	Period to 31 October 2004 £
Depreciation of assets held under finance lease agreements	13,250
Auditors' remuneration	
- audit fees	4,000
- other services	<u>4,750</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the firm during the financial period amounted to:

	Period to 31 October 2004 No.
Number of administrative staff	<u>1</u>

The aggregate payroll costs of the above were:

	Period to 31 October 2004 £
Wages and salaries	28,000
Social security costs	3,537
	<u>31,537</u>

5. PARTICULARS OF MEMBERS

The average number of members for the period was 4. No salaries were paid to members during the period.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period to 31 October 2004 £
Finance charges	<u>9,954</u>

NOTES TO THE ACCOUNTS

for the period to 31 October 2004

7. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Office equipment £	Total £
Cost:			
Additions	15,083	24,666	39,749
At 31 October 2004	<u>15,083</u>	<u>24,666</u>	<u>39,749</u>
Depreciation:			
Charge for the year	5,028	8,222	13,250
At 31 October 2004	<u>5,028</u>	<u>8,222</u>	<u>13,250</u>
Net book value:			
At 31 October 2004	<u>10,055</u>	<u>16,444</u>	<u>26,499</u>

All the above assets are held under finance lease agreements.

8. INVESTMENT

	2004 £
Investment in Dickson Capital Management LLP	<u>100,000</u>

The above investment represents a 2.5% share in the partnership as a Limited Partner.

9. DEBTORS

	2004 £
Accrued income	539
Other debtors	1,878
Rent deposit	17,500
	<u>19,917</u>

10. CREDITORS: Amounts falling due within one year

	2004 £
Trade creditors	16,225
Other taxation and social security	2,467
Accruals and deferred income	18,348
Other creditors	3,379
Finance lease agreements	12,859
	<u>53,278</u>

11. CREDITORS: Amounts falling due after more than one year

	2004 £
Finance lease agreements	<u>6,445</u>

NOTES TO THE ACCOUNTS
for the period to 31 October 2004

12. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2004 £
Amounts payable within 1 year	12,859
Amounts payable between 2 and 5 years	6,445
	<u>19,304</u>

13. TOTAL MEMBERS' INTERESTS

	Members' other interests		Loans and other debts due to/(from) members	Total members' interests
	Members' capital £	Other reserves £	Total £	£
Introduced by members	384,100	–	384,100	–
Loss for the financial period available for division among members	–	(289,847)	(289,847)	–
At 31 October 2004	<u>384,100</u>	<u>(289,847)</u>	<u>94,253</u>	<u>–</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 a winding up.

14. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Period to 31 October 2004 £
Operating loss	(280,069)
Increase in debtors	(19,917)
Increase in creditors	59,723
Net cash outflow from operating activities	<u>(240,263)</u>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Period to 31 October 2004 £
Increase in cash in the period	7,560
New finance lease agreements	(19,304)
Change in net debt	(11,744)
Net debt at 31 October 2004	<u>(11,744)</u>

NOTES TO THE ACCOUNTS

for the period to 31 October 2004

16. ANALYSIS OF CHANGES IN NET FUNDS

	Cash flows	Non-cash changes	Period to 31 October 2004
	£	£	£
Net cash:			
Cash in hand and at bank	7,560	-	7,560
Debt:			
Finance lease agreements	26,499	(45,803)	(19,304)
Net debt	<u>34,059</u>	<u>(45,803)</u>	<u>(11,744)</u>

17. ULTIMATE CONTROL

The LLP is controlled by its designated members, T A Herman, J C Mitchell and A J Stocks.