

LLP NUMBER OC306267

JCH Capital Management LLP

Annual Report

Year ended 30 April 2006



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LIMITED LIABILITY PARTNERSHIP INFORMATION

| | |
|---------------------|---|
| Designated Members | Stephen Jones Riccardo Capelvenere William Holt JCH UK Ltd |
| LLP Registration No | OC306267 |
| Auditors | The Gallagher Partnership LLP 69/85 Tabernacle Street London EC2A 4RR |
| Registered Office | 33 Pembridge Square London W2 4DT |

REPORT OF THE MEMBERS

The members present their report for the year to 30 April 2006.

Principal Activity

The principal activity of the Partnership is provision of discretionary investment management services.

Business Review

The Partnership made a loss in the period of £ 86,484.

Members and Drawings

The members are as shown on page 2.


Policy for members' profits, drawings, subscriptions and repayment of members' capital

Policies for members' profits, drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 8 June 2004, as amended.

Auditors

The Gallagher Partnership LLP were appointed auditors to the Partnership, and a resolution proposing that they be re-appointed will be proposed at the AGM.

This report was approved and signed by Riccardo Capelvenere


.....
21 June 2006

STATEMENT OF MEMBERS' RESPONSIBILITIES

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations of 2001) requires the members' to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the limited liability partnership and of the profit and loss of the limited liability partnership for that year. In preparing those financial statements, the members are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the limited liability partnership will continue in business.

The Members are responsible for keeping proper accounting records which 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 1985 (as applied to the limited liability partnerships by regulation 3 of the Limited Liability Regulations 2001). They are also responsible for the system of internal control and 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.

Statement of disclosure to auditor

- (a) so far as the members are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all 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 company's auditors are aware of that information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JCH CAPITAL MANAGEMENT LLP

We have audited the financial statements of JCH Capital Management LLP on pages 6 to 12 for the year ended 30 April 2006. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the limited liability partnership (the "Partnership"), as a body, in accordance with Section 235 of the Companies Act 1985 as applicable by the Limited Liability Partnerships Regulations 2001, Regulation 3. Our audit work has been undertaken so that we might state to the 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 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 members and auditors

The members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of the Responsibilities of the Members.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 as applied by the Limited Liability Partnerships Regulations 2001, Regulation 3. We also report to you if, in our opinion, the Report of the Members is not consistent with the financial statements, if the Partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

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

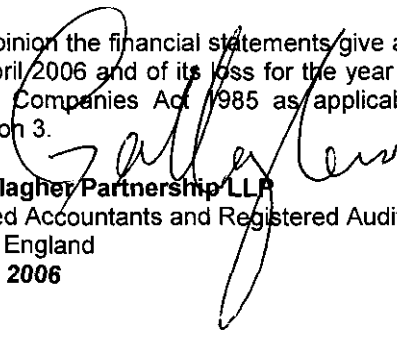
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, which exclude any provision for any liability to taxation on the individual members.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Partnership as at 30 April 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable by the Limited Liability Partnerships Regulations 2001, Regulation 3.


The Gallagher Partnership LLP
Chartered Accountants and Registered Auditors
London, England
21 June 2006

PROFIT AND LOSS ACCOUNT
for the year ended to 30 April 2006

| | Note | 2006 £ | 2005 £ |
|--------------------------------------|------|-----------|-----------|
| Turnover | 1 | 111,070 | 73,896 |
| Administration expenses | | 197,849 | 157,032 |
| Operating loss | 2 | (86,779) | (83,136) |
| Interest receivable | | 295 | 1,073 |
| Loss for the financial period | | (86,484) | (82,063) |

There are no recognised gains and losses in the period other than disclosed in the profit and loss account above.

All activities related to continuing operations.

The notes on pages 9 to 12 form part of these financial statements.


BALANCE SHEET


as at 30 April 2006

| | Note | 2006 £ | 2005 £ |
|---|------|-----------|-----------|
| Tangible fixed assets | 6 | 6,335 | 9,160 |
| Current Assets | | | |
| Debtors | 7 | 26,543 | 61,887 |
| Cash at bank and in hand | | 89,839 | 63,000 |
| | | 116,382 | 124,887 |
| Creditors: Amounts falling due within one year | 8 | 14,490 | 20,838 |
| Net current assets | | 101,892 | 104,049 |
| Total assets before loans and other debts due to members | | 108,227 | 113,209 |
| Loan and other debts due to members | 9 | - | - |
| Net assets | | 108,227 | 113,209 |
| Members' other interests | | | |
| Members' capital | 9 | 276,774 | 195,272 |
| Other reserves | 9 | (168,547) | (82,063) |
| Members' Funds | 9 | 108,227 | 113,209 |
| Memorandum item: | | | |
| Loans and other debts due to members | 9 | 1,996 | 6,902 |
| Amounts due from members | | (3,395) | - |
| Members' other interests | 9 | 108,227 | 113,209 |
| Total members' interests | 9 | 106,827 | 120,111 |

The notes on pages 9 to 12 form part of these financial statements.

The financial statements were approved by the Members on 21 June 2006 and signed on their behalf by


 Riccardo Capelvenere
 Member


 Will Holt
 Member

CASHFLOW STATEMENT

For the year to 30 April 2006

| | Note | 2006 £ | 2005 £ |
|---|-------------|-------------------|-------------------|
| Net cash outflow from operating activities | 10 | (51,560) | (119,982) |
| Returns on investment and servicing of finance | | 295 | 1,073 |
| Capital expenditure and financial investment | | (1,999) | (13,363) |
| Cash inflow (outflow) before financing | | (53,264) | (132,272) |
| Contributions by members | | 81,502 | 195,272 |
| Payments to/from members | | (1,399) | - |
| Increase in cash | | 26,839 | 63,000 |
| Reconciliation of net cash flow to movement in net debt: | | £ | £ |
| Increase in cash in the period | 11 | 26,839 | 63,000 |
| Change in net debt | | - | - |
| Debt at start date | | - | - |
| Net funds at 30 April 2006 | | 26,839 | 63,000 |

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and prior-year, is set out below:

Basis of Accounting

The Partnership's accounts have been prepared following generally accepted UK accounting policies and on the historical cost convention and in accordance with applicable accounting standards, the statement of recommended practice relating to Limited Liability Partnerships and the terms of the Partnership Agreement.

Turnover

Turnover consists of the amounts receivable for services net of VAT. Revenue is recognised in line with accrual accounting based on fees received for services provided during the financial period.

Expenses

Expenses relate to costs incurred by the partnership in relation to the establishment, constitution, administration and business of the partnership.

Taxation

No provision for taxation is made as any liability arising is assessable directly on the members.

Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment, where impairment is expected to be permanent. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------|---------------------|
| <i>Plant and machinery</i> | <i>over 3 years</i> |
|----------------------------|---------------------|

Foreign Currency Translation

Monetary assets and liability denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2. 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.

3. OPERATING LOSS

Operating loss is arrived at after charging:

| | 2006 £ | 2005 £ |
|--------------------------------|--------------|--------------|
| Auditors' remuneration | | |
| - audit | 4,800 | 4,800 |
| - depreciation of fixed assets | 4,824 | 4,202 |
| | <u>4,824</u> | <u>4,202</u> |

4. EMPLOYEES

There were no employees during the period.

5. MEMBERS

The average number of members during the period was 4.

6. FIXED ASSETS

| | Plant and machinery £ | Furniture & Fixtures £ | Total £ |
|--------------------------|-----------------------------|------------------------------|---------------|
| Cost or valuation | | | |
| At 30 April 2005 | 13,250 | 112 | 13,362 |
| Additions | 1,999 | - | 1,999 |
| | <u>15,249</u> | <u>112</u> | <u>15,361</u> |
| At 30 April 2006 | | | |
| Depreciation | | | |
| At 30 April 2005 | 4,171 | 31 | 4,202 |
| Charged in year | 4,786 | 38 | 4,824 |
| | <u>8,957</u> | <u>69</u> | <u>9,026</u> |
| At 30 April 2006 | | | |
| Net book value | | | |
| At 30 April 2006 | 6,292 | 43 | 6,335 |
| At 30 April 2005 | 9,079 | 81 | 9,160 |

7. DEBTORS

JCH Capital Management LLP
Notes to the Financial Statements for the year ended 30 April 2006

| | 2006 | 2005 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Trade Debtors | - | 42,293 |
| Accrued Income | 5,915 | 3,585 |
| Other Debtors | 11,617 | 10,841 |
| Intercompany Debtor | 791 | 791 |
| Amount owed from members | 3,395 | - |
| Prepayments | 4,825 | 4,377 |
| Total Debtors | 26,543 | 61,887 |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2006 | 2005 |
|------------------------|---------------|---------------|
| | £ | £ |
| Trade Creditors | 6,162 | 8,683 |
| Amount owed to members | 1,996 | 6,902 |
| Accruals | 6,332 | 5,253 |
| Total Creditors | 14,490 | 20,838 |

9. RECONCILIATION OF MOVEMENTS IN MEMBERS' OTHER AND MEMBERS' TOTAL INTERESTS

| | Members' Other Interests | | Loans and other debts due to/from members | | |
|--------------------------------|---------------------------------|-----------------------|--|----------------|----------------|
| | Members' Capital | Other Reserves | Total | Total | |
| | £ | £ | £ | £ | £ |
| At 30 April 2005 | 195,272 | (82,063) | 113,209 | 6,902 | 120,111 |
| Introduced by members | 81,502 | - | 81,502 | - | 81,502 |
| Loss for the period | - | (86,484) | (86,484) | - | (86,484) |
| Drawings | - | - | - | (8,633) | (8,633) |
| Other payments to/from members | - | - | - | 331 | 331 |
| At 30 April 2006 | 276,774 | (168,547) | 108,227 | (1,400) | 106,827 |

In the event of a winding up the amount included in "loans and other debts due to members" will rate equally with unsecured creditors.

10. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

JCH Capital Management LLP
Notes to the Financial Statements for the year ended 30 April 2006

| | 2006 £ | 2005 £ |
|--|-----------|-----------|
| Operating loss | 86,779 | 83,136 |
| Depreciation | (4,824) | (4,203) |
| (Increase) / decrease in debtors | (38,739) | 61,887 |
| Increase / (decrease) in creditors | 8,344 | (20,838) |
| | <hr/> | <hr/> |
| Net cash outflow from operating activities | 51,560 | 119,982 |
| | <hr/> | <hr/> |

11. ANALYSIS OF CHANGES IN NET FUNDS

| | At 30 April 2005 £ | Net cash inflow £ | At 30 April 2006 £ |
|--------------------------|-----------------------------|-------------------------|-----------------------------|
| Cash at bank and in hand | 63,000 | 26,839 | 89,839 |
| | <hr/> | <hr/> | <hr/> |
| Net Funds | 63,000 | 26,839 | 89,839 |
| | <hr/> | <hr/> | <hr/> |

12. RELATED PARTY TRANSACTIONS

During the period, one of the members of the Partnership, JCH UK Limited, was reimbursed for £Nil (2005K £7,709) of expenses which it incurred on behalf of the Partnership.