

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

PARTNERSHIP NO.OC308902

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CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

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CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

MEMBERS' REPORT

The Members present the report and the audited financial statements for the year ended 31 December 2010

INCORPORATION

The Partnership was incorporated in England on 10 August 2004

ACTIVITY

The Partnership is the General Partner of Change Capital Funds LP ("the Fund")

REVIEW OF BUSINESS

The Partnership acted as General Partner to the Fund throughout the year. In the opinion of the members the state of the LLP's affairs as at 31 December 2010 is satisfactory. The Partnership intends to wind down once the Fund has been terminated. The Partnership is solvent and, on winding down, its assets and liabilities will be settled in an orderly fashion.

RESULTS FOR THE PERIOD AND ALLOCATION TO MEMBERS

The net profit for the year amounted to €465,905 (2009: €1,120,840). Members were allocated €nil in the year (2009: €nil).

MEMBERS

The Members who held office during the year and subsequently were -

S Petrow - (Designated Member)
L Vandeveldt - (Designated Member)
S Lobmeyr - (Designated Member)
R Holmes - (Designated Member)
Change Capital Services Limited

POLICY WITH RESPECT TO MEMBERS' DRAWINGS

The policy of Change Capital Investment Management LLP regarding the allocation of profits and drawings to members is disclosed in the accounting policies.

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

AUDITORS

Pursuant to Section 487 of the Companies act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information

REGISTERED OFFICE

College House
272 Kings Road
London
SW3 5AW

ON BEHALF OF THE BOARD



Steven Petrow
Designated Member

Date 22nd February 2011

STATEMENT OF THE MEMBER'S RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND THE FINANCIAL STATEMENTS

The members are responsible for preparing the Members' Report and the LLP financial statements in accordance with applicable law and regulations

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare LLP financial statements for each financial year. Under that law the members have elected to prepare LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under Regulation 8 of 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 LLP and of the profit or loss of the LLP for that period. In preparing the LLP 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 UK Accounting Standards have been followed, subject to any material departures disclosed
- continue in business
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

We have audited the financial statements of Change Capital Investment Management LLP for the year ended 31 December 2010 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of 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 LLP'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 LLP and the LLP'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

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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of affairs of the LLP as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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.

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.



Iain Bannatyne (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB
22nd February 2011

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Year ended 31-Dec-10 €	Year ended 31-Dec-09 €
Turnover	2	479,339	1,110,963
Administration (expenses) / income		<u>(13,814)</u>	<u>8,332</u>
Operating profit	3	465,525	1,119,295
Interest receivable		<u>380</u>	<u>1,545</u>
Profit on ordinary activities before taxation		465,905	1,120,840
Tax on profit on ordinary activities		-	-
Profit for the period before members' remuneration and profit shares		<u>465,905</u>	<u>1,120,840</u>
Members' remuneration charged as an expense		<u>-</u>	<u>-</u>
Profit for the period available for discretionary division amongst members		<u><u>465,905</u></u>	<u><u>1,120,840</u></u>

Total recognised gains and losses

There are no recognised gains and losses other than as disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

Historical cost equivalents

There is no difference between the profit available for division among members for the year stated above and its historical cost equivalent

Continuing operations

All of the LLP's operations are classified as continuing

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

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP


BALANCE SHEET

AS AT 31 DECEMBER 2010

	<u>Notes</u>	<u>As at 31-Dec-10 €</u>	<u>As at 31-Dec-09 €</u>
Fixed assets			
Investments	5	501	501
Current assets			
Debtors	6	63,213	355,246
Cash at bank		168,196	635,466
		<u>231,409</u>	<u>990,712</u>
Creditors: amounts falling due within one year		<u>-</u>	<u>-</u>
Net current assets		<u>231,409</u>	<u>990,712</u>
Total assets less current liabilities		<u>231,910</u>	<u>991,213</u>
Loans and Other Debts to Members	8	(63,213)	-
Net assets attributable to members		<u><u>168,697</u></u>	<u><u>991,213</u></u>
Represented by:			
Member equity and Loans and other debts due to members			
Members' capital classified as equity	8	7,162	7,162
Members' capital classified as a liability	8	-	-
Members' other reserves	8	161,535	984,051
		<u><u>168,697</u></u>	<u><u>991,213</u></u>
Total Members' Interests			
Loans and other debts due to/(from) members	8	63,213	(355,246)
Members' equity and other reserves	8	<u>168,697</u>	<u>991,213</u>
	8	<u><u>231,910</u></u>	<u><u>635,967</u></u>

The financial statements were approved by the Board of Directors on the 22nd day of February 2011 and were signed on its behalf by

Designated Member


Steven Petrow

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

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Year to 31-Dec-10 €	Year to 31-Dec-09 €
Net cash flow from operating activities	A	757,558	1,125,652
Returns on investment and servicing of finance			
Interest received		380	1,545
Net cash inflow from returns on investments and servicing of finance		380	1,545
Transactions with members and former members			
Drawings to members		(1,288,421)	(3,110,963)
Amounts owed to members		63,213	-
Movement in cash		(467,270)	(1,983,766)
Reconciliation of net cash flow to movement in net cash			
		Year to 31-Dec-10	Year to 31-Dec-09
Change in net cash		(467,270)	(1,983,766)
Net cash at the beginning of the year		635,466	2,619,232
Net cash at the end of the year		168,196	635,466

NOTES TO THE CASH FLOW STATEMENT

A. Reconciliation of operating profit to net cash flow from operating activities

	Year to 31-Dec-10	Year to 31-Dec-09
Operating profit	465,525	1,119,295
Decrease in debtors	292,033	6,358
Decrease in creditors	-	(1)
Net cash flow from operating activities	757,558	1,125,652

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

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2010

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Accounting Practice dated 31 March 2010 Accounting for Limited Liability Partnerships. The more significant accounting policies adopted are set out below -

Turnover

Turnover, which excludes value added tax, represents the value of priority profit share received from the Fund

Expenses

Expenses are accounted for on an accruals basis

Employees

The Partnership has no employees

Foreign currencies

Monetary assets and liabilities and long term loans are translated into Euros at the rate of exchange ruling at the balance sheet date. Foreign currency transactions are translated into Euros at the rate of exchange ruling at the date of transaction. Profits and losses on exchange are recognised within the members' capital account or in the profit and loss account as appropriate.

The foreign exchange rate used at the balance sheet date was as follows: £1 = € 1.1675

Taxation

The members are responsible for their own tax payable on their share of the profit of the Partnership and accordingly the Partnership does not bear a tax charge.

Members' remuneration

A member's share in the profit or loss for the year is accounted for on a discretionary basis. Distributions of profits above the level of drawings are not anticipated.

Investments

Investments are being held for the long term and are accordingly stated at cost, less any provision for impairment.

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

AS AT 31 DECEMBER 2010

1. ACCOUNTING POLICIES - Continued

Consolidation

The Partnership acts as the General Partner to Change Capital Funds LP and has made a €500 capital contribution – see note 5. Change Capital Funds LP technically falls within the definition of a subsidiary undertaking as defined by the Companies Act 2006 and FRS2, require consolidation of all subsidiary undertakings. However, the members of the Partnership do not consider the financial statements of the Partnership would present a true and fair view if Change Capital Funds LP and the underlying investments were to be fully consolidated into the financial statements of the Partnership, with the interests of the limited partner accounted for as minority interests, as the Partnership does not have any significant economic interest in Change Capital Funds LP. The members of the Partnership have therefore overridden the detailed provisions of Schedule 398 to the Companies Act 2006 with respect to the method of consolidation and only the Partnership's interest in Change Capital Funds LP has been consolidated.

2. TURNOVER

Priority Profit Share from Change Capital Funds L P

Period ended 31 Dec 10	Year ended 31-Dec-09
€	€
<u>479,339</u>	<u>1,110,963</u>

3. OPERATING PROFIT

Operating Profit for the period is stated after charging
Costs incurred for Change Capital Carry LP
Bank charges
Foreign exchange (gain)/loss
VAT written off

Period ended 31 Dec 10	Year ended 31-Dec-09
€	€
7,440	-
232	589
4,906	(8,921)
1,236	-
<u>13,814</u>	<u>(8,332)</u>

4. AUDIT FEES

Annual audit fees are paid by Change Capital Services Limited under the Services agreement dated 19 April 2005

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

AS AT 31 DECEMBER 2010

	% Holding	As at <u>31-Dec-10</u> €	As at <u>31-Dec-09</u> €
5 INVESTMENTS			
Capital contribution as general partner of Change Capital Funds LP	1 6%	500	500
Investment in Change Capital Nominees Limited		<u>1</u>	<u>1</u>
		<u>501</u>	<u>501</u>
6 DEBTORS			
Due from Change Capital Services Limited		-	355,246
Due from Change Capital Funds LP		63,213	-
		<u>63,213</u>	<u>355,246</u>

7 RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

Change Capital Investment Management LLP is the General Partner of Change Capital Funds LP. Change Capital Services Limited is a corporate member of Change Capital Investment Management LLP. Change Capital Partners LLP provides investment advice to Change Capital Investment Management LLP. Change Capital Funds LP, Change Capital Services Limited and Change Capital Partners LLP are under common control and therefore all considered to be related parties of Change Capital Investment Management LLP. Details of related party transactions are included in the notes 5 and 6 to the financial statements.

Change Capital Investment Management LLP has no ultimate controlling party.

CHANGE CAPITAL INVESTMENT MANAGEMENT LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

8. RECONCILIATION OF MEMBERS' INTERESTS

	Members' Other Interests			Net loans & other debts due to/(from) Members	Total
	Members' Capital (classified as equity) €	Other Reserves €	Total €		
Balance brought forward 31 December 2009	7,162	984,051	991,213	(355,246)	635,967
Profit for the period available for discretionary division among members	-	465,905	465,905	-	465,905
Members' interests after profit for the period	7,162	1,449,956	1,457,118	(355,246)	1,101,872
Additional loans granted in the period	-	-	-	63,213	63,213
Profit allocated to members from reserves	-	(1,288,421)	(1,288,421)	355,246	(933,175)
Amounts carried forward	7,162	161,535	168,697	63,213	231,910