TELLESMA FUND MANAGEMENT LLP

Report and Financial Statements

For the year ended 31 March 2018

Partnership Number OC331867

TELLESMA FUND MANAGEMENT LLP
Report and Financial Statements
For the year ended 31 March 2018

**Contents**

The members present their report and financial statements for the year ended 31 March 2018.

**Principal activities**

**Strategy of the LLP**

The LLP was set up to be the fund manager of the Tellesma Sustainable Real Estate Opportunity Fund ("the Fund"). As the Fund has not launched, the LLP is currently not trading.

**Corporate Governance**

The members in the LLP appoint representatives to a Board. This Board appoints an Executive Management Committee which manages the affairs of the LLP. The Executive Management Committee consists of the Chairman, Chief Executive and Chief Financial Officer, who are all members of the LLP. The Board has also formed a Remuneration Committee and an Investment Committee.

**Group Financial Review**

The loss for the year relates to the costs of maintaining the LLP.

**Designated Members**

The following were designated members for the period:

| | Date member joined partnership | Date member left partnership |
|---|---|---|
| Ian Henderson | 3 October 2007 | - |
| Paul Harries | 10 October 2008 | - |

**Policy with respect to members' drawings and repayment of members' capital**

The allocation and payment of distributions and advances are determined in accordance with the agreements between the partnership and each of the members.

**Statement of members' responsibilities**

Legislation applicable to limited liability partnerships requires the members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the LLP and the profit or loss of the LLP for that period. In preparing those accounts, the members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the accounts; and
- Prepare the financial statements on the going concern basis unless that basis is deemed to be inappropriate.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP, and to enable them to ensure that the financial statements comply with the Limited liability Partnerships Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members' Report on pages 2 and 3 was approved by the members on 14 June 2017 and signed on its behalf by:

Dated 14 June 2018
For Tellesma Fund Management LLP

Paul Harries
Designated Member

Registered Office

45 South Eden Park Road
Beckenham
Kent
BR3 3BQ

TELLESMA FUND MANAGEMENT LLP
Profit and Loss Account
For the year ended 31 March 2018

| | Note | Year ended 31 March 2018 £'000 | Year ended 31 March 2017 £'000 |
|---|---|---|---|
| Turnover | 2 | - | - |
| Cost of sales | | - | - |
| **Gross profit** | **2** | - | - |
| Administrative expenses | | - | - |
| **Operating loss** | | - | - |
| Interest receivable and similar income | 5 | - | - |
| Interest payable and similar charges | 6 | - | - |
| **(Loss) on ordinary activities before taxation** | **7** | - | - |
| Tax | 8 | - | - |
| **(Loss) for the period before members' remuneration and profit shares** | | - | - |
| Members' remuneration charged as an expense | | - | - |
| **Retained loss for the period available for discretionary division among members** | | - | - |

There were no recognised gains and losses other than the gains and losses above and therefore no separate statement of total recognised gains and losses has been prepared.

The notes on pages 7 to 12 form part of these financial statements.

TELLESMA FUND MANAGEMENT LLP
Balance Sheet
As at 31 March 2018

| | Notes | 31 March 2018 £'000 | 31 March 2017 £'000 |
|---|---|---|---|
| **Fixed Assets** | | | |
| Tangible assets | 9 | - | - |
| Investments | 10 | - | - |
| | | - | - |
| **Current Assets** | | | |
| Debtors: amounts falling due within one year | 11 | - | - |
| Debtors: amounts falling due after more than one year | 11 | - | - |
| Cash at bank | | - | - |
| | | - | - |
| **Creditors: amounts falling due within one year** | **12** | **(2,755)** | **(2,755)** |
| **Net Current Assets** | | **(2,755)** | **(2,755)** |
| **Total assets less Current Liabilities** | | **(2,755)** | **(2,755)** |
| **Creditors: amounts falling due after more than one year** | **13** | - | - |
| **Net liabilities attributable to members** | | **(2,755)** | **(2,755)** |
| | | | |
| **Represented by:** | | | |
| **Equity** | | | |
| Members' other interests – Other reserves classified as equity under FRS 25 | | (2,755) | (2,755) |
| | | **(2,755)** | **(2,755)** |

The Total Members' Interests are represented by Members' other interests.

For the year ending 31 March 2018 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

Dated 14 June 2018
For Tellesma Fund Management LLP

Paul Harries,
Designated Member

TELLESMA FUND MANAGEMENT LLP
Reconciliation of Members' Interests
For the year ended 31 March 2018

Reconciliation of Members' Interests

| | Members' Other Interests | | | | |
|---|---|---|---|---|---|
| | Members' Capital (Classified as equity) £'000 | Other Reserves £'000 | Total £'000 | Loans and other debts due to members less any amounts due from members in debtors £'000 | Total £'000 |
| Amounts due to members<br>Amounts due from members | | | | -<br>- | |
| **Balance at 31 March 2016** | - | (2,755) | (2,755) | - | (2,755) |
| Members' remuneration charged as an expense, including employment and retirement benefit costs | | | | - | - |
| (Loss) for the financial period available for discretionary division among members | | - | - | | - |
| **Members' interests after (loss) for the year** | - | (2,755) | (2,755) | - | (2,755) |
| Drawings | | | | - | - |
| Amounts due to members<br>Amounts due from members | | | | -<br>- | |
| **Balance at 31 March 2017** | - | (2,755) | (2,755) | - | (2,755) |
| Members' remuneration charged as an expense, including employment and retirement benefit costs | | | | - | - |
| (Loss) for the financial period available for discretionary division among members | | | | | - |
| **Members' interests after (loss) for the year** | - | (2,755) | (2,755) | - | (2,755) |
| Drawings | | | | - | - |
| Amounts due to members<br>Amounts due from members | | | | -<br>- | |
| **Balance at 31 March 2018** | - | (2,755) | (2,755) | - | (2,755) |

## 1. Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards in the UK and the requirements of the Statement of Recommended Practice – Accounting by Limited Liability Partnerships.

A summary of the principal accounting policies of the Group is set out below.

### Depreciation

Depreciation is provided to write off cost, less estimated residual values, of all tangible fixed assets on a straight line over their expected useful lives. It is calculated at the following rates:

| | |
|---|---|
| Fixtures and fittings | 3 years |
| IT hardware and software | 3 years |

### Loan issue costs

Loan issue costs, including arrangement fees and legal fees, are netted against the proceeds of issue in accordance with FRS4. The loan costs are amortised over the term of the loan to give a constant effective interest rate.

### Member's Remuneration

To the extent that payments are made automatically to members in accordance with their individual arrangements with the LLP such payments are shown as "Members' remuneration charged as an expense, including employment and retirement benefit costs". Where there is a discretionary allocation of profits or losses the balance is shown in "Other reserves" until such time as the balance is allocated.

### Tax

The LLP is not subject to tax and no provision has been made for tax. Any tax on income or capital is the responsibility of each individual member.

Where tax is deducted at source it is shown as a charge to the profit and loss account and a reduction to the amounts available for division among members.

## 2. Information in relation to Members

| | Year ended 31 July 2018 | Period ended 31 July 2017 |
|---|---|---|
| The average numbers of members during the period was: | 2 | 2 |

## 3. Employee information

The LLP had no employees during the period

## 4. Cashflow Statement

The LLP has taken advantage of the provisions applicable to small limited liability partnerships and has not presented a cashflow statement

## 5. Controlling party

At 31 July 2018 there were 2 members of the LLP. All of the members hold equal amounts of the LLP and there is therefore no controlling party.

## 2. Segmental Reporting

### a) Geographical analysis

Materially all activities are undertaken in the United Kingdom and all net operating assets are employed in the United Kingdom.

### b) Business segment analysis

The operations relate to the proposed management of real estate funds

## 3. Information in relation to Members

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| The average numbers of members during the period was: | 4 | 4 |

## 4. Employee information

| | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|
| The average numbers of persons employed during the year was: | - | - |
| | £'000 | £'000 |
| Staff costs for the above were: | | |
| Wages and salaries | - | - |
| Social security costs | - | - |
| Pension costs | - | - |
| | - | - |

## 5. Interest receivable and similar income

| | Year ended 31 March 2018 £'000 | Year ended 31 March 2017 £'000 |
|---|---|---|
| Bank interest receivable | - | - |
| Other interest received | - | - |
| Total interest receivable and similar income | - | - |

## 6. Interest payable and similar charges

| | Year ended 31 March 2018 £'000 | Period ended 31 March 2017 £'000 |
|---|---|---|
| Interest payable on Loan Stock | - | - |
| Amortisation of issue costs | - | - |
| Total interest payable and similar charges | - | - |

## 7. Loss on ordinary activities before taxation

| | Year ended 31 March 2018 £'000 | Year ended 31 March 2017 £'000 |
|---|---|---|
| Loss on ordinary activities before taxation is stated after charging: | | |
| Staff Costs (see note 4) | - | - |
| Depreciation of tangible fixed assets | - | - |
| Accountancy fees | - | - |

## 8. Tax

| | Year ended 31 March 2018 £'000 | Year ended 31 March 2017 £'000 |
|---|---|---|
| Tax on interest, deducted at source | - | - |

## 9. Tangible fixed assets

| | IT hardware and software £'000 | Total £'000 |
|---|---|---|
| Cost | | |
| At 31 March 2016 | 12 | 12 |
| Additions | - | - |
| At 31 March 2017 | 12 | 12 |
| Additions | - | - |
| At 31 March 2018 | 12 | 12 |
| Depreciation | | |
| At 31 March 2016 | 12 | 12 |
| Charge for the year | - | - |
| At 31 March 2017 | 12 | 12 |
| Charge for the year | - | - |
| At 31 March 2018 | 12 | 12 |
| Net book value | | |
| At 31 March 2017 | - | - |
| At 31 March 2018 | - | - |

## 10. Fixed asset investments

The LLP holds the entire issued share capital of Tellesma GP Limited (£1) and Tellesma LP Limited (£1). Both of these companies are incorporated in England. Neither of these companies has traded during the period.

Tellesma GP Limited is the general partner for the Tellesma Sustainable Real Estate Opportunity Fund, and has subscribed for £1 of capital in the fund.

Tellesma LP Limited is the initial limited partner for the Tellesma Sustainable Real Estate Opportunity Fund, and has subscribed for £9 of capital in the fund.

The LLP controls all of the issued capital of Tellesma Sustainable Real Estate Opportunity Fund through its shareholdings in Tellesma GP Limited and Tellesma LP Limited. The fund has not traded during the period.

The LLP has taken advantage of the provisions applicable to small limited liability partnerships and has not prepared group accounts.

**11. Debtors**

| | 31 March 2018 £'000 | 31 March 2017 £'000 |
|---|---|---|
| Amounts falling due within one year: | | |
| Other debtors | - | - |
| Prepayments and accrued income | - | - |
| | - | - |
| Amounts falling due after more than one year: | | |
| Other debtors | - | - |

**12. Creditors: amounts falling due within one year**

| | 31 March 2018 £'000 | 31 March 2017 £'000 |
|---|---|---|
| Bank and other borrowings | 2,755 | 2,755 |
| Trade creditors | - | - |
| Accruals and deferred income | - | - |
| Other creditors including taxation and social security | - | - |
| | 2,755 | 2,755 |

The LLP had drawn £2,755,000 of Convertible Unsecured Loan Stock at 31 March 2018. The Convertible Unsecured Loan Stock has no priority over any other creditors. No Loan Stock was drawn in the period.

The Convertible Unsecured Loan Stock is not subject to an interest charge.

**13. Creditors: amounts falling due after more than one year**

| | 31 March 2017 £'000 | 31 March 2016 £'000 |
|---|---|---|
| Bank and other borrowings | - | - |

**14. Cashflow Statement**

The LLP has taken advantage of the provisions applicable to small limited liability partnerships and has not presented a cashflow statement

**15. Controlling party**

At 31 March 2018 there were 4 members of the LLP (31 March 2017 – 4 members). All of the members hold equal amounts of the LLP and there is therefore no controlling party.

**16. Related parties**

Details of related party transactions during the course of the year are shown below.

The LLP has lent £8 to Tellesma LP Limited to enable it to fund its contribution to the capital of Tellesma Sustainable Real Estate Opportunity Fund.