

REGISTERED NUMBER: OC346886 (England and Wales)

**REPORT OF THE MEMBERS AND
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD 2 JULY 2009 TO 31 DECEMBER 2010
FOR
AEDOS ADVISERS (LONDON) LLP**

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AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER OC346886)

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for the period 2 July 2009 to 31 December 2010

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AEDOS ADVISERS (LONDON) LLP

GENERAL INFORMATION
for the period 2 July 2009 to 31 December 2010

DESIGNATED MEMBERS: J Wood
I A Barclay

REGISTERED OFFICE: 3 Cadogan Gate
London
SW1X 0AS

REGISTERED NUMBER: OC346886 (England and Wales)

AUDITORS: Ernst & Young LLP

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

**REPORT OF THE MEMBERS
for the period 2 July 2009 to 31 December 2010**

The members present their report with the financial statements of Aedos Advisers (London) LLP for the period 2 July 2009 to 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of Aedos Advisers (London) LLP ("the partnership") in the period under review was that of investment services. In this capacity the Partnership is regulated by the Financial Services Authority ("FSA")

REVIEW OF BUSINESS

Aedos Advisers (London) LLP was incorporated on 2 July 2009 as SRM Advisers (London) LLP. SRM Advisers (London) LLP changed its name to Aedos Advisers (London) LLP on 7 January 2011. The Partnership is investment adviser to Aedos Investment Master Fund Limited Partnership, SRM Global Master Fund Limited Partnership and their feeder funds. Turnover in the period from incorporation to 31 December 2010 was £835,627 and the Partnership made an operating profit of £9,336. The Partnership continues to invest in its people and systems and during the period increased staff numbers. Whilst the global economic recovery remains fragile the Members believe that there will be a number of interesting investment opportunities for the funds that it advises.

DESIGNATED MEMBERS

The designated members during the period under review were

J Wood
I A Barclay

PILLAR III DISCLOSURES

The firm has documented the disclosures required by FSA under BIPRU 11.3. These are available from the registered office.

RESULTS FOR THE PERIOD

The profit for the period before members' remuneration and profit shares was £9,336.

GOING CONCERN

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FUTURE DEVELOPMENT

There are no plans which will significantly change the activities and risks of the LLP.

MEMBERS' PROFIT ALLOCATION

Any profits are shared among the members as decided by the Managing Member and governed by the Limited Liability Partnership Agreement dated 9 July 2009.

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER. OC346886)

**REPORT OF THE MEMBERS
for the period 2 July 2009 to 31 December 2010**

POLICY FOR MEMBERS' DRAWINGS, SUBSCRIPTIONS AND REPAYMENTS OF MEMBERS' CAPITAL

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Limited Liability Partnership Agreement dated 9 July 2009

STATEMENT OF MEMBERS' RESPONSIBILITIES

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

The Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 made under the Limited Liability Partnerships Act 2000 require members to prepare financial statements for each financial year. Under that Regulation, the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Regulation, 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 those financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 inappropriate to presume that the LLP will continue in business.

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 to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The members are responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE MEMBERS:

I. 
Ian Barclay

Date

28/4/11

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AEDOS ADVISERS (LONDON) LLP

We have audited the financial statements of Aedos Advisers (London) LLP for the period ended 31 December 2010 which comprise the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 2, 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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom 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 2008.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AEDOS ADVISERS (LONDON) LLP**

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, or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime

Ernst & Young LLP

Jeremy Young (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date

28th April 2011

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

PROFIT AND LOSS ACCOUNT
for the period 2 July 2009 to 31 December 2010

	Notes	£
TURNOVER		835,627
Administrative expenses		<u>826,291</u>
OPERATING PROFIT and PROFIT FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	9	<u>9,336</u>

CONTINUING OPERATIONS

None of the Partnership's activities were acquired or discontinued during the current period

TOTAL RECOGNISED GAINS AND LOSSES

The Partnership has no recognised gains or losses other than the profit for the current period

The notes form part of these financial statements

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

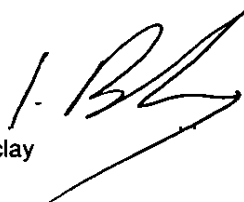
**BALANCE SHEET
31 December 2010**

	Notes	£	£
FIXED ASSETS			
Tangible assets	5		17,542
CURRENT ASSETS			
Debtors	6	44,018	
Prepayments and accrued income		8,216	
Cash in hand		<u>340,255</u>	
		392,489	
CREDITORS			
Amounts falling due within one year	7	<u>150,695</u>	
NET CURRENT ASSETS			<u>241,794</u>
TOTAL ASSETS LESS CURRENT LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>259,336</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	8		9,336
MEMBERS' OTHER INTERESTS			
Capital accounts	9		<u>250,000</u>
			<u>259,336</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	8		9,336
Members' other interests	9		<u>250,000</u>
			<u>259,336</u>

The financial statements were approved by the members of the Partnership on
and were signed by

25/4/11

Ian Barclay



The notes form part of these financial statements

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

CASH FLOW STATEMENT
for the period 2 July 2009 to 31 December 2010

	Notes	£
Net cash inflow from operating activities	1	116,467
Capital expenditure	2	(26,212)
Transactions with members	2	<u>250,000</u>
Increase in cash in the period		<u>340,255</u>

Reconciliation of net cash flow to movement in net debt	3	
Increase in cash in the period		<u>340,255</u>
Change in net debt resulting from cash flows		340,255
Non-cash change in loans and other debts due to members		<u>(9,336)</u>
Movement in net debt in the period		330,919
Net debt at 3 July		<u>-</u>
Net funds at 31 December		<u>330,919</u>

The notes form part of these financial statements

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

**NOTES TO THE CASH FLOW STATEMENT
for the period 2 July 2009 to 31 December 2010**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£
Operating profit	9,336
Depreciation charges	8,670
Increase in debtors	(52,234)
Increase in creditors	<u>150,695</u>
Net cash inflow from operating activities	<u>116,467</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£
Capital expenditure	
Purchase of tangible fixed assets	<u>(26,212)</u>
Net cash outflow for capital expenditure	<u>(26,212)</u>
Transactions with members	
Contributions by members	<u>250,000</u>
Net cash inflow from transactions with members	<u>250,000</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 2 7 09 £	Cash flow £	Other non-cash changes £	At 31 12 10 £
Net cash				
Cash at bank and in hand	<u>-</u>	<u>340,255</u>		<u>340,255</u>
	<u>-</u>	<u>340,255</u>		<u>340,255</u>
Debt				
Loans and other debts due to members	<u>-</u>	<u>-</u>	<u>(9,336)</u>	<u>(9,336)</u>
	<u>-</u>	<u>-</u>	<u>(9,336)</u>	<u>(9,336)</u>
Total	<u><u>-</u></u>	<u><u>340,255</u></u>	<u><u>(9,336)</u></u>	<u><u>330,919</u></u>

The notes form part of these financial statements

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

**NOTES TO THE FINANCIAL STATEMENTS
for the period 2 July 2009 to 31 December 2010**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships' (SORP) issued in March 2006

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual members and not on the LLP

Members' profit allocation

Discretionary profit allocations are recognised when formally approved by the management committee

Allocations made to members that are not considered discretionary have been accrued as an expense to the profit and loss account

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life

Computer equipment – 33% straight line

Fixtures and fittings – 33% straight line

2 EMPLOYEE INFORMATION

	£
Wages and salaries	319,821
Social security costs	<u>29,352</u>
	<u>349,173</u>

The average monthly number of employees during the period was as follows

Administration	<u>3</u>
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3 OPERATING PROFIT

The operating profit is stated after charging

	£
Depreciation - owned assets	8,670
Auditors' remuneration	<u>17,500</u>

4 INFORMATION IN RELATION TO MEMBERS

The average number of members during the period was	<u>3</u>
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During the period, none of the members' received remuneration from the LLP

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 2 July 2009 to 31 December 2010

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
Additions	<u>124</u>	<u>26,088</u>	<u>26,212</u>
At 31 December 2010	<u>124</u>	<u>26,088</u>	<u>26,212</u>
DEPRECIATION			
Charge for period	<u>124</u>	<u>8,546</u>	<u>8,670</u>
At 31 December 2010	<u>124</u>	<u>8,546</u>	<u>8,670</u>
NET BOOK VALUE			
At 31 December 2010	<u>-</u>	<u>17,542</u>	<u>17,542</u>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	26,244
Amounts owed by group undertakings	2,186
VAT	<u>15,588</u>
	<u>44,018</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	64,553
Social security and other taxes	8,059
Other creditors	3,503
Accruals and deferred income	<u>74,580</u>
	<u>150,695</u>

8 LOANS AND OTHER DEBTS DUE TO MEMBERS

	£
Amounts owed to members in respect of profits	<u>9,336</u>
Falling due within one year	<u>9,336</u>

AEDOS ADVISERS (LONDON) LLP (REGISTERED NUMBER: OC346886)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 2 July 2009 to 31 December 2010

9 MEMBERS' INTERESTS

	Members' other interests			Loans and other debts due to members £	Total £
	Members' capital (classified as equity) £	Reserves £	Total £		
Balance at 2 July 2009	-	-	-	-	-
Profit for the financial period available for discretionary division among members		<u>9,336</u>	<u>9,336</u>		<u>9,336</u>
Members' interests after profit for the period	-	9,336	9,336	-	9,336
Other divisions of profit		(9,336)	(9,336)	9,336	
Introduced by members	<u>250,000</u>		<u>250,000</u>		<u>250,000</u>
Balance at 31 December 2010	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>9,336</u>	<u>259,336</u>