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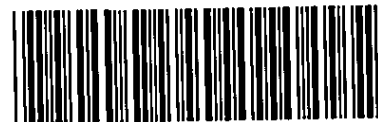
VGF Advisers (UK) LLP

Report and Financial Statements

Period Ended

31 December 2008

TUESDAY



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COMPANIES HOUSE



BDO Stoy Hayward
Chartered Accountants

VGF Advisers (UK) LLP

Report and financial statements for the period ended 31 December 2008

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Members

Shai Weiss
Virgin Management Limited

Managing Member

VGF I Limited

Registered office

Kean House, 6th Floor, 6 Kean Street, London, WC2B 4AS

Company number

OC330228

Auditors

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU

VGF Advisers (UK) LLP

Report of the members for the period ended 31 December 2008

The members present their report together with the audited financial statements for the period ended 31 December 2008.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the period.

Principal activities, review of business and future developments

VGF Advisers (UK) LLP was formed on the 30 July 2007 and commenced trading on the 12 September 2007. The entity's principal activity is to provide advisory and administrative services to Virgin Green Fund I, LP "Virgin Green Fund".

Results for the year and allocation to members

Loss for the year attributable to members was £1,088,356

Principal risks and uncertainties

It is the member's opinion that there are no risks or uncertainties facing the LLP other than the systematic risk that exists in the financial sector.

Designated Members

The following designated members have held office throughout the reporting period.

VGF I Limited Managing Member	- appointed 14 June 2007
Class A Member Virgin Management Limited	- appointed 26 July 2007
Class B Member Shai Weiss	- appointed 14 June 2007

Statement of members' responsibilities

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law as amended by the Limited Liability Partnership regulation 2001 requires the members to prepare financial statements for each financial period which 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 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 Companies Act 1985. 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.

VGF Advisers (UK) LLP

Report of the members for the period ended 31 December 2008 (continued)

Policy with respect to members drawings and the subscription and repayment of members capital

Allocations

Net losses are allocated between Members in accordance with their LLP percentages at the end of the accounting period.

Net income is allocated firstly to Class B Members and Residual Members in order to clear any Fixed Drawings Profit Shortfall from previous accounting periods and the current accounting period. Any net income in excess will be allocated to the Members, including Class B Members pro rata to their LLP percentages at the end of the accounting period.

Distributions

Class B members are entitled to fixed drawings paid monthly, based on an annually determined amount by the Managing Member. No other member may be given an entitlement to fixed drawings. If the cumulative net Income is less than the fixed drawings, then in accordance with the LLP Agreement, the fixed drawings are treated as a non-interest bearing and non-recourse loan, not recoverable other than through the allocation of future net Income. Any excess net Income after such allocation shall be allocated between the members, including Class B members pro rata to their LLP percentages.

Distributions, other than fixed drawings and allocations of net income are agreed by the Managing Member and in proportion to the members LLP percentages.

Capital

Each member has contributed to the capital of the LLP on their admission to the LLP. Additional capital was contributed during the year. Each Member's interest in the LLP is subject to a right of repurchase by the LLP. Upon cessation of membership of the LLP the repayment of capital contributions is at the discretion of the LLP.

In the event of the LLP being wound up, no member has agreed with other members that he shall contribute in any way to the assets of the LLP in accordance with section 74 of the insolvency act.

Auditors

So far as the members are aware, there is no relevant information of which the LLP's auditors are unaware. The members have taken all steps that they ought to have taken as members to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

BDO Stoy Hayward LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the members

Shai Weiss



Designated Member

Date:

27-04-09

VGF Advisers (UK) LLP

Independent auditor's report

To the members of VGF Advisers (UK) LLP

We have audited the financial statements of VGF Advisers (UK) LLP for the period ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of members and auditors

As described in the Statement of Members' responsibilities the members of the limited liability partnership are responsible for preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

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 Limited Liability Partnership Act 2001. We also report to you if, in our opinion, the Report of the members is not consistent with the financial statements, if the LLP has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Our report has been prepared pursuant to the requirements of the Limited Liability Partnership Act 2001 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Limited Liability Act 2001 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 LLP'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.

VGF Advisers (UK) LLP

Independent auditor's report (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of VGF Advisers (UK) LLP's affairs as at 31 December 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



BDO STOY HAYWARD LLP
*Chartered Accountants
and Registered Auditors*
London

Date: 27/4/09

VGF Advisers (UK) LLP

Profit and loss account for the period ended 31 December 2008

	Note	Period from 12 September 2007 to 31 December 2008 £
Turnover	2	3,299,716
Administrative expenses		4,417,173
Operating loss	3	(1,117,457)
Other interest receivable and similar income	6	29,101
Loss for the financial period before members' remuneration and profit shares	15	(1,088,356)
Loss for the financial period before members' remuneration and profit shares		(1,088,356)
Loss divided among members		1,088,356
Results for the financial period available for discretionary division among members		-

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

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

There is no difference between the (loss)/profit available for division amongst members and its historical cost equivalent.

The notes on pages 8 to 15 form part of these financial statements.

VGF Advisers (UK) LLP

Balance sheet
at 31 December 2008

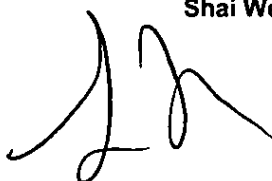
	Note	31 December 2008 £
Fixed assets		
Tangible assets	7	135,029
Current assets		
Debtors	8	858,861
Cash at bank and in hand		766,830
		<u>1,625,691</u>
Creditors: amounts falling due within one year	9	237,628
		<u>1,388,063</u>
Net current assets		
		<u>1,523,092</u>
Total assets less current liabilities		<u>1,523,092</u>
Represented by:		
Equity		
Members capital classified as equity under FRS25		2,611,448
Other reserves	15	(1,088,356)
		<u>1,523,092</u>
Total members' interest		
Loan and other debts due from members	5	(402,246)
Members' other interests	15	1,523,092
		<u>1,120,846</u>

The financial statements were approved by the designated members and authorised for issue on

27-04-09

Designated Member

Shai Weiss



The notes on pages 8 to 15 form part of these financial statements.

VGF Advisers (UK) LLP

Cashflow statement for the period ended 31 December 2008

	Note	Period from 12 September 2007 to 31 December 2008 £
Net cash outflow from operating activities	12	(261,007)
Returns on investments and servicing of finance		
Interest received		29,101
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets		(167,638)
Cash outflow before use of financing		(399,544)
Transactions with members		
Capital introduced		1,166,374
Increase in cash	13	766,830

The notes on pages 8 to 15 form part of these financial statements.

VGF Advisers (UK) LLP

Notes forming part of the financial statements for the period ended 31 December 2008

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Turnover

The turnover shown in the profit and loss account represents amounts due for investment advisory services recognised on an accruals basis during the year.

Members interest

All amounts due to members are classified as equity or liabilities in accordance with FRS 25 and UITF 39.

Depreciation

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

Leasehold improvements	- 20% straight line
Computer equipment	- 33.3% straight line

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

Taxation

In accordance with the statement of recommended practice on accounting by Limited Liability Partnerships, no tax is required to be disclosed.

VGF Advisers (UK) LLP

Notes forming part of the financial statements
for the period ended 31 December 2008 *(continued)*

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating loss

	Period from 12 September 2007 to 31 December 2008 £
This is arrived at after charging/(crediting):	
Depreciation of tangible fixed assets	32,609
Hire of other assets - operating leases	135,158
Auditors' remuneration:	
- fees payable to the company's auditor for the audit of the company's annual accounts	10,000
- other taxation services	6,700
- all other services	67,450
Foreign exchange gain	(68,520)

4 Employees

Staff costs (including members) consist of:

	Period from 12 September 2007 to 31 December 2008 £
Wages and salaries	805,759
Social security costs	89,111
Other pension costs	32,415
	<hr/>
	927,285

The average number of employees (including members) during the period was 7.

VGF Advisers (UK) LLP

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

5 Members loan account

Period from
12 September
2007 to
31 December
2008
£

Non-interest bearing and non-recourse loan to Class B members during the period	402,246
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The Class B member's non-interest bearing and non-recourse loan, which represents Class B member's entitlement to drawings, in accordance with the LLP agreement is not repayable other than through the allocation of net income. The amount will be released to the profit and loss account in accordance with the LLP agreement as and when profits are generated. This amount is disclosed in note 8.

6 Other interest receivable and similar income

Period from
12 September
2007 to
31 December
2008
£

Bank interest receivable	29,101
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VGF Advisers (UK) LLP

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

7 Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Total £
<i>Cost</i>			
Additions and at 31 December 2008	148,484	19,154	167,638
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
Provided for the period and at 31 December 2008	27,352	5,257	32,609
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2008	121,132	13,897	135,029
	<hr/>	<hr/>	<hr/>

8 Debtors

	31 December 2008 £
Amounts owed by related parties (see note 10)	323,103
Member's loan account (see note 5)	402,246
Other debtors	36,584
Prepayments	96,928
	<hr/>
	858,861
	<hr/>

All amounts shown under debtors fall due for payment within one year. Except for the members loan account where the timing of the repayment is dependent on the level of net income in future years.

VGF Advisers (UK) LLP

Notes forming part of the financial statements
for the period ended 31 December 2008 (*continued*)

9 Creditors: amounts falling due within one year

	31 December 2008 £
Trade creditors	59,329
Accruals	178,299
	<hr/>
	237,628
	<hr/>

In the event of the LLP being wound up all remaining assets after the satisfaction of all creditors of the LLP shall be distributed to the members in accordance with the LLP agreement.

10 Related party disclosures

Amounts due from Virgin Green Fund I, LP

A total amount of £51,252 is due from Virgin Green Fund I, LP, and included in 'Amounts owed by related parties' at the 31 December 2008. This balance has arisen in respect of the following transactions throughout the period.

Advisory fee

The LLP provides advisory services to the Virgin Green Fund I, L.P. During the period the LLP charged \$6,409,887 (sterling equivalent £3,299,716) for fees in respect of advisory services provided to the fund. The fee is based on 2.25% of the committed funds. The balance due as at 31 December 2008 is £Nil.

Recharges

During the period the LLP has recharged to Virgin Green Fund I, LP, legal and professional costs amounting to £181,396 and travel expenses amounting to £177,465. The balance due as at 31 December 2008 is £26,052.

Accounting fees

The LLP has settled accountancy fees amounting to £25,200 in respect of Virgin Green Fund I, LP (including VGF Partners I, LP). The balance due as at 31 December 2008 is £25,200.

Amounts due from VGF Advisers (US) LLC

A total amount of £240,784 is due from VGF Advisers (US) LLC, and included in 'Amounts owed by related parties' at the 31 December 2008. This balance has arisen in respect of the following transactions throughout the period. The balances on the individual transaction streams will be used to offset any balance due in respect of the sub-advisory fee.

Sub-advisory fee

VGF Advisers (US) LLC provides sub-advisory services to the LLP. During the period to 31 December 2008 an amount of £2,040,572 was paid as a sub-adviser fee, this is equal to 103% of the total expenses of the LLC. At the 31 December 2008, an amount of £111,949 was outstanding due to VGF Advisers (UK) LLP as a payment on account by the LLP.

VGF Advisers (UK) LLP

Notes forming part of the financial statements
for the period ended 31 December 2008 *(continued)*

10 Related party disclosures *(continued)*

Accounting fees

The LLP has settled the accountancy fees amounting to £16,656 in respect of VGF Advisers (US) LLC. The balance due as at 31 December 2008 is £16,656.

Other costs

During the period the LLP incurred various costs of VGF Advisers (US) LLC amounting to £123,719, this amount was outstanding as at 31 December 2008. VGF Advisers (US) LLC paid costs of £11,540 on behalf of VGF Advisers (UK) LLP this amount is outstanding at the 31 December 2008.

Amounts due from Virgin Management Limited

A total amount of £31,067 is due from Virgin Management Limited, and included in 'Amounts owed by related parties' at the 31 December 2008. This balance has arisen in respect of the following transactions throughout the period.

Service cost

During the period to the 31 December 2008 the LLP was charged £32,000 for accounting services provided to the LLP by Virgin Management Limited a member of the LLP. The balance due as at 31 December 2008 is £Nil.

Other costs

An amount of £31,067 is due from Virgin Management Limited in respect of cost reimbursement.

Capital contributions

On 5 October 2007 an initial capital contribution was made of £866,372, followed by £300,000 on 20 December 2007 by Virgin Management Limited.

VGF I Limited and Shai Weiss made an initial capital contribution of £1 each on incorporation.

During the period Virgin Management Limited incurred costs of £1,445,074 on behalf of the LLP. Virgin Management Limited agreed to convert this liability into a capital contribution, bringing their total capital contribution to £2,611,446.

11 Controlling party

The LLP Agreement deems the management of the LLP to be vested in the Managing Member, VGF I Limited. VGF I Limited is owned by Corvina Holdings Limited, who owns 200 Class A shares and Shai Weiss and Anup Jacob, who own 100 Class B shares each.

VGF Advisers (UK) LLP

Notes forming part of the financial statements
for the period ended 31 December 2008 *(continued)*

12 Reconciliation of operating loss to net cash outflow from operating activities

	Period from 12 September 2007 to 31 December 2008 £
Operating loss	(1,117,457)
Depreciation of tangible fixed assets	32,609
Increase in debtors	(858,861)
Increase in creditors	237,628
Non cash movement conversion to capital introduced	1,445,074
	<hr/>
Net cash outflow from operating activities	(261,007)
	<hr/>

13 Reconciliation of net cash flow to movement in net funds

	Period from 12 September 2007 to 31 December 2008 £
Increase in cash	766,830
Opening net funds	-
	<hr/>
Closing net funds	766,830
	<hr/>

14 Analysis of net funds

	Cash flow £	At 31 December 2008 £
Cash at bank and in hand	766,830	766,830
	<hr/>	<hr/>
Total	766,830	766,830
	<hr/>	<hr/>

VGF Advisers (UK) LLP

Notes forming part of the financial statements
for the period ended 31 December 2008 (continued)

15 Reconciliation of movements in members' interest

	Members other interests			Loans & other debts due from/to members	Total
	Members Capital (classified as equity) £	Other reserves £	Total £		
Balance at 30 July 2007	-	-	-	-	-
Capital introduced - 5 October 2007	866,374	-	866,374	-	866,374
Capital Introduced - 20 December 2007	300,000	-	300,000	-	300,000
Conversion of liability to capital introduced	1,445,074	-	1,445,074	-	1,445,074
Members interest before loss for the period	2,611,448	-	2,611,448	-	2,611,448
Non-interest bearing and non-recourse loan to members	-	-	-	(402,246)	(402,246)
Allocated losses for the period ended 31 December 2008	-	(1,088,356)	(1,088,356)	-	(1,088,356)
Members interest after loss for the period	2,611,448	(1,088,356)	1,523,092	(402,246)	1,120,846

All losses for the accounting period are distributable in accordance with the LLP percentages as laid out in the LLP Agreement.

VGF Advisers (UK) LLP

The page which follows does not
form part of the statutory
financial statements of the company

VGF Advisers (UK) LLP

Detailed profit and loss account for the period ended 31 December 2008

	Period from 12 September 2007 to 31 December 2008 £	Period from 12 September 2007 to 31 December 2008 £
Turnover		3,299,716
Wages and salaries	927,285	
Travel and subsistence	235,179	
Entertainment	4,537	
Travel expenses recharged to the fund	(177,465)	
Premises expenses	199,375	
Supplies	32,833	
Insurance	7,410	
Repairs and maintenance	19,554	
Office	36,991	
Accounting and tax fees	106,150	
Audit fees	10,000	
Professional fees - investments	262,733	
Professional fees recharged to the fund	(181,396)	
Recruitment	7,153	
Marketing expenditure	46,843	
Conferences	21,769	
Training	2,321	
Learning and development	2,834	
Communications	55,984	
Information technology	80,622	
Miscellaneous	15,000	
Exchange Gain	(68,520)	
Bank charges	1,107	
Sub-advisory fee	2,040,572	
Placing agent fees and expenses	695,693	
Depreciation	32,609	
		4,417,173
Operating loss		(1,117,457)
Other interest receivable and similar income		29,101
Loss on ordinary activities		(1,088,356)