

VGF Advisers (UK) LLP

Report and Financial Statements (Amended)

Year Ended

31 December 2011

Partnership number OC330228

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VGf Advisers (UK) LLP

Report and Financial Statements (Amended) for the year ended 31 December 2011

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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

Partnership number

OC330228

VGF Advisers (UK) LLP

Report of the Members for the year ended 31 December 2011

The members present their report together with the financial statements for the year ended 31 December 2011

Results

The profit and loss account is set out on page 3 and shows the profit for the year

Principal activities, review of the business and future developments

The entity's principal activity is to provide advisory and administrative services to Virgin Green Fund I, L P "Virgin Green Fund"

Results for the year and allocation to members

Profit for the year attributable to members was £315,478 (2010 – profit of £85,104)

Principal risks and uncertainties

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

Designated members

The designated members during the year were

Managing Member - VGF I Limited
Class A Member - Virgin Management Limited
Class B Member - Shai Weiss

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 excess net income 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 amount determined annually by the Managing Member. No other member may be given an entitlement to fixed drawings. If the cumulative net income is less than the cumulative 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

VGF Advisers (UK) LLP

Report of the Members for the year ended 31 December 2011

Policy with respect to members' drawings and the subscription and repayment of members' capital (Continued)

Capital

Each member contributed to the capital of the LLP on their admission to the LLP. Additional capital was contributed during the period ended 31 December 2008. 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.

Members' responsibilities

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

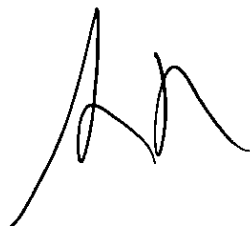
The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, 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 Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible 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.

Approved by the members of the Limited Liability Partnership on 24 April 2012



Shai Weiss
Designated member

VGF Advisers (UK) LLP

Profit and Loss account for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Year Ended 31 December 2010 £
Turnover	2	3,120,578	3,169,961
Administrative expenses		2,806,756	3,088,963
Operating profit	4	313,822	80,998
Other interest receivable and similar income	6	1,656	4,106
Profit for the financial year before members' remuneration and profit shares		315,478	85,104
Profit for the financial year before members' remuneration and profit shares		315,478	85,104
Profit divided among members	10	(315,478)	(85,104)
Results for the financial year available for discretionary division among members		-	-

All amounts relate to continuing activities

There are no other recognised gains or losses other than the results for the year

There is no difference between the loss available for division amongst members and its historical cost equivalent

The notes on pages 5 to 9 form part of these financial statements

VGF Advisers (UK) LLP


Balance sheet (Amended) At 31 December 2011

Partnership number OC330228	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	7		35,926		67,082
Current assets					
Debtors	8	1,670,384		1,469,842	
Cash at bank and in hand		79,961		206,568	
			1,750,345		1,676,410
Creditors amounts falling due within one year	9	(289,976)		(562,675)	
Net current assets			1,460,369		1,113,735
			1,496,295		1,180,817
Total assets less liabilities attributable to members			1,496,295		1,180,817
Represented by:					
Equity – Members' other interests					
Members' capital classified as equity under FRS 25	10		2,540,553		2,540,553
Other reserves	10		(1,044,258)		(1,359,736)
			1,496,295		1,180,817
Total members' interest					
Loan and other debts due from members	5		(1,434,244)		(1,059,562)
Members' other interests	10		1,496,295		1,180,817
			62,051		121,255

For the year ended December 31, 2011 the Limited Liability Partnership was entitled to exemption under section 477 of the Companies Act 2006 (as by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small LLPs

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounts records and the preparation of accounts

The financial statements were approved and authorised for issue by the members of the Limited Liability Partnership on 24 April 2012



Shai Weiss
Designated member

The notes on pages 5 to 9 form part of these financial statements

VGf Advisers (UK) LLP

Notes Forming Part of the Financial Statements (Amended) for the year ended 31 December 2011

1 Accounting policies

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

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 estimated useful lives. It is calculated at the following rates

Leasehold improvements	-	20% straight line
Computer equipment	-	33⅓% 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

All leases are 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 partnership's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

Taxation

Income tax payable on the LLP's profits is solely the personal liability of the individual Members and consequently is not dealt with in these financial statements

Financial Instruments

The partnership uses forward foreign currency contracts to fix its exposure to fluctuations in foreign exchange rates. Any gains or losses from the forward foreign exchange contracts are taken to the profit and loss account on exercise. The financial commitments outstanding at year end under these contracts are disclosed in note 12 to the accounts

2 Turnover

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

VGF Advisers (UK) LLP

Notes Forming Part of the Financial Statements (Amended) for the year ended 31 December 2011

3 Employees

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Staff costs consist of		
Wages and salaries	475,504	478,697
Social security costs	53,896	55,288
Other pension costs	12,766	17,807
	<u>542,166</u>	<u>551,792</u>

The average number of employees, including members, during the year was 6 (2010 - 7)

4 Operating profit

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
This has been arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	33,649	36,782
Hire of other assets - operating leases	132,709	141,625
Foreign exchange loss / (gain)	<u>33,832</u>	<u>(49,174)</u>

5 Members' loan account

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Non-interest bearing and non-recourse loan to Class B members during the year	<u>1,434,244</u>	<u>1,059,562</u>

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 by the member other than through the allocation of net income. This amount is disclosed in note 8.

6 Other interest receivable and similar charges

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Bank interest receivable	<u>1,656</u>	<u>4,106</u>

VGF Advisers (UK) LLP

Notes Forming Part of the Financial Statements (Amended) for the year ended 31 December 2011

7 Tangible assets	Leasehold improvements £	Computer equipment £	Total £
<i>Cost</i>			
At 1 January 2011	148,484	24,822	173,306
Additions	-	2,494	2,494
	<hr/>	<hr/>	<hr/>
At 31 December 2011	148,484	27,316	175,800
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2011	86,611	19,614	106,225
Provided for the year	29,672	3,977	33,649
	<hr/>	<hr/>	<hr/>
At 31 December 2011	116,283	23,591	139,874
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2011	32,201	3,725	35,926
	<hr/>	<hr/>	<hr/>
At 31 December 2010	61,873	5,209	67,082
	<hr/>	<hr/>	<hr/>

8 Debtors	2011 £	2010 £
Amounts owed by related parties (see note 11)	123,007	294,825
Member's loan account (see note 5)	1,434,244	1,059,562
Other tax and social security	30,092	15,719
Prepayments and accrued income	67,939	79,982
Other debtors	15,102	19,754
	<hr/>	<hr/>
	1,670,384	1,469,842
	<hr/>	<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

9 Creditors' amounts falling due within one year	2011 £	2010 £
Trade creditors	103,831	55,997
Amounts owed to related parties (see note 11)	165,338	465,997
Other creditors	252	287
Accruals and deferred income	20,555	40,394
	<hr/>	<hr/>
	289,976	562,675
	<hr/>	<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

VGF Advisers (UK) LLP

Notes Forming Part of the Financial Statements (Amended) for the year ended 31 December 2011

10 Reconciliation of movements in members' interest (amended)

	Members other interests			Loans and other debts due from members £	Total £
	Members' capital classified as equity £	Other reserves £	Total £		
Balance at 1 January 2011	2,540,553	(1,359,736)	1,180,817	(1,059,562)	121,255
Allocated profits for the year	-	315,478	315,478	-	315,478
Non-interest bearing and non-recourse loan to members	-	-	-	(374,682)	(374,682)
Balance at 31 December 2011	2,540,553	(1,044,258)	1,496,295	(1,434,244)	62,051

All losses for the accounting period are distributable in accordance with the LLP percentages as laid out in the LLP Agreement. The opening balance of Member's Capital Classified as Equity has been amended and restated to £2,540,553 from £2,611,448. As a result the Equity- Members' Capital on the Balance Sheet has also been amended and restated to £1,496,295 from £1,567,190.

11 Related party disclosures

Amounts due from Virgin Green Fund I, LP

A total of £Nil (2010- £Nil) is owed from Virgin Green Fund I, L P , which is related through VGF I Limited the Managing Member of the LLP and the ultimate General Partner to the Fund.

Advisory fee

The LLP provides advisory services to the Virgin Green Fund I, L P . During the year the LLP charged \$4,942,045 (£3,120,578) for fees in respect of advisory services provided to the fund. The fee is based on 2.25% of the committed fund. The balance due as at 31 December 2011 was £Nil (2010 - £Nil).

Recharges

During the year the LLP recharged to Virgin Green Fund I, L P , legal and professional costs amounting to £10,076 (2010 - £Nil) and travel expenses amounting to £47,578 (2010 - £46,428). The balance due as at 31 December 2011 was £Nil (2010 - £Nil).

Amounts due from VGF Advisers (US) LLC

A total amount of £123,007 (2010 - £294,825) was due from VGF Advisers (US) LLC, which is related through common ownership, and included in 'Amounts owed by related parties' at 31 December 2011. This balance has arisen in respect of the following transactions throughout the year. 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 year to 31 December 2011 an amount of £1,605,907 (2010 - £1,751,122) was paid as a sub-adviser fee, this is equal to 103% of the total expenses of the LLC.

VGF Advisers (UK) LLP

Notes Forming Part of the Financial Statements (Amended) for the year ended 31 December 2011

11 Related party disclosures (Continued)

Other costs

During the year the LLP incurred various costs of VGF Advisers (US) LLC amounting to £14,388 (2010 - £15,792), this amount was not outstanding as at 31 December 2011. VGF Advisers (US) LLC paid costs of £24,390 (2010 - £309,982) on behalf of VGF Advisers (UK) LLP this amount was not outstanding at 31 December 2011 (2010 - £Nil)

Amounts due to Virgin Management Limited

A total amount of £165,338 (2010 - £465,997) was due to Virgin Management Limited, which is a member of the LLP, at 31 December 2011 of which £139,071 is included within accruals (2010 - £Nil). This balance has arisen in respect of the following transactions throughout the year

Service costs

During the year to 31 December 2011 the LLP was charged £27,866 (2010 - £25,841) for HR and IT services provided to the LLP by Virgin Management Limited a member of the LLP. The balance due as at 31 December 2011 was £Nil (2010 - £Nil)

Other costs

During the year Virgin Management Limited incurred costs of £582,320 (2010 - £511,142) on behalf of the LLP. The balance due at 31 December 2011 was £165,338 (2010 - £465,997)

12 Financial commitments

As at the balance sheet date the partnership had the following commitments to buy currency under foreign exchange contracts (2010 – purchase £846,975 by selling \$1,321,928)

- Purchase of £410,000 on 10 Jan 2012 selling \$655,385
- Purchase of £260,000 on 11 Apr 2012 selling \$415,350
- Purchase of £250,000 on 10 Jul 2012 selling \$399,000
- Purchase of £390,000 on 12 Oct 2012 selling \$622,050

13 Commitments under operating leases

The partnership had annual commitments under non-cancellable operating leases as set out below

	2011 £	2010 £
Land and buildings		
Within one year	152,548	152,548
	<hr/>	<hr/>
	152,548	152,548
	<hr/>	<hr/>

14 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.

15 Cash flow statement

The partnership has taken advantage of the small entities exemption from the requirement of Financial Reporting Standard No 1 'Cash Flow Statements' to prepare a cash flow statement