

Registered no. 4040407

**PRAEFINIUM PARTNERS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**



PRAEFINIUM PARTNERS LIMITED

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PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31 December 2009

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

A Patel
A Singh
N Srivastava (appointed 10 April 2009)

Secretary

N Skeren

Registered Office

First Floor, St Giles House
15/21 Victoria Road
Bletchley
Milton Keynes, MK2 2NG

Registered number

4040407

PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

Principal Activity

The principal activity of the company is that of fund management and the provision of investment advice

Review of Business and Future Developments

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The results for the year and the financial position of the company are as shown in the annexed financial statements and are considered satisfactory by the directors and in line with expectations.

The company is authorised and regulated by the Financial Services Authority (FSA) to undertake all activities relating to fund and asset management as well as providing investment advisory services. The investment manager is Mr. Alpesh B. Patel and the company receives investment management fees and consultancy fees for investment advice.

During the year the company was nominated as the investment advisor to the Praefinium SICAV-FIS and the Universal Premium Fund SICAV-FIS, both are investment funds domiciled in the Grand Duchy of Luxembourg and supervised by the Commission de Surveillance du Secteur Financier (CSSF). The provision of investment advisory services to the investment funds and the investment management fees were the company's main source of income.

The company increased its staff numbers and took on larger premises to accommodate the growing business with the Praefinium investments funds and the Praefinium group of companies.

As a service provider, the directors consider that the key financial risk exposure faced by the company relates to the need to maintain sufficient liquidity to satisfy regulatory capital requirements and working capital needs.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

Key performance indicators for the Company are as follows -

	2009	2008
	£	£
Turnover for the year	1,182,177	445,631
Profit/(loss) for the year before tax	308,011	(52,313)
Shareholders funds at the year end	318,866	10,855
Cash at bank and in hand at the year end	25,307	83,164

The directors recommend that no dividend be paid.

Directors

The present directors are as shown above. Each director served on the board throughout the year, unless otherwise stated.

PRAEFINIUM PARTNERS LIMITED

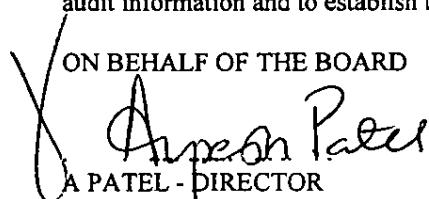
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

Statement of Disclosure of Information to Auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD


A PATEL - DIRECTOR

Date 26 April 2010

PRAEFINIUM PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRAEFINIUM PARTNERS LIMITED

We have audited the financial statements of Praefinium Partners Limited for the year ended 31 December 2009 which comprises the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of the company's affairs as at 31 December 2009 and of its profit for the year 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

(Continued on page 5)

PRAEFINIUM PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRAEFINIUM PARTNERS LIMITED (CONT)

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 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
- certain disclosures of directors remuneration specified by law are not made, or
- we have not received all of the information and explanations we require for our audit

Martin Maguire FCA
Senior Statutory Auditor
For and on behalf of HWS
Chartered Accountants and Statutory Auditors
Milton Keynes

27 April 2010

PRAEFINIUM PARTNERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER	2	1,182,177	445,631
Cost of sales		249,446	125,001
GROSS PROFIT		932,731	320,630
Net operating expenses	3	624,638	373,294
OPERATING PROFIT/(LOSS)	4	308,093	(52,664)
Other interest receivable and similar income		92	534
Interest payable and similar charges	6	(174)	(183)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		308,011	(52,313)
Tax on profit/(loss) on ordinary activities	7	-	211
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		308,011	(52,524)
Retained loss brought forward		(370,145)	(317,621)
RETAINED LOSS CARRIED FORWARD		(62,134)	(370,145)

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

BALANCE SHEET AT 31 DECEMBER 2009

	Note		2009 £	2008 £
FIXED ASSETS				
Tangible assets	8		4,953	501
CURRENT ASSETS				
Debtors	9	492,360	37,672	
Cash at bank and in hand		25,307	83,164	
		<u>517,667</u>	<u>120,836</u>	
CREDITORS				
Amounts falling due within one year	10	203,754	110,482	
NET CURRENT ASSETS			<u>313,913</u>	<u>10,354</u>
NET ASSETS			<u>318,866</u>	<u>10,855</u>
CAPITAL AND RESERVES				
Called up share capital	11		381,000	381,000
Profit and loss account			(62,134)	(370,145)
SHAREHOLDERS' FUNDS	12		<u>318,866</u>	<u>10,855</u>

These financial statements were approved and authorised for issue by the board on 26 April 2010

Ayesh Patel

A PATEL - DIRECTOR, ON BEHALF OF THE BOARD

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	15	(52,665)	51,333
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	92	534	
Interest paid	(174)	(183)	
		(82)	351
TAXATION		-	(211)
CAPITAL EXPENDITURE			
Payments to acquire fixed assets	(5,110)	-	
		(5,110)	-
(DECREASE) INCREASE IN CASH	16	<u>(57,857)</u>	<u>51,473</u>

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effects of events in relation to the year ended 31 December 2009 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 2009 and of the results for the year ended on that date.

Going Concern

The company is affiliated to the Praefinium Group and has been designated as the sole investment adviser for four Praefinium funds. This affiliation and appointment is expected to produce positive returns and cash flows in the future and, in the meantime, the Praefinium Group continues to informally assist in the financial support of the company. For this reason, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Depreciation

Depreciation has been computed to write off the cost less estimated residual value of the tangible fixed assets over their expected useful lives using the following rates:

Fixtures, fittings and computer equipment	- 15-33 % per annum of cost
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Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in full in respect of all material timing differences.

Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

Losses and profits on foreign exchange are taken to the Profit and Loss account.

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

2 TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year

The analysis of turnover by geographical area is as follows

	2009 £	2008 £
United Kingdom	-	6,642
British Virgin Islands	210,000	-
Europe	584,952	-
Asia	-	438,989
Canada	387,225	-
	<u>1,182,177</u>	<u>445,631</u>

3 NET OPERATING EXPENSES

	2009 £	2008 £
Administrative expenses	<u>624,638</u>	<u>373,294</u>

4 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting)	2009 £	2008 £
Directors' emoluments	43,462	-
Auditors' remuneration	7,000	6,375
Depreciation of owned assets	658	533
Operating leases - land and buildings	73,907	117,848
Foreign currency exchange loss/(gain)	<u>2,710</u>	<u>(550)</u>

In addition to directors emoluments above, payments were made to companies for services provided by directors, as detailed in note 14 to the accounts

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

5 STAFF COSTS

	2009 Number	2008 Number
Average number of persons employed (including directors)	<u>6</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	2009 £	2008 £
Wages and salaries	171,692	65,807
Social security	19,115	6,600
	<u>190,807</u>	<u>72,407</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Bank overdraft	<u>174</u>	<u>183</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

7 TAXATION

Analysis of tax charge in period

UK corporation tax on profits/(losses) of the year	-	-
Adjustments in respect of prior periods	-	211
Tax on profit/(loss) on ordinary activities	-	211

Factors affecting tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (21 %) The differences are explained below

	2009 £	2008 £
Profit/(loss) on ordinary activities before tax	308,011	(52,313)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21 % (2008 21 %)	64,682	(10,986)
Effects of		
Expenses not deductible for tax purposes	2,690	(21)
Capital allowances for year in excess of depreciation	(1,180)	79
Losses carried forward	-	10,928
Utilisation of losses brought forward	(66,192)	-
Prior year under provided	-	211
Current tax charge for year	-	211

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

8 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2009	1,406	672	2,078
Additions	1,431	3,679	5,110
At 31 December 2009	<u>2,837</u>	<u>4,351</u>	<u>7,188</u>
Depreciation			
At 1 January 2009	1,115	462	1,577
Charge for the year	370	288	658
At 31 December 2009	<u>1,485</u>	<u>750</u>	<u>2,235</u>
Net book value			
At 31 December 2009	<u>1,352</u>	<u>3,601</u>	<u>4,953</u>
<i>At 31 December 2008</i>	<u>291</u>	<u>210</u>	<u>501</u>

9 DEBTORS

Receivable within one year:

	2009 £	2008 £
Trade debtors	445,282	3,597
Other debtors	47,078	34,075
	<u>492,360</u>	<u>37,672</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

10 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade creditors	57,296	13,332
Social security and other taxes	15,589	1,455
Other creditors	88,614	78,405
Accruals and deferred income	42,255	17,290
	<u>203,754</u>	<u>110,482</u>

11 SHARE CAPITAL

	2009	2008
	£	£
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
381,000 ordinary shares of £1 each	<u>381,000</u>	<u>381,000</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit/(loss) for the financial year	308,011	(52,524)
Opening shareholders' funds	10,855	63,379
Closing shareholders' funds	<u>318,866</u>	<u>10,855</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

13 LEASING COMMITMENTS

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as detailed below

	Land and buildings £	2009 Other £	Land and buildings £	2008 Other £
Operating leases which expire				
Within one year	90,000	-	96,960	-
	<u>90,000</u>	<u>-</u>	<u>96,960</u>	<u>-</u>

14 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Transactions with TraderMind Limited ('TL'), a company which A Patel is a director of, are as follows

Cost of services provided in year by TL including reimbursement of travel costs (2008 £80,000) excluding VAT	£98,667
Amount due to TL at year end (2008 £6,667)	£17,133

Transactions with Munich Partners AG ('MP'), a company which A Singh is a director of, are as follows.

Cost of services provided in the year by MP including reimbursement of travel costs (2008 £58,824) excluding VAT	£73,125
Amount due to MP at the year end (2008 £4,000)	£nil

Transactions with Phison Investments AG ('PI'), a company which A Singh is a director of, are as follows

Cost of services provided in year by PI including reimbursement of travel costs (2008 nil) excluding VAT	£170,988
Amount due to PI at the year end (2008 nil)	£7,500

Transactions with Praefinium Partners S a r l ('PP'), a company which A Patel, A Singh and N Srivastava are directors of, are as follows

Services provided in the year to PP (2008 nil)	202,624
Amount due from PP at the year end (2008 nil)	72,745

Included in other creditors at the year end is £16,544 (2008 £16,544) owing to A Patel, £860 (2008 £250) owing to A Singh and £39,981 (2008 nil) owing to N Srivastava

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009 (CONT)

15 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit/(loss)	308,093	(52,664)
Depreciation charge	658	533
Loss on sale of fixed assets	-	30
(Increase)/decrease in debtors	(454,688)	68,846
Increase in creditors	93,272	34,588
Net cash (outflow)/inflow from operating activities	<u>(52,665)</u>	<u>51,333</u>

16 ANALYSIS OF NET FUNDS

	2008 £	Cash flow £	Other changes £	2009 £
Cash at bank and in hand	<u>83,164</u>	<u>(57,857)</u>	<u>-</u>	<u>25,307</u>

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009 £	2008 £
(Decrease)/increase in cash in the year	<u>(57,857)</u>	<u>51,473</u>
Movement in net funds in the year	<u>(57,857)</u>	<u>51,473</u>
Net funds at 1 January 2009	83,164	31,691
Net funds at 31 December 2009	<u>25,307</u>	<u>83,164</u>

18 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company is Crown Investments (BVI) SA which owns 100% of the issued share capital. The ultimate controlling party of Crown Investments (BVI) SA is A Patel.