

Registered no. 04040407

**PRAEFINIUM PARTNERS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**



PRAEFINIUM PARTNERS LIMITED

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PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements of the company for the year ended 31 December 2010

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

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 2010 (CONT)

Principal Activity

The principal activity of the company is that of asset 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 continued to act as investment adviser 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.

Staff numbers were reduced slightly in the period to optimise the cost base.

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:

	2010	2009
	£	£
Turnover for the year	1,052,161	1,182,177
(Loss)/profit for the year before tax	(33,732)	308,011
Shareholders funds at the year end	285,134	318,866
Cash at bank and in hand at the year end	19,620	25,307

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.

PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (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



N SRIVASTAVA - DIRECTOR

27 April 2011

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 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 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 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 (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. In addition, we read all the financial and non-financial information in the Annual Report 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 company's affairs as at 31 December 2010 and of its loss 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 Registered Auditor
Milton Keynes
27 April 2011

PRAEFINIUM PARTNERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
TURNOVER	2	1,052,161	1,182,177
Cost of sales		472,931	249,446
GROSS PROFIT		579,230	932,731
Net operating expenses	3	612,961	624,638
OPERATING (LOSS)/PROFIT	4	(33,731)	308,093
Other interest receivable and similar income		-	92
Interest payable and similar charges	6	(1)	(174)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(33,732)	308,011
Tax on (loss)/profit on ordinary activities	7	-	-
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(33,732)	308,011
Retained loss brought forward		(62,134)	(370,145)
RETAINED LOSS CARRIED FORWARD		(95,866)	(62,134)

The company's turnover and expenses all relate to continuing operations

There are no recognised gains or losses other than the loss for the financial years shown above

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

BALANCE SHEET AT 31 DECEMBER 2010

Co No:04040407

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	2,914	4,953
CURRENT ASSETS			
Debtors	9	408,944	492,360
Cash at bank and in hand		19,620	25,307
		<u>428,564</u>	<u>517,667</u>
CREDITORS			
Amounts falling due within one year	10	146,344	203,754
NET CURRENT ASSETS		<u>282,220</u>	<u>313,913</u>
NET ASSETS		<u>285,134</u>	<u>318,866</u>
CAPITAL AND RESERVES			
Called up share capital	11	381,000	381,000
Profit and loss account		(95,866)	(62,134)
SHAREHOLDERS' FUNDS	12	<u>285,134</u>	<u>318,866</u>

These financial statements were approved and authorised for issue by the board on 27 April 2011



N SRIVASTAVA - 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 2010

	Note	2010 £	2009 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	15	(5,686)	(52,665)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	92
Interest paid		(1)	(174)
		(1)	(82)
CAPITAL EXPENDITURE			
Payments to acquire fixed assets		-	(5,110)
		-	(5,110)
DECREASE IN CASH	16	<u>(5,687)</u>	<u>(57,857)</u>

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 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 2010 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.

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

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

2 TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of services supplied to customers during the year. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value.

The analysis of turnover by geographical area is as follows

	2009 £	2008 £
British Virgin Islands	-	210,000
Europe	1,052,161	584,952
Canada	-	387,225
	<u>1,052,161</u>	<u>1,182,177</u>

3 NET OPERATING EXPENSES

	2010 £	2009 £
Administrative expenses	<u>612,961</u>	<u>624,638</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

4 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2010	2009
	£	£
Directors' emoluments	93,333	43,462
Auditors' remuneration	5,350	7,000
Depreciation of owned assets	1,240	658
Operating leases - land and buildings	109,376	73,907
Foreign currency exchange loss	6,334	2,710
	<u> </u>	<u> </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

5 STAFF COSTS

	2010	2009
	Number	Number
Average number of persons employed (including directors)	5	6
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2010	2009
	£	£
Wages and salaries	214,633	171,692
Social security	24,971	19,115
	<u> </u>	<u> </u>
	239,604	190,807
	<u> </u>	<u> </u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank overdraft	1	174

7 TAXATION

There is no tax charge for the year (2009 nil) At 31 December 2010 tax losses carried forward for offset against future trading profits are £59,000 (2009 £37,000)

Factors affecting tax charge for the period

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

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(33,732)	308,011
(Loss)/profit on ordinary activities multiplied by small companies rate of corporation tax in the UK of 21% (2009 21%)	(7,084)	64,682
Effects of		
Expenses not deductible for tax purposes	2,011	2,690
Capital allowances for year in excess of depreciation	405	(1,180)
Utilisation of losses brought forward	-	(66,192)
Losses carried forward	4,668	-
Current tax charge for year	-	-

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

8 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2010	2,837	4,351	7,188
Disposals	-	(799)	(799)
 At 31 December 2010	 <u>2,837</u>	 <u>3,552</u>	 <u>6,389</u>
Depreciation			
At 1 January 2010	1,485	750	2,235
Charge for the year	478	762	1,240
 At 31 December 2010	 <u>1,963</u>	 <u>1,512</u>	 <u>3,475</u>
Net book value			
At 31 December 2010	<u>874</u>	<u>2,040</u>	<u>2,914</u>
<i>At 31 December 2009</i>	<u><i>1,352</i></u>	<u><i>3,601</i></u>	<u><i>4,953</i></u>

9 DEBTORS

Receivable within one year:

	2010 £	2009 £
Trade debtors	351,100	445,282
Other debtors	57,844	47,078
	<u>408,944</u>	<u>492,360</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

10 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	88,572	57,296
Social security and other taxes	25,772	15,589
Other creditors	-	88,614
Accruals and deferred income	32,000	42,255
	<u>146,344</u>	<u>203,754</u>

11 SHARE CAPITAL

	2010	2009
	£	£
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

	2010	2009
	£	£
(Loss)/profit for the financial year	(33,732)	308,011
Opening shareholders' funds	318,866	10,855
	<u>285,134</u>	<u>318,866</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

13 LEASING COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as detailed below

	Land and buildings £	2010 Other £	Land and buildings £	2009 Other £
Operating leases which expire				
Within one year	94,800	-	90,000	-
	<u>94,800</u>	<u>-</u>	<u>90,000</u>	<u>-</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

14 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 (2009 £98,667) excluding VAT	£83,410
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Amount due to TL at year end (2009 £17,133)	£24,666
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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 (2009 £73,125) excluding VAT	£nil
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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 (2009 £170,988) excluding VAT	£212,161
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Amount due to PI at the year end (2009 £7,500)	£nil
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Transactions with Praefinium Partners SARL ('PP'), a company which A Patel, A Singh and N Srivastava are directors of, are as follows

Services provided in the year to PP (2009 £202,624)	£529,295
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Amount due from PP at the year end (2009 £72,745)	£190,000
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Transactions with Praefinium SCA SICAV-FIS (PSCA), a company which Praefinium Partners SARL is general manager of, are as follows

Services provided in the year to PSCA (2009 £431,814)	£450,970
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Amount due from PSCA at the year end (2009 £297,034)	£133,100
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Transactions with Praefinium Renewable Energy Investments CEE SARL ('PREI'), a company which A Singh and N Srivastava are directors of are as follows

Services provided in the year to PREI (2009 £nil)	£28,000
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Amount due from PREI at the year end (2009 £nil)	£28,000
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Included in other creditors at the year end is £nil (2009 £16,544) owing to A Patel, £nil (2009 £860) owing to A Singh and £3,403 (2009 £39,981) owing to N Srivastava

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

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

	2010 £	2009 £
Operating (loss)/profit	(33,731)	308,093
Depreciation charge	1,240	658
Loss on sale of fixed assets	799	-
Decrease/(increase) in debtors	83,416	(454,688)
(Decrease)/increase in creditors	(57,410)	93,272
Net cash outflow from operating activities	<u>(5,686)</u>	<u>(52,665)</u>

16 ANALYSIS OF NET FUNDS

	2009 £	Cash flow £	Other changes £	2010 £
Cash at bank and in hand	<u>25,307</u>	<u>(5,687)</u>	<u>-</u>	<u>19,620</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONT)

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010 £	2009 £
Decrease in cash in the year	(5,687)	(57,857)
Movement in net funds in the year	(5,687)	(57,857)
Net funds at 1 January 2010	25,307	83,164
Net funds at 31 December 2010	19,620	25,307

18 PARENT UNDERTAKINGS

At 1 January 2010 the ultimate parent company was Crown Investments (BVI) SA which owned 100% of the issued share capital. The ultimate controlling party of Crown Investments (BVI) SA is A Patel.

On 27 April 2010 Crown Investments (BVI) SA sold all but 10% of the ordinary shares so that the company is now not controlled by any one person.