

R of Companies

Registered no. 04040407

PRAEFINIUM PARTNERS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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PRAEFINIUM PARTNERS LIMITED

CONTENTS

PAGE

Directors' report	1
Independent auditors' report	4
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9

For information of the directors only:

Detailed trading and profit and loss account	1
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PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

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

Registered Office

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

Registered number

04040407

PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (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.

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:

	2011	2010
	£	£
Turnover for the year	684,393	1,052,161
Profit/(loss) for the year before tax	13,269	(33,732)
Shareholders funds at the year end	298,403	285,134
Cash at bank and in hand at the year end	78,568	19,620

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

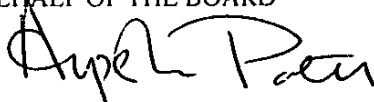
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT)

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

8/8/12

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 2011 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 2011 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, Registered Auditor
Chartered Accountants
Milton Keynes

8 August 2012

PRAEFINIUM PARTNERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
TURNOVER	2	684,393	1,052,161
Cost of sales		209,640	472,931
GROSS PROFIT		474,753	579,230
Net operating expenses	3	461,524	612,961
OPERATING PROFIT/(LOSS)	4	13,229	(33,731)
Other interest receivable and similar income		40	-
Interest payable and similar charges	6	-	(1)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		13,269	(33,732)
Tax on profit/(loss) on ordinary activities	7	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		13,269	(33,732)
Retained loss brought forward		(95,866)	(62,134)
RETAINED LOSS CARRIED FORWARD		(82,597)	(95,866)

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

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

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

BALANCE SHEET AT 31 DECEMBER 2011

Co No:04040407

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	1,717	2,914
CURRENT ASSETS			
Debtors	9	372,055	408,944
Cash at bank and in hand		78,568	19,620
		<u>450,623</u>	<u>428,564</u>
CREDITORS			
Amounts falling due within one year	10	153,937	146,344
NET CURRENT ASSETS		<u>296,686</u>	<u>282,220</u>
NET ASSETS		<u>298,403</u>	<u>285,134</u>
CAPITAL AND RESERVES			
Called up share capital	11	381,000	381,000
Profit and loss account		(82,597)	(95,866)
SHAREHOLDERS FUNDS	12	<u>298,403</u>	<u>285,134</u>

These financial statements were approved and authorised for issue by the board on 8 August 2012

A 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 2011

	Note	2011 £	2010 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16	58,908	(5,686)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		40	-
Interest paid		-	(1)
		<u>40</u>	<u>(1)</u>
INCREASE (DECREASE) IN CASH	17	<u>58,948</u>	<u>(5,687)</u>

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011 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 2011 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 two 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 2011 (CONT)

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

	2011 £	2010 £
Europe	649,798	1,052,161
North America	34,595	-
	<u>684,393</u>	<u>1,052,161</u>

3 NET OPERATING EXPENSES

	2011 £	2010 £
Administrative expenses	<u>461,524</u>	<u>612,961</u>

4 OPERATING PROFIT/(LOSS)

	2011 £	2010 £
Operating profit/(loss) is stated after charging		
Directors' emoluments	41,667	93,333
Auditors' remuneration	6,250	5,350
Depreciation of owned assets	1,197	1,240
Operating leases - land and buildings	111,860	109,376
Foreign currency exchange loss	<u>4,493</u>	<u>6,334</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 2011 (CONT)

5 STAFF COSTS

	2011 Number	2010 Number
Average number of persons employed (including directors)	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	2011 £	2010 £
Wages and salaries	124,266	214,633
Social security	14,294	24,971
	<u>138,560</u>	<u>239,604</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank overdraft	<u>-</u>	<u>1</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT)

7 TAXATION

There is no tax charge for the year (2010 nil) At 31 December 2011 tax losses carried forward for offset against future trading profits are £43,000 (2010 £59,000)

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 (20 %) The differences are explained below

	2011	2010
	£	£
Profit/(loss) on ordinary activities before tax	13,269	(33,732)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 % (2010 21 %)	2,654	(7,084)
Effects of		
Expenses not deductible for tax purposes	374	2,011
Capital allowances for year in excess of depreciation	222	405
Utilisation of losses brought forward	(3,250)	-
Losses carried forward	-	4,668
Current tax charge for year	-	-

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT)

8 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2011 and 31 December 2011	2,837	3,552	6,389
Depreciation			
At 1 January 2011	1,963	1,512	3,475
Charge for the year	477	720	1,197
At 31 December 2011	2,440	2,232	4,672
Net book value			
At 31 December 2011	397	1,320	1,717
At 31 December 2010	874	2,040	2,914

9 DEBTORS

Receivable within one year:

	2011 £	2010 £
Trade debtors	328,485	351,100
Other debtors	43,570	57,844
	372,055	408,944

10 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	144,463	88,572
Social security and other taxes	2,599	25,772
Accruals and deferred income	6,875	32,000
	153,937	146,344

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT)

11 SHARE CAPITAL

	2011 £	2010 £
Authorised 1,000,000 ordinary shares of £ 1 each	1,000,000	1,000,000
Allotted, called up and fully paid 381,000 ordinary shares of £ 1 each	381,000	381,000

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit/(loss) for the financial year	13,269	(33,732)
Opening shareholders' funds	285,134	318,866
Closing shareholders' funds	298,403	285,134

13 LEASING COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as detailed below

		2011		2010
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire Within one year	61,740	-	94,800	-
	<u>61,740</u>	<u>-</u>	<u>94,800</u>	<u>-</u>

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (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 (2010 £83,410) excluding VAT	£77,960
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Amount due to TL at year end (2010 £24,666)	£37,600
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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 (2010 £212,161) excluding VAT	£25,453
---	---------

Amount due to PI at the year end (2010 £nil)	£nil
--	------

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 (2010 £529,295)	£289,500
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Amount due from PP at the year end (2010 £190,000)	£250,000
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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 (2010 £450,970)	£325,521
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Amount due from PSCA at the year end (2010 £133,100)	£nil
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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 (2010 £28,000)	£34,777
--	---------

Amount due from PREI at the year end (2010 £28,000)	£nil
---	------

Transactions with Crown Investments Limited (CI), a company which A Patel is a director of, are as follows

Cost of services provided in year by CI (2010 £nil) excluding VAT	£12,000
---	---------

Amount due to CI at the year end (2010 £nil)	£nil
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Transactions with Knee Creations Limited (KC), a company which N Srivastava is director of, are as follows

Services provided in the year to KC (2010 £nil)	£17,500
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Amount due from KC at the year end (2010 £nil)	£17,500
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PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONT)

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

	2011 £	2010 £
Operating profit/(loss)	13,229	(33,731)
Depreciation charge	1,197	1,240
Loss on sale of fixed assets	-	799
Decrease in debtors	36,889	83,416
Increase/(decrease) in creditors	7,593	(57,410)
Net cash inflow/(outflow) from operating activities	<u>58,908</u>	<u>(5,686)</u>

16 ANALYSIS OF NET FUNDS

	2010 £	Cash flow £	Other changes £	2011 £
Cash at bank and in hand	<u>19,620</u>	<u>58,948</u>	<u>-</u>	<u>78,568</u>

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £	2010 £
Increase/(decrease) in cash in the year	<u>58,948</u>	<u>(5,687)</u>
Movement in net funds in the year	58,948	(5,687)
Net funds at 1 January 2011	19,620	25,307
Net funds at 31 December 2011	<u>78,568</u>	<u>19,620</u>