

Companies, House

Registered no. 04040407

**PRAEFINIUM PARTNERS LIMITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2012

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PRAEFINIUM PARTNERS LIMITED

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PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

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
N Srivastava
A Singh

Registered Office

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

Registered number

04040407

Principal Activity

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

PRAEFINIUM PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT)

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 Conduct Authority (FCA) to undertake all activities relating to fund and asset management as well as investment advisory. The investment managers were Mr Alpesh B Patel, Dr Ajay P Singh and Mr Nayan Srivastava. The company receives investment management fees and consultancy fees for investment advice.

During the year the company continued to act as the investment advisor to Praefinium SICAV-FIS and to 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 investment advisory to the investment funds and the investment management were the company's main source of income.

General market environment led to lower turnover and the company responded by successfully reducing overhead expenses, mainly for wages and salaries, motor and travel, and for rent and rates.

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:

	2012	2011
	£	£
Turnover for the year	381,443	684,393
(Loss)/profit for the year before tax	(54,333)	13,269
Shareholders funds at the year end	244,070	298,403
Cash at bank and in hand at the year end	7,199	78,568

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 2012 (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

14 November 2013

PRAEFINIUM PARTNERS LIMITED

INDEPENDENT AUDITOR S REPORT TO THE MEMBERS OF PRAEFINIUM PARTNERS LIMITED

We have audited the financial statements of Praefinium Partners Limited for the year ended 31 December 2012 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 auditor

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 2012 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 AUDITOR'S 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, Statutory Auditor
Chartered Accountants
Milton Keynes

14 November 2013

PRAEFINIUM PARTNERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	381,443	684,393
Cost of sales		188,000	209,640
GROSS PROFIT		193,443	474,753
Net operating expenses	3	247,776	461,524
OPERATING (LOSS)/PROFIT	4	(54,333)	13,229
Other interest receivable and similar income		-	40
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(54,333)	13,269
Tax on (loss)/profit on ordinary activities	6	-	-
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(54,333)	13,269
Retained loss brought forward		(82,597)	(95,866)
RETAINED LOSS CARRIED FORWARD		(136,930)	(82,597)

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 2012

Co No:04040407

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	600	1,717
CURRENT ASSETS			
Debtors	8	482,141	372,055
Cash at bank and in hand		7,199	78,568
		<u>489,340</u>	<u>450,623</u>
CREDITORS			
Amounts falling due within one year	9	<u>245,870</u>	<u>153,937</u>
NET CURRENT ASSETS		243,470	296,686
NET ASSETS		<u>244,070</u>	<u>298,403</u>
CAPITAL AND RESERVES			
Called up share capital	10	381,000	381,000
Profit and loss account		(136,930)	(82,597)
SHAREHOLDERS' FUNDS	11	<u>244,070</u>	<u>298,403</u>

These financial statements were approved and authorised for issue by the board on 14 November 2013



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 2012

	Note	2012 £	2011 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	14	(71,369)	58,908
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	40
		-	40
(DECREASE) INCREASE IN CASH	15	(71,369)	58,948

The annexed notes form part of these financial statements

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012 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 2012 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% to 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 2012 (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

	2012 £	2011 £
Asia	66,193	-
Europe	302,750	649,798
North America	12,500	34,595
	<u>381,443</u>	<u>684,393</u>

3 NET OPERATING EXPENSES

	2012 £	2011 £
Administrative expenses	<u>247,776</u>	<u>461,524</u>

4 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2012 £	2011 £
Directors' emoluments	-	41,667
Auditor's remuneration	7,500	6,250
Depreciation of owned assets	1,117	1,197
Operating leases - land and buildings	63,044	111,860
Foreign currency exchange loss	<u>2,113</u>	<u>4,493</u>

In addition to directors' emoluments above, payments were made to companies for other services provided by directors, as detailed in note 13 to the accounts.

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT)

5 STAFF COSTS

	2012 Number	2011 Number
Average number of persons employed (including directors)	5	5

The aggregate payroll costs of these persons were as follows:

	2012 £	2011 £
Wages and salaries	71,128	124,266
Social security	8,284	14,294
	79,412	138,560

6 TAXATION

There is no tax charge for the year (2011 nil) At 31 December 2012 tax losses carried forward for offset against future trading profits are £95,000 (2011 £43,000)

Factors affecting tax charge for the period

The tax assessed for the year is higher (2011 lower) than the small companies rate of corporation tax in the UK (20 %)
The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(54,333)	13,269
(Loss)/profit on ordinary activities multiplied by small companies rate of corporation tax in the UK of 20% (2011 20%)	(10,867)	2,654
Effects of		
Expenses not deductible for tax purposes	253	374
Depreciation for year in excess of capital allowances	152	222
Utilisation of losses brought forward	-	(3,250)
Losses carried forward	10,462	-
Current corporation tax charge for year	-	-

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT)

7 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2012 and 31 December 2012	2,837	3,552	6,389
Depreciation			
At 1 January 2012	2,440	2,232	4,672
Charge for the year	397	720	1,117
At 31 December 2012	2,837	2,952	5,789
Net book value			
At 31 December 2012	-	600	600
<i>At 31 December 2011</i>	<i>397</i>	<i>1,320</i>	<i>1,717</i>

8 DEBTORS

Receivable within one year:

	2012 £	2011 £
Trade debtors	445,288	328,485
Other debtors	36,853	43,570
	482,141	372,055

9 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	114,361	144,463
Social security and other taxes	2,065	2,599
Other creditors	20	-
Accruals	129,424	6,875
	245,870	153,937

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT)

10 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid 381,000 ordinary shares of £ 1 each	381,000	381,000

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
(Loss)/profit for the financial year	(54,333)	13,269
Opening shareholders' funds	298,403	285,134
Closing shareholders' funds	244,070	298,403

12 LEASING COMMITMENTS

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as detailed below

	Land and buildings £	2012 Other £	Land and buildings £	2011 Other £
Operating leases which expire				
Within one year	66,360	-	61,740	-
	66,360	-	61,740	-

PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT)

13 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 (2011 £77,960) excluding VAT	£68,000
Amount due to TL at year end (2011 £37,600)	£36,400

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 (2011 £25,453) excluding VAT	£60,000
Amount due to PI at the year end (2011 £nil)	£60,000

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 (2011 £289,500)	£187,750
Amount due from PP at the year end (2011 £250,000)	£297,750

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 (2011 £325,521)	£nil
Disbursements paid on behalf of PSCA (2011 £43,890)	£58,148
Amount due from PSCA at the year end (2011 £43,890)	£102,038

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 (2011 £34,777)	£85,000
Amount due from PREI at the year end (2011 £nil)	£15,500

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 (2011 £12,000) excluding VAT	£nil
Amount due to CI at the year end (2011 £nil)	£nil

Transactions with Knee Creations Limited ('KC'), a company which N Srivastava is director of, are as follows

Services provided in the year to KC (2011 £17,500)	£12,500
Amount due from KC at the year end (2011 £17,500)	£30,000

Transactions with Praefinium Partners Pte Limited ('PTE'), a company which N Srivastava is a director of, are as follows

Services provided in the year to PTE (2011 £nil)	£66,194
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PRAEFINIUM PARTNERS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT)

Cost of services provided in year by PTE including reimbursement of travel costs (2011 £nil) excluding VAT £60,000

Amount due to PTE at the year end (2011 £nil) £60,000

Transactions with Praefinium - Tamarind fund ('TAM'), a company which Praefinium Partners SARL is general manager of, are as follows

Services provided in the year to TAM (2011 £nil) £30,000

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

	2012 £	2011 £
Operating (loss)/profit	(54,333)	13,229
Depreciation charge	1,117	1,197
(Increase)/decrease in debtors	(110,086)	36,889
Increase in creditors	91,933	7,593
Net cash (outflow)/inflow from operating activities	<u>(71,369)</u>	<u>58,908</u>

15 ANALYSIS OF NET FUNDS

	2011 £	Cash flow £	Other changes £	2012 £
Cash at bank and in hand	<u>78,568</u>	<u>(71,369)</u>	<u>-</u>	<u>7,199</u>

16 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012 £	2011 £
(Decrease)/increase in cash in the year	<u>(71,369)</u>	<u>58,948</u>
Movement in net funds in the year	<u>(71,369)</u>	<u>58,948</u>
Net funds at 1 January 2012	<u>78,568</u>	<u>19,620</u>
Net funds at 31 December 2012	<u>7,199</u>	<u>78,568</u>