

COMPANY REGISTRATION NUMBER: 04040407

Praefinium Partners Limited

Financial Statements

31 December 2017

TUESDAY



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10/07/2018
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Praefinium Partners Limited

Financial Statements

Year ended 31 December 2017

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Praefinium Partners Limited
Officers and Professional Advisers

The board of directors

A Singh
A Patel

Registered office

Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

Auditor

HWS Keens Limited
Chartered accountant & statutory auditor
Sovereign Court,
230 Upper Fifth Street,
Central Milton Keynes,
MK9 2HR

Praefinium Partners Limited

Strategic Report

Year ended 31 December 2017

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 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 and Dr. Ajay P. Singh. 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 and management services provided to the General Partner were the company's main source of income.

The general market environment led to lower turnover and the company responded by further reducing overhead expenses.

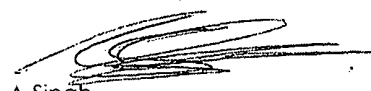
The directors consider that the key financial risk exposure faced by the company relates to the need to maintain sufficient liquidity to satisfy regulatory capital requirements and working capital needs. The liquidity will improve when a bidding process of a major holding held in Praefinium SICAV-FIS completes in 2018.

Results

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:

	2017	2016
	£	£
Turnover for the year	261,548	142,250
Profit/(Loss) for the year before tax	85,276	28,564
Shareholders funds at the year end	235,074	149,798
Cash at bank and in hand at the year end	32,588	6,321

This report was approved by the board of directors on 20th April 18 and signed on behalf of the board by:


A Singh
Director

Praefinium Partners Limited

Directors' Report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Directors

The directors who served the company during the year were as follows:

A Singh
A Patel

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The directors have chosen to set out information required to be included within the Director's Report within the Strategic Report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Praefinium Partners Limited

Directors' Report *(continued)*

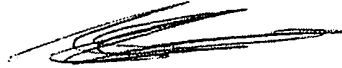
Year ended 31 December 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 20th April 18 and signed on behalf of the board by:



A Singh
Director

Praefinium Partners Limited

Independent Auditor's Report to the Members of Praefinium Partners Limited

Year ended 31 December 2017

Opinion

We have audited the financial statements of Praefinium Partners Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Praefinium Partners Limited

Independent Auditor's Report to the Members of Praefinium Partners Limited (continued)

Year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Emphasis of matter

We draw attention to note 14 of the financial statements which describes matters relating to advised funds assets, and recoverability of trade debtors and other costs. Our opinion is not modified in this respect.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 the information and explanations we require for our audit.

Praefinium Partners Limited

Independent Auditor's Report to the Members of Praefinium Partners Limited (continued)

Year ended 31 December 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Praefinium Partners Limited

Independent Auditor's Report to the Members of Praefinium Partners Limited *(continued)*

Year ended 31 December 2017

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
SIMON GILL FCCA
(Senior Statutory Auditor)
For and on behalf of
HWS Keens Limited
Chartered Accountants and Statutory Auditor
Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

23/04/2018
Date

Praefinium Partners Limited

Statement of Income and Retained Earnings

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	261,548	142,250
Cost of sales		<u>(60,000)</u>	<u>(60,000)</u>
Gross profit		201,548	82,250
Administrative expenses		<u>(116,272)</u>	<u>(53,686)</u>
Operating (loss)/profit	5	85,276	28,564
(Loss)/profit before taxation		<u>85,276</u>	<u>28,564</u>
Tax on (loss)/profit	7	<u>—</u>	<u>—</u>
(Loss)/profit for the financial year and total comprehensive income		<u>85,276</u>	<u>28,564</u>
Retained losses at the start of the year		<u>(231,202)</u>	<u>(259,766)</u>
Retained losses at the end of the year		<u>(145,926)</u>	<u>(231,202)</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 17 form part of these financial statements.

Praefinium Partners Limited

Statement of Financial Position

31 December 2017

	Note	2017 £	£	2016 £
Current assets				
Debtors	9	587,688		486,201
Cash at bank and in hand		<u>32,588</u>		<u>6,321</u>
		620,276		492,522
 Creditors: amounts falling due within one year	 10	 <u>385,202</u>		 <u>342,724</u>
Net current assets			235,074	149,798
Total assets less current liabilities			235,074	149,798
Net assets			<u>235,074</u>	<u>149,798</u>
 Capital and reserves				
Called up share capital	11		381,000	381,000
Profit and loss account	12		(145,926)	(231,202)
Shareholders funds			<u>235,074</u>	<u>149,798</u>

These financial statements were approved by the board of directors and authorised for issue on 20th April 18, and are signed on behalf of the board by:



A Singh
Director

Company registration number: 04040407

The notes on pages 12 to 17 form part of these financial statements.

Praefinium Partners Limited

Statement of Cash Flows

Year ended 31 December 2017

	2017	2016
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	85,276	28,564
<i>Adjustments for:</i>		
Accrued expenses	60,121	59,048
<i>Changes in:</i>		
Trade and other debtors	(101,487)	(111,109)
Trade and other creditors	(17,643)	16,663
Cash generated from operations	<u>26,267</u>	<u>(6,834)</u>
Net cash from/(used in) operating activities	<u>26,267</u>	<u>(6,834)</u>
Net increase/(decrease) in cash and cash equivalents	26,267	(6,834)
Cash and cash equivalents at beginning of year	<u>6,321</u>	<u>13,155</u>
Cash and cash equivalents at end of year	<u>32,588</u>	<u>6,321</u>

The notes on pages 12 to 17 form part of these financial statements.

Praefinium Partners Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Sovereign Court, 230 Upper Fifth Street, Central Milton Keynes, MK9 2HR.

2. Company information

The company is a limited company, incorporated in the United Kingdom. The address of the registered office is Sovereign Court, 230 Upper Fifth Street, Central Milton Keynes, MK9 2HR.

3. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

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, and therefore will continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Praefinium Partners Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

3. Accounting policies (continued)

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer Equipment	- 33% straight line
Fixtures and Fittings	- 25% reducing balance

Praefinium Partners Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

4. Turnover

Turnover arises from:

	2017 £	2016 £
Rendering of services	<u>261,548</u>	<u>142,250</u>

The analysis of turnover by geographical area is as follows:

	2017 £	2016 £
Asia	<u>161,548</u>	<u>42,250</u>
Europe	<u>100,000</u>	<u>100,000</u>
	<u>261,548</u>	<u>142,250</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Foreign exchange differences	<u>2,770</u>	<u>126</u>

Payments were made to companies for other services provided by the directors as detailed in note 13 to the accounts.

6. Auditor's remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>4,900</u>	<u>6,000</u>

7. Tax on (loss)/profit

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	2017 £	2016 £
(Loss)/profit on ordinary activities before taxation	<u>85,276</u>	<u>28,564</u>
(Loss)/profit on ordinary activities by rate of tax	<u>17,055</u>	<u>5,713</u>
Effect of expenses not deductible for tax purposes	-	20
Utilisation of tax losses	<u>(17,055)</u>	<u>(5,733)</u>
Tax on (loss)/profit	<u>-</u>	<u>-</u>

There is no tax charge for the year (2016 £nil). At 31 December 2016 tax losses carried forward for offset against future trading profits were £83,000 (2016 £168,000).

Praefinium Partners Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

8. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2017 and 31 December 2017	<u>2,837</u>	<u>3,552</u>	<u>6,389</u>
Depreciation			
At 1 January 2017 and 31 December 2017	<u>2,837</u>	<u>3,552</u>	<u>6,389</u>
Carrying amount			
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>

9. Debtors

	2017 £	2016 £
Trade debtors	564,472	464,471
Other debtors	<u>23,216</u>	<u>21,730</u>
	<u>587,688</u>	<u>486,201</u>

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	32,181	49,824
Accruals and deferred income	245,746	185,625
Other creditors	<u>107,275</u>	<u>107,275</u>
	<u>385,202</u>	<u>342,724</u>

11. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>381,000</u>	<u>381,000</u>	<u>381,000</u>	<u>381,000</u>

12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Praefinium Partners Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

13. Related party transactions

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

	2017 £	2016 £
Cost of services provided in the year by TL including reimbursement of costs excluding VAT	60,000	60,000
Amount due to TL at the year end	258,267	198,267

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

	2017 £	2016 £
Cost of services provided in the year by TL including reimbursement of costs excluding VAT	56,833	-
Amount due to PI at the year end	128,811	58,607

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

	2017 £	2016 £
Services provided in the year to PP	100,000	130,975
Amount due from PP at the year end	507,287	438,262

Transactions with Praefinium SCA SICAV-FIS ('PSCA'), a company which Praefinium Partners SARL is general manager of, are as follows:

	2017 £	2016 £
Amount due from PSCA at the year end	21,250	21,250

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

	2017 £	2016 £
Amount due from KC at the year end	267	267

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

	2017 £	2016 £
Services provided in the year to PTE	-	3,250
Cost of services provided in the year by PTE including reimbursement of costs excluding VAT	-	3,250
Amount due to PTE at the year end	43,649	43,649

Praefinium Partners Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2017

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

	2017	2016
	£	£
Amount due from TAM at the year end	12,310	12,310

Transactions with Indeen Bio Power Limited ('IND'), a company which N Srivastava and A Singh are directors of, are as follows:

	2017	2016
	£	£
Services provided to IND	-	6,000
Amount due to TL at the year end	-	-

Transactions with Praefinium Energy Investments Limited ('PEI'), a company which A Singh and N Srivastava are directors of, are as follows:

	2017	2016
	£	£
Cost of services provided in the year by PEI including reimbursement of travel costs excluding VAT	73,415	33,000
Amount due from PEI at the year end	-	-

Transactions with N Srivastava ('NS') are as follows:

	2017	2016
	£	£
Cost of services provided in the year by NS including reimbursement of travel costs excluding VAT	25,802	2,000
Amount due to NS at the year end	5,020	5,020

N Srivastava was previously a director of the company and resigned on 30 January 2014.

Transactions with Praefinium Capital Management PTE Ltd (PCM), a company which A Singh and N Srivastava are directors of, are as follows:

	2017	2016
	£	£
Services provided in the year to PCM	-	-
Amount due to PCM at the year end	7,758	7,758

Praefinium Partners Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

14. Recoverability of debtors

As referenced within the strategic report (page 2), Praefinium Partners Limited provides investment and advisory services to Praefinium Partners SARL ('SARL'). SARL is the the General Partner to the investment funds, also shown within the strategic report.

At 31 December 2017, the company was owed £587,689 by SARL, in its position as General partner, which in turn was owed significant sums from the advised funds. At present the funds are seeking to realise assets and investments which will allow the settlement of amounts due to SARL, which in turn, should allow SARL to settle its debts with Praefinium Partner Limited.

Accounts for the funds show there are realisable assets to achieve this, but the nature of activity cannot prescribe a definite level of realisation of assets, or timescale for the settlements to be achieved.