

**THSP LIMITED**

(English Register Number: 3152142)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2010**

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**THSP LIMITED**

**YEAR ENDED 31 MARCH 2010**

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**THSP LIMITED**  
**REPORT OF THE DIRECTORS**

The Directors submit their report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2010

**Activities**

The current activity of the Company is that of an investment holding company Taube Hodson Stonex Partners (UK) Limited is a 100% owned subsidiary and is a corporate member of Taube Hodson Stonex Partners LLP which provides investment and advisory management services Taube Hodson Stonex Partners Unit Trust Management Company Limited is a 100% owned subsidiary and is the Authorised Corporate Director ('ACD') for an OEIC

**Results and Dividends**

The Company recorded a profit for the year after taxation of £231,000 (2009 £307,000 profit) During the year, a dividend of £900,383 was paid (2009 £Nil) which resulted in a retained loss for the Company of £669,000 No dividend has been provided for at the year end (2009 £ Nil)

**Significant Events**

All business was conducted in the same manner as before with R Smithson purchasing 10% of J Hodson's shares in THSP Limited on the 18<sup>th</sup> August 2009

**Review of Business and Future Developments**

The Company and the Group have continued to trade at a satisfactory level during the year and are expected to do so in the future

**Key Performance Indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

**Principal Risks and Uncertainties**

As the main fund management business is now operated outside the THSP Limited group, there are no significant risks associated with the operation of THSP Limited

**Policy on Creditors**

The Company's policy on the payment of creditors is to agree terms of payment when orders for goods and services are placed and to pay in accordance with those terms

**Directors**

The directors who held office during the year were as follows

	<b><u>Date of appointment</u></b>
JHW Hodson	26/03/1996
CH Stonex	26/03/1996
S Edelsten	12/08/2003
M Evans	29/07/2003

**Directors' Interests**

The directors have the following beneficial interests in shares of the Company

	<b><u>Ordinary Shares of £1 each</u></b>	
	<b><u>31 March 2010</u></b>	<b><u>31 March 2009</u></b>
	<b><u>Fully Paid</u></b>	<b><u>Fully Paid</u></b>
JHW Hodson	30,375	33,750
CH Stonex	33,750	33,750
S Edelsten	33,745	33,745
M Evans	33,745	33,745

10 ordinary shares of £1 each were split into 1,000 deferred shares of 1p each which were held by NO Taube Trust and are deferred over 10 years on a reducing basis from 2007 NO Taube Trust held 8,000 deferred 1p shares during this year During the year JHW Hodson sold 3,375 shares (2.5%) in THSP Limited to R Smithson R Smithson was not a Director as of the 31<sup>st</sup> March 2010

**THSP LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual 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 prepared the group and parent company 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 group and the company and of the profit or loss of the group 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 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 the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure of information to auditors**

So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware and the directors confirm that they have taken all steps that they ought to have taken as directors in order to establish that the company's auditors are aware of that information.

**Auditors**

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



G Goddard  
Secretary  
7<sup>th</sup> July 2010

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF**

### **THSP LIMITED**

#### **Independent Auditors' Report to the Members of THSP Limited**

We have audited the group and parent company financial statements (the "financial statements") of THSP Limited for the year ended 31 March 2010 which comprise Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial reporting framework that has been applied in their preparation is under applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement [set out on page 2] the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31<sup>st</sup> March 2010 and of the group's profit and cash flows 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.

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF**

**THSP LIMITED**

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



*Ashley Coups (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
9<sup>th</sup> July 2010*

**THSP LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010**

	<u>Notes</u>	<u>Year ended</u> <u>31 March 2010</u>	<u>Year ended</u> <u>31 March 2009</u>
		<u>£'000</u>	<u>£'000</u>
Turnover		50	50
Administrative expenses		(69)	(6)
Other operating income		<u>326</u>	<u>322</u>
Operating Profit	2	307	366
Interest receivable and similar income		<u>0</u>	<u>62</u>
Profit on ordinary activities before taxation		307	428
Tax on profit on ordinary activities	5	<u>(80)</u>	<u>(121)</u>
Profit for the financial year	15	<u>227</u>	<u>307</u>

The activities of the Group are derived from continuing activities

The Group has no recognised gains or losses other than its profit for the year

There is no difference between the results as reported and the results that would have been reported on an unmodified historical cost basis. Accordingly, no note of historical profits and losses has been included in these accounts

The notes on pages 9 to 14 form part of these financial statements

**THSP LIMITED**

**CONSOLIDATED BALANCE SHEET AT 31 MARCH 2010**

	<u>Notes</u>	<u>31 March 2010</u>	<u>31 March 2009</u>
		<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets:</b>			
Investments	6	6,459	6,459
Tangible fixed assets	7	48	48
		<u>6,507</u>	<u>6,507</u>
<b>Current Assets:</b>			
Stock of shares		8	5
Debtors	8	1,397	126
Cash at bank		2,200	4,704
		<u>3,605</u>	<u>4,835</u>
<b>Creditors: Amounts falling due within one year</b>	9	(2,610)	(3,171)
		<u>995</u>	<u>1,664</u>
<b>Net current assets</b>		<u>995</u>	<u>1,664</u>
<b>Total assets less current liabilities</b>		<u>7,502</u>	<u>8,171</u>
<b>Net Assets</b>		<u><u>7,502</u></u>	<u><u>8,171</u></u>
<b>Capital and Reserves</b>			
Called up share capital	12	135	135
Capital redemption reserve	13	715	715
Profit and loss account	13	6,652	7,321
<b>Total Shareholders' Funds</b>	15	<u><u>7,502</u></u>	<u><u>8,171</u></u>

The notes on pages 9 to 14 form part of these financial statements

The accounts were approved by the Board of Directors on 7<sup>th</sup> July 2010 and are signed on the Board's behalf by



**Mark Evans**  
**Director**



**THSP LIMITED**

**COMPANY BALANCE SHEET AT 31 MARCH 2010**

	<u>Notes</u>	<u>31 March 2010</u>	<u>31 March 2009</u>
		<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets:</b>			
Shares in subsidiary undertaking	7	1,287	1,287
Investments	7	48	48
		<u>1,335</u>	<u>1,335</u>
<b>Current Assets:</b>			
Debtors	8	-	65
Cash at bank		236	886
		<u>236</u>	<u>951</u>
<b>Creditors: Amounts falling due within one year</b>	9	(11)	(583)
		<u></u>	<u></u>
<b>Net Current Assets</b>		225	368
		<u></u>	<u></u>
<b>Net Assets</b>		<u>1,560</u>	<u>1,703</u>
<b>Capital and Reserves</b>			
Called up share capital	12	135	135
Capital redemption reserve	13	715	715
Profit and loss account	13	710	853
		<u></u>	<u></u>
<b>Total Shareholders' Funds</b>	15	<u>1,560</u>	<u>1,703</u>

The notes on pages 9 to 14 form part of these financial statements

The accounts were approved by the Board of Directors on 7<sup>th</sup> July 2010 and are signed on the Board's behalf by



**Mark Evans**  
**Director**

**THSP LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT AT 31 MARCH 2010**

	Notes	Year ended <u>31 March 2010</u> £'000	Year ended <u>31 March 2009</u> £'000
<b>Cash Flows from Operating Activities</b>			
Loss for financial year		(669)	307
Depreciation		-	-
Movements in debtors		(1,271)	4,991
Stock of shares		(3)	3
Movements in creditors		(561)	(776)
<b>Net cash outflow from operating activities</b>	10	<u>(2,504)</u>	<u>4,525</u>
<b>Cash flow from return on investing activities</b>			
Investment		-	(5,930)
Net decrease in cash and cash equivalents		(2,504)	(1,405)
Cash and cash equivalents at beginning of year		<u>4,704</u>	<u>6,109</u>
<b>Cash and cash equivalents at end of year</b>	11	<u><b>2,200</b></u>	<u><b>4,704</b></u>

The notes on pages 9 to 14 form part of these financial statements

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## **THSP LIMITED**

### **NOTES TO THE ACCOUNTS (CONTINUED)**

#### **1 Accounting policies**

##### **Basis of accounting**

These financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and in accordance with United Kingdom Generally Accepted Accounting Practice. The principal accounting policies which the directors have adopted within that convention are set out below.

##### **Investment accounting policy**

Shares in subsidiary undertakings in the balance sheet of the Company are shown at cost or cost less any provision for impairment in value.

##### **Basis of consolidation**

The consolidated financial statements include the results of the Company and the results of its subsidiaries Taube Hodson Stonex Partners (UK) Limited and Taube Hodson Stonex Partners Unit Trust Management Company Limited.

Intra-group income and profits have been eliminated on consolidation and all income and profits relate to external transactions only.

##### **Foreign Currencies**

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Balances denominated in foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date. All exchange differences arising are dealt with in the Profit and Loss account.

##### **Related Party Disclosures**

The Company has taken advantage of the exemption from the requirements of Financial Reporting Standards for subsidiary undertakings 90% or more of whose voting rights are controlled within the Group from disclosing transactions with entities that are part of the Group or investors of the Group qualifying as related parties.

##### **Taxation**

The charge for taxation is based on the profit for the year. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

##### **Expenses**

Expenses are accounted for on an accrual basis.

**THSP LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**2. Operating profit**

Operating profit is stated after charging

	<b><u>Year ended</u></b> <b><u>31 March 2010</u></b> <b>£'000</b>	<b><u>Year ended</u></b> <b><u>31 March 2009</u></b> <b>£'000</b>
Auditors' remuneration		
Audit fees	37	31
Non Audit fees	13	13
	<hr/>	<hr/>

**3. Staff Numbers and Costs**

The average number of employees (not including Directors) during the year to 31 March 2010 was Nil (2009 Nil) and no costs or expenses were incurred

**4. Directors' Emoluments**

Directors' emoluments paid in respect of the services of the directors to the company amounted to £Nil (2009 £Nil)

**5. Taxation on profit on ordinary activities**

Taxation based on the profit for the year

	<b><u>Year Ended</u></b> <b><u>31 March 2010</u></b> <b>£'000</b>	<b><u>Year Ended</u></b> <b><u>31 March 2009</u></b> <b>£'000</b>
<b>Current tax:</b>		
UK corporation tax on profits for the period	86	121
Adjustments in respect of previous periods	(6)	-
Total current tax	80	121
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<hr/> 80 <hr/>	<hr/> 121 <hr/>

	<b><u>Year Ended</u></b> <b><u>31 March 2010</u></b> <b>£'000</b>	<b><u>Year Ended</u></b> <b><u>31 March 2009</u></b> <b>£'000</b>
Profit on activities before tax	<hr/> 307 <hr/>	<hr/> 428 <hr/>
Profit on ordinary activities multiplied by the standard rate in the UK (28%) (2009 28%)	86	121
Current tax charge for the year	<hr/> 86 <hr/>	<hr/> 121 <hr/>

**THSP LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**6 Investments**

On 1 April 2008 the company's subsidiary Taube Hodson Stonex Partners Limited changed its name to Taube Hodson Stonex Partners (UK) Limited, it transferred all of its business to Taube Hodson Stonex Partners LLP. Fixed assets are represented by the Capital Contribution to Taube Hodson Stonex Partners LLP amounting to £6,458,578

**7. Tangible fixed assets – Group**

	<b><u>Year ended 31 March 2010</u></b>
	<b>£'000</b>
At 1 April 2009	48
Additions during the year	-
Net adjustment to the value of investments	-
At 31 March 2010	<u>48</u>

**Investments – Company**

	<b><u>Year ended 31 March 2010</u></b>	<b><u>Year ended 31 March 2009</u></b>
	<b>£'000</b>	<b>£'000</b>
Shares in Subsidiary undertakings		
Taube Hodson Stonex Partners (UK) Limited	1,048	1,048
THSP Management Company Limited	-	-
Taube Hodson Stonex Partners Unit Trust Management Company Limited	239	239
At 31 March	<u>1,287</u>	<u>1,287</u>

	<b><u>Year ended 31 March 2010</u></b>
	<b>£'000</b>
Other Investments	
At 1 April 2009	48
Additions during the year	-
Net adjustment to the value of investments	-
At 31 March 2010	<u>48</u>

These other investments, made by the company, are long-term investments in works of art

**THSP LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**8. Debtors**

	<b>31 March 2010</b>		<b>31 March 2009</b>	
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	1,397	-	70	-
Other debtors	-	0	2	65
Prepayments and accrued income	-	-	54	-
	<u>1,397</u>	<u>0</u>	<u>126</u>	<u>65</u>

**9. Creditors: amounts falling due within one year**

	<b>31 March 2010</b>		<b>31 March 2009</b>	
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	2,564	-	2,434	-
Corporation tax	44	-	101	-
Other creditors	-	11	597	572
Accruals and deferred income	-	-	39	11
	<u>2,608</u>	<u>11</u>	<u>3,171</u>	<u>583</u>

**10. Reconciliation of consolidated operating profit to consolidated net cash inflow from operating activities**

	<b><u>Year Ended</u></b> <b><u>31 March 2010</u></b>	<b><u>Year Ended</u></b> <b><u>31 March 2009</u></b>
	<b>£'000</b>	<b>£'000</b>
Operating profit	(669)	307
Stock of shares	(3)	3
(Increase)/Decrease in debtors	(1,271)	4,991
Increase/(Decrease) in creditors	<u>(561)</u>	<u>(776)</u>
<b>Net cash inflow (outflow) from operating activities</b>	<b><u>(2,504)</u></b>	<b><u>4,525</u></b>

**THSP LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**11. Analysis of Net Funds**

	<u>At 31 March 2009</u>	<u>Cash Flows</u>	<u>At 31 March 2010</u>
	£'000	£'000	£'000
Cash at bank	4,704	(2,504)	2,200
	<u>4,704</u>	<u>(2,504)</u>	<u>2,200</u>

**12. Share capital**

	<u>31 March 2010</u>	<u>31 March 2009</u>
	£'000	£'000
<b>Authorised</b>		
200,000 ordinary shares of £1 each	<u>200</u>	<u>200</u>
<b>Allotted issued, and fully paid:</b>		
135,000 ordinary shares of £1 each	<u>135</u>	<u>135</u>

**13. Reconciliation of movements in reserves**

	<u>Profit and Loss</u>	<u>Capital Redemption</u>
	<u>Account</u>	<u>Reserve</u>
	£'000	£'000
<b>Group</b>		
At 31 March 2009	7,321	715
Profit for the financial year	231	-
Dividend	(900)	-
	<u>6,652</u>	<u>715</u>
At 31 March 2010		
<b>Company</b>		
At 31 March 2009	853	715
Retained loss for the financial year	(143)	-
At 31 March 2010	<u>710</u>	<u>715</u>

**THSP LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**14. Profit of the Company**

As permitted by section 230 of the Companies Act 2006, a separate profit and loss account for the Company is not required. The loss for the year after tax and dividends dealt with in the accounts of the Company amounted to £143,000 (2009: Loss of £7,897)

**15. Reconciliation of Movements in Equity Shareholder's Funds**

<b>Group</b>	<b>Year ended 31 March 2010 £'000</b>	<b>Period ended 31 March 2009 £'000</b>
Profit (Loss) for the financial year	(669)	307
Opening equity shareholders funds	<u>8,171</u>	<u>7,864</u>
Closing equity shareholders funds	<u>7,502</u>	<u>8,171</u>
<b>Company</b>		
Loss for the financial year	(143)	(8)
Opening equity shareholders funds	<u>1,703</u>	<u>1,711</u>
Closing equity shareholders funds	<u>1,560</u>	<u>1,703</u>

**16. Ultimate Parent Undertaking**

The parent undertaking of the smallest and largest group to consolidate the accounts of the Company is THSP Limited, a company registered in England and Wales and is also the ultimate parent undertaking.

Copies of the group accounts of THSP Limited may be obtained from the Company Secretary, THSP Limited, 1st Floor, Cassini House, 57-59 St James's Street, London SW1A 1LD.