

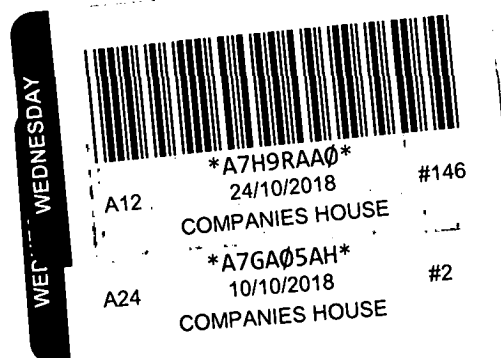
UK Company No. 10562980

AMENDING

# Horseman Partners Limited

Report and Financial Statements

For the period incorporation to 31 March 2018



## Horseman Partners Limited

UK Company No. 10562980

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### **Directors**

J Horseman (on commencement 13.01.2017)  
C Harrison (on commencement 13.01.2017)

### **Secretary**

C Harrison (on commencement 13.01.2017)

### **Bankers**

Coutts & Co  
440 Strand  
London WC2R 0QS

### **Custodian**

Credit Suisse  
One Cabot Square  
London E14 4QJ

### **Investment manager**

Horseman Capital Management Limited  
9 Chester Close  
London SW1X 7BE

### **Solicitors**

Simmons & Simmons  
City Point  
One Ropemaker Street  
London EC2Y 9SS

### **Registered Office**

9 Chester Close  
London SW1X 7BE

## Horseman Partners Limited

UK Company No. 10562980

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### Directors' Report

The directors present their report and financial statements for the period ended 31 March 2018.

#### Principal activity and review of the business

The Company is an investment company which invests in assets that the directors consider could be profitable these could be held for the short term or for the long term. The investments can be in shares both quoted and unquoted, derivatives and fixed income but are not restricted to these categories.

The Company has appointed Horseman Capital Management Limited ("HCM") as its investment manager.

The investments were profitable for the year.

The directors are encouraged by the results for the period and are optimistic about the future of the Company.

#### Future developments

The Company is intending to make investments that are profitable for the Company.

#### Results and dividends

The profit for the period amounted to £5,008,779. A dividend of £Nil was paid during the period.

#### Directors

The directors at 31 March 2018 were as follows :

J Horseman  
C Harrison

#### Directors interests

	Ordinary Shares	Redeemable Shares	Loan Notes
J Horseman	2	19,322,886	19,322,886

#### Going Concern

The Company's activities, together with the factors likely to affect its future development, performance and position are set out in the applicable sections of the Directors' Report above. The financial position of the Company, its liquidity position, and its cash flows are reflected on the balance sheet and the cash flow statement.

The Company has considerable investment income which is greatly in excess of the overheads.


The Company has had assurances from its major shareholder that he will continue to support the business and has no plans to redeem his shares in the foreseeable future.

As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the board

Secretary :

  
C Harrison

Date: 8/10/2018

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws 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) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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 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 proper 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.

## Horseman Partners Limited

### Statement of comprehensive income

for the period ended 31 March 2018

	Notes	Start to 31 March 2018 £
Profits on investments held at fair value	8	4,954,945
Foreign exchange gains / (losses)		(398,748)
Capital generated from portfolio investments	10	4,556,197
Income generated from portfolio investments		
Dividends		410,597
Bond coupons		632,444
Interest		3,192
Total net income		5,602,430
Other expenses		(75,966)
Profits before finance costs and taxation		5,526,464
Finance costs		(181,690)
Profit before taxation		5,344,774
Taxation	9	(156,917)
<b>Profit after taxation</b>		<b>5,187,857</b>

The notes on pages 7 to 11 form part of these financial statements

# Horseman Partners Limited

## Statement of financial position

at 31 March 2018

	Notes	31 March 2018 £
<b>Non-current assets</b>		
Equity investments held at fair value		56,755,285
Fixed income investments held at fair value		9,228,742
	8	65,984,027
<b>Current assets</b>		
Other receivables	4	185,683
Cash and cash equivalents		40,403
		226,086
<b>Current liabilities</b>		
Other payables	5	(22,376,482)
<b>Current assets less current liabilities</b>		(22,150,396)
<b>Non-current liabilities</b>	3	(19,322,886)
<b>Net assets</b>		24,510,745
<b>Capital and Reserves</b>		
Called up share capital	6	19,322,888
Capital reserve		5,729,830
Revenue reserve		(541,973)
<b>Shareholders' funds - Equity</b>		24,510,745

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

Authorised and approved for issue on behalf of the Board and signed on their behalf by

Director :



C Harrison

Date:

8/10/2018

The notes on pages 7 to 11 form part of these financial statements

# Horseman Partners Limited

## Statement of changes in equity

for the period ended 31 March 2018

	Share Ordinary £	Share Redeemable £	Capital Reserve £	Revenue Reserve £	Total £
At commencement	-	-	-	-	-
Shares issued / (redeemed)	2	19,322,886			19,322,888
Profit for period			5,729,830	(541,973)	5,187,857
Dividends paid			-	-	-
Balance at 31 March 2018	2	19,322,886	5,729,830	(541,973)	24,510,745

## Notes to the financial statements

for the period ended 31 March 2018

### 1. Accounting policies

#### Statement of Compliance

Horseman Partners Limited ("the Company") is a private limited company incorporated in London, United Kingdom. The Registered Office address is 9 Chester Close, London, SW1X 7BE. The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom" ("FRS 102").

#### Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets measured at fair value through profit or loss and in accordance with applicable accounting standards and the Companies Act 2006.

#### Judgements, assumptions 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 for assets and liabilities as at the date of the statement financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no significant estimates or judgements.

#### Interest income

Interest income is recognised using the effective interest method on an accrual basis.

#### Expenses

Expenses are recognised on an accruals basis.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and short term deposits which are repayable on demand and available within 24 hours.

#### Investments

The Company's financial assets are shown on the balance sheet at fair value with the resultant difference to cost being put through the profit and loss account.

Where stock exchange quoted closing prices are available these are used to price investments otherwise professional broker prices are used.

#### Foreign currencies

Transactions in foreign currencies are initially recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences arising are taken to the statement of comprehensive income.

Foreign currency contracts and cash balances are valued at New York closing prices on the reporting date.

#### Redeemable shares and Loan notes

The directors are of the opinion that redeemable shares and associated loan notes be shown under share capital and non-current liabilities respectively, as even though they are strictly current liabilities under UK GAAP they are more capital in nature due to their entitlement to all the income and losses of the company and to the unlikelihood of redemption within the next year.



## Notes to the financial statements

for the period ended 31 March 2018

### 1. Accounting policies (continued)

#### Corporation tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the statement of financial position date and any adjustment to tax payable in respect of the previous years. Taxable income is different from accounting profit as it takes account of timing differences between the different treatment of certain items for taxation and accounting purposes.

#### Deferred tax

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in future against which the deferred tax asset can be offset.

### 2. Non-current liabilities

	2018 £
Loan notes	19,322,886 =====

These are unsecured loan notes which are stapled to the redeemable share, the loan is repayable upon the redemption of the Redeemable shares.

### 3. Debtors

	31 March 2018 £
Dividends due from shares held at year end	25,853
Bond coupons accrued	159,830
	----- 185,683 =====

### 4. Creditors: amounts falling due within one period

	31 March 2018 £
Accruals	12,000
Custodian overdraft	22,095,224
Foreign exchange contracts held at fair value	112,340
Corporation tax	156,917
	----- 22,376,481 =====

## Horseman Partners Limited

### Notes to the financial statements

for the period ended 31 March 2018

#### 5. Called up share capital and share premium

	31 March 2018
	£
Called up share capital :	
2 Ordinary shares of £1 each, authorised, issued and fully paid	2
19,322,886 Redeemable shares of £1 each, authorised, issued and fully paid	19,322,886
	-----
	19,322,888
	=====

Holders of Ordinary shares have no right to receive dividends and have one vote per share in general meeting.  
Holders of Redeemable shares have the right to receive all dividends and have no vote in general meeting.

#### 6. Related party transactions

The Company shares two directors with Horseman Capital Management Limited ("HCM"), the investment manager, and reimbursement of expenses paid to HCM amounted to £nil (2017 £nil), and remuneration paid by the Company to HCM amounted to £12,000 (2017 £nil) during the period.

Remuneration paid to Directors during the period amounted to £0 (2017 £0).

#### 7. Investments

	31 March 2018
	£
Investments listed on a regulated exchange	65,984,027
Other investments	-
	-----
Closing valuation	65,984,027
	=====
	£
Opening valuation	-
Movements	
Purchases at cost	67,858,227
Sales proceeds	(6,829,145)
Profit / (loss) on disposals	(887,226)
Movement in investment holding gains	5,842,171
	-----
Closing valuation	65,984,027
	=====

## Notes to the financial statements

for the period ended 31 March 2018

### 7. Investments (continued)

	31 March 2018 £
Closing book costs	60,141,856
Closing investment holding gains	5,842,171
	-----
	65,984,027
	=====
	£
Profit on investment disposals	(887,226)
Movement in investment holding gains	5,842,171
	-----
Profits on investments held at fair value	4,954,945
	=====

### 8. Taxation

	Period to 31 March 2018 £
<b>(a) UK Corporation tax</b>	
UK corporation tax on profits of the year	156,917
Adjustments in respect of previous periods	-
	-----
Total current tax charge for the year (note 5(b))	156,917
	=====
<b>(b) Factors affecting current tax charge for year</b>	
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:	
	Period to 31 March 2018 £
Profit on ordinary activities before taxation	5,344,774
	=====
Profit on ordinary activities multiplied by the rate of Corporation Tax in UK of 20% (2017: 20%)	1,068,955
Effect of:	
Adjustments in respect of previous periods	-
Adjustment due to movement in unrealised (gain)/loss on investments	(1,145,966)
Adjustment due to realised losses being carried forward to future periods	234,727
Other differences	(799)
	-----
Total current tax charge for the year (note 5(a))	156,917
	=====

## Notes to the financial statements

for the period ended 31 March 2018

### 9. Revenue

	Period to 31 March 2018 £
Realised gains / (losses) on investments	(887,226)
Realised gains / (losses) on foreign exchange	(286,408)
	-----
Total realised gains / (losses)	(1,173,634)
Unrealised gains / (losses) on investments	5,842,171
Unrealised gains / (losses) on foreign exchange	(112,340)
	-----
	4,556,197
	=====