
WESTBRIDGE FUND MANAGERS LIMITED
(formerly Wales Fund Managers Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2010

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WESTBRIDGE FUND MANAGERS LIMITED

COMPANY INFORMATION

Directors	J C Wakefield V C Kendall G Davies P J S Brooks A Smart
Company secretary	Lynne Morris
Company number	2914364
Registered office	The Gatehouse Melrose Hall Cypress Drive Cardiff CF3 0EG

WESTBRIDGE FUND MANAGERS LIMITED

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WESTBRIDGE FUND MANAGERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2010

The directors present their report and the financial statements for the year ended 31 October 2010

Principal activities

The principal activity of the company is fund management and private equity investment in profitable, growing SMEs

Business review

The 2009-10 trading year has been an exciting period for WestBridge Fund Managers Limited with the successful first close of the WestBridge SME Fund

During the year we successfully completed a £1.2m investment in e2train Holdings Limited, a well managed, fast growing software business, which is a leading provider of learning and performance management systems to a host of loyal, blue chip customers across the public and private sectors. A key feature of the WestBridge approach is our strategy of continuous support for our investee companies thus ensuring they maximise their potential. To that end, WestBridge provided further equity capital to e2train shortly after the balance sheet date, to enable the company to complete a small acquisition which will broaden the e2train product offering and strengthen its position in its market.

Although economic conditions within the UK SME sector remain challenging, we are successfully developing our network of transaction introducers and have seen over the past year a steady growth in the numbers of potential investment opportunities. We remain very selective during our investment appraisal process, but we are confident that the coming year will see WestBridge complete some potentially very rewarding investments.

Results

The loss for the year, after taxation, amounted to £60,125 (2009 - loss £13,642)

Directors

The directors who served during the year were

P J S Brooks
A Smart
J C Wakefield
G Davies
V C Kendall

Financial instruments

The company's principal financial instruments comprise cash balances together with various other items from its operations such as trade debtors and trade creditors. The main purpose of these instruments is to finance the company's working capital requirements. No trading in financial instruments is undertaken.

WESTBRIDGE FUND MANAGERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2010**

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

This report was approved by the board on 17 February 2011 and signed on its behalf

G Davies
Director



WESTBRIDGE FUND MANAGERS LIMITED

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 judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

WESTBRIDGE FUND MANAGERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTBRIDGE FUND MANAGERS LIMITED

We have audited the financial statements of WestBridge Fund Manager Limited for the year ended 31 October 2010 which comprise the profit and loss account, the balance sheet 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 auditors' 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 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. 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.

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.

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 October 2010 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.

WESTBRIDGE FUND MANAGERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTBRIDGE FUND MANAGERS 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, 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

PKF(UK)LLP

Timothy Smith (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors

Cardiff, UK

18 February 2011

WESTBRIDGE FUND MANAGERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2010**

	Note	2010 £	2009 £
TURNOVER	1	175,944	197,348
Administrative expenses		(439,097)	(226,222)
Other operating income		<u>203,028</u>	<u>14,939</u>
OPERATING LOSS	2	(60,125)	(13,935)
Interest receivable		<u>-</u>	<u>293</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(60,125)	(13,642)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	9	<u>(60,125)</u>	<u>(13,642)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 8 to 12 form part of these financial statements

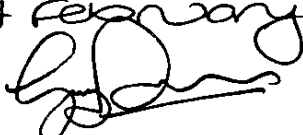
WESTBRIDGE FUND MANAGERS LIMITED
REGISTERED NUMBER 2914364

BALANCE SHEET
AS AT 31 OCTOBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	5		5,015		8,742
CURRENT ASSETS					
Debtors	6	160,731		97,213	
Cash at bank		57,888		67,654	
		<u>218,619</u>		<u>164,867</u>	
CREDITORS amounts falling due within one year	7	<u>(170,467)</u>		<u>(60,317)</u>	
NET CURRENT ASSETS			<u>48,152</u>		<u>104,550</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>53,167</u>		<u>113,292</u>
CAPITAL AND RESERVES					
Called up share capital	8		55,000		55,000
Other reserves	9		10,000		10,000
Profit and loss account	9		<u>(11,833)</u>		<u>48,292</u>
SHAREHOLDERS' FUNDS	10		<u>53,167</u>		<u>113,292</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

17 February 2011



G Davies
Director

The notes on pages 8 to 12 form part of these financial statements

WESTBRIDGE FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2010

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises fees for services attributable to the provision of investment management services, corporate directors fees and fund management fees in the UK and are stated exclusive of VAT

Revenue is recognised when the service has been provided

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures & fittings	-	25-50% straight line
Leasehold property improvements-	10%	straight line

1.4 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

WESTBRIDGE FUND MANAGERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

2 OPERATING LOSS

The operating loss is stated after charging

	2010	2009
	£	£
Depreciation of tangible fixed assets		
- owned by the company	4,327	4,855
Operating lease rentals		
- plant and machinery	3,249	2,599
- other operating leases	21,107	28,227

During the year, no director received any emoluments (2009 - £NIL)

3 AUDITORS' REMUNERATION

	2010	2009
	£	£
Fees payable to the company's auditors' for the audit of the company's annual accounts	3,333	3,175
Fees payable to the company's auditors' and its associates in respect of		
Other services relating to taxation	1,350	979

4 STAFF COSTS

Staff costs were as follows

	2010	2009
	£	£
Wages and salaries	48,811	30,776
Social security costs	5,158	3,116
	53,969	33,892

The average monthly number of employees, including the directors, during the year was as follows

	2010	2009
	No	No
Administration	1	1

WESTBRIDGE FUND MANAGERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

5 TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
Cost	
At 1 November 2009	38,400
Additions	9,203
Disposals	(15,227)
At 31 October 2010	<u>32,376</u>
Depreciation	
At 1 November 2009	29,658
Charge for the year	4,327
On disposals	(6,624)
At 31 October 2010	<u>27,361</u>
Net book value	
At 31 October 2010	<u>5,015</u>
At 31 October 2009	<u>8,742</u>

6 DEBTORS

	2010 £	2009 £
Trade debtors	2,940	13,070
Amounts owed by group undertakings	143,020	63,920
Other debtors	14,771	20,223
	<u>160,731</u>	<u>97,213</u>

7 CREDITORS

Amounts falling due within one year

	2010 £	2009 £
Trade creditors	46,194	34,211
Social security and other taxes	56,170	4,401
Other creditors	1,665	-
Accruals and deferred income	66,438	21,705
	<u>170,467</u>	<u>60,317</u>

WESTBRIDGE FUND MANAGERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

8 SHARE CAPITAL

	2010 £	2009 £
Authorised, allotted, called up and fully paid		
55,000 Ordinary shares of £1 each	<u>55,000</u>	<u>55,000</u>

9 RESERVES

	Other reserves £	Profit and loss account £
At 1 November 2009	10,000	48,292
Loss for the year		(60,125)
At 31 October 2010	<u>10,000</u>	<u>(11,833)</u>

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	113,292	76,934
Loss for the year	(60,125)	(13,642)
Shares issued during the year	-	50,000
Closing shareholders' funds	<u>53,167</u>	<u>113,292</u>

11 OPERATING LEASE COMMITMENTS

At 31 October 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2010 £	2009 £	2010 £	Other 2009 £
Expiry date				
Between 2 and 5 years	16,600	-	2,599	2,599
After more than 5 years	-	32,000	-	-

12 RELATED PARTY TRANSACTIONS

A current account balance was maintained with WestBridge Capital LLP, the ultimate parent entity. At 31 October 2010, WestBridge Capital LLP owed the company £143,020 (2009 - £63,920). Management charges and fees of £249,800 (2009 £41,500) are payable to WestBridge Capital LLP for the year.

WESTBRIDGE FUND MANAGERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by WestBridge Capital LLP, who are the ultimate parent undertaking

WESTBRIDGE FUND MANAGERS LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2010**

	2010 £	2009 £
TURNOVER	175,944	197,348
Other operating income	203,028	14,939
	<hr/>	<hr/>
	378,972	212,287
 LESS: OVERHEADS		
Administration expenses	(439,097)	(226,222)
	<hr/>	<hr/>
OPERATING LOSS	(60,125)	(13,935)
Interest receivable	-	293
	<hr/>	<hr/>
LOSS FOR THE YEAR	(60,125)	(13,642)
	<hr/>	<hr/>

WESTBRIDGE FUND MANAGERS LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2010**

	2010 £	2009 £
TURNOVER		
Sales	<u>175,944</u>	<u>197,348</u>
	2010 £	2009 £
OTHER OPERATING INCOME		
Other operating income	<u>203,028</u>	<u>14,939</u>
	2010 £	2009 £
ADMINISTRATION EXPENSES		
Staff salaries	48,811	30,776
Staff private health insurance	609	532
Staff national insurance	5,158	3,116
Hotels, travel and subsistence	6,596	7,041
Consultancy	1,500	18,613
Printing and stationery	9,625	8,818
Telephone and fax	9,499	7,477
Advertising and promotion	8,774	5,592
Trade subscriptions	5,244	3,800
Legal and professional	6,106	23,516
Auditors' remuneration	3,333	3,175
Auditors' remuneration - non-audit	10,027	-
Equipment leasing (operational)	3,249	2,599
Bank charges	1,274	245
Bad debts	770	(4,000)
Sundry expenses	9,625	19,660
Rent	21,107	28,227
Rates	5,687	2,166
Light and heat	658	812
Insurances	12,678	12,609
Repairs and maintenance	6,037	4,951
Depreciation - plant and machinery	4,326	4,997
Profit/loss on sale of tangible assets	8,604	-
Management charge	49,800	41,500
Fundraising costs	200,000	-
	<u>439,097</u>	<u>226,222</u>
	2010 £	2009 £
INTEREST RECEIVABLE		
Bank interest receivable	<u>-</u>	<u>293</u>