

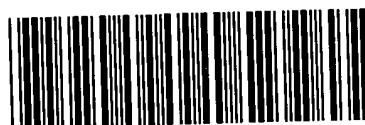
Registered number: 2914364

**WESTBRIDGE FUND MANAGERS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2015**

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## **WESTBRIDGE FUND MANAGERS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	G Davies V C Kendall A Smart J C Wakefield
<b>Company secretary</b>	L Morris
<b>Registered number</b>	2914364
<b>Registered office</b>	The Gatehouse Melrose Hall Cypress Drive Cardiff CF3 0EG
<b>Independent auditor</b>	BDO LLP Bridgewater House Finzels Reach Counterslip Bristol BS1 6BX

# **WESTBRIDGE FUND MANAGERS LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Directors' responsibilities statement</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4 - 5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 12</b>

## **WESTBRIDGE FUND MANAGERS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2015**

The directors present their report and the financial statements for the year ended 31 October 2015.

#### **Principal activities and review of business**

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

During the year revenues reduced by £350,119 principally due to lower new deal transaction fees. This was largely timing related as a new transaction was completed shortly after the year end.

Overall the 2014/15 trading year saw a continuation of the significant progress that had been made in the period since final closing of the WestBridge SME Fund LP ("the Fund") in March 2012. Key highlights of the year include:

- The Fund achieved its first exit, the sale of Kallidus Holdings Limited, at a 3.6x money multiple and an IRR of 32%;
- Continued strong flow of introductions from an extensive range of market contacts; and
- Continued development of the Fund's existing portfolio.

Activities undertaken during the year resulted in a number of significant events occurring in the two months after the year end. These include:

- The sale of the Fund's second investment, Aero Stanrew Limited, at a 4.4x money multiple and an IRR of 45%;
- The refinancing of part of the Fund's loan note investment in Vista Technology Support Group Limited resulting in the return of 105% of the Fund's £3.4m cash investment. This comprised £2.4m capital and £1.1m in income / redemption premium. The Fund's equity ownership remains unchanged;
- The Fund completed its seventh new transaction comprising a £2.5m investment into DB Systems Holdings Limited, a provider of audio visual / IT rental services, interactive software and temporary broadband network infrastructure to large scale trade shows and conferences; and
- Two small investments into existing portfolio companies to support their growth.

At 31 December 2015, the Fund had returned 75% of the amount drawn down from the Fund Investors and the total proceeds received plus the valuation of the unrealised assets was 1.6x.

We expect the current strong deal flow to lead to further new investment opportunities and we will continue to implement operational improvements and explore acquisition opportunities for the Fund's existing portfolio companies.

#### **Results**

The profit for the year, after taxation, amounted to £127,384 (2014 - £192,317).

#### **Directors**

The directors who served during the year were:

G Davies  
V C Kendall  
A Smart  
J C Wakefield

**WESTBRIDGE FUND MANAGERS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**Provision of information to auditor**


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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**J C Wakefield**  
Director

Date: 23 February 2016

**WESTBRIDGE FUND MANAGERS LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**

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 accounting estimates that are reasonable and prudent; 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, to 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.

## **WESTBRIDGE FUND MANAGERS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTBRIDGE FUND MANAGERS LIMITED**

We have audited the financial statements of WestBridge Fund Managers Limited for the year ended 31 October 2015 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 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2015 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 matters 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 AUDITOR'S 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

**Antonio Antonius** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Bristol  
United Kingdom

Date: 23 February 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**WESTBRIDGE FUND MANAGERS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1	<b>795,969</b>	1,146,088
Administrative expenses		<b>(657,380)</b>	(957,007)
Other operating income		<b>23,700</b>	50,103
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	2	<b>162,289</b>	239,184
Interest receivable and similar income		-	9
Interest payable and similar charges	4	<b>(3)</b>	(86)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>162,286</b>	239,107
Tax on profit on ordinary activities	5	<b>(34,902)</b>	(46,790)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	10	<b>127,384</b>	192,317
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 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 2015**

	Note	£	2015 £	2014 £
<b>FIXED ASSETS</b>				
Tangible assets	6		289	-
<b>CURRENT ASSETS</b>				
Debtors	7	1,010,956	844,997	
Cash at bank		775	17,497	
		<u>1,011,731</u>	<u>862,494</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(338,052)</u>	<u>(315,910)</u>	
<b>NET CURRENT ASSETS</b>			<u>673,679</u>	<u>546,584</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>673,968</u>	<u>546,584</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	9	55,000	55,000	
Other reserves	10	-	-	10,000
Profit and loss account	10	<u>618,968</u>	<u>481,584</u>	
<b>SHAREHOLDERS' FUNDS</b>	11		<u>673,968</u>	<u>546,584</u>

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



.....  
**G Davies**  
 Director

Date: *23 February 2016*

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 2015

#### 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. Management fees and directors fees are recognised when the service is provided. Negotiation fees are recognised at completion of agreement.

##### 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 and fittings	25 - 50% straight line
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##### 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.

#### 2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	290	2,142
Auditor's remuneration	8,000	4,000
Operating lease rentals:		
- plant and machinery	3,040	3,040
- other operating leases	16,986	17,242
Payment to a former director	-	105,000
Exceptional legal fees	-	75,000
Exceptional credit against legal fees	(101,935)	-
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2014 - £NIL).

The exceptional credit to legal fees in the year represents an insurance receipt following a successful claim for costs incurred against a former director, the majority of which were incurred in the prior year, and are disclosed as exceptional above.

**WESTBRIDGE FUND MANAGERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**3. STAFF COSTS**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	64,732	114,626
Social security costs	4,917	9,777
	<u>69,649</u>	<u>124,403</u>

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

	2015 No.	2014 No.
Administration	<u>2</u>	<u>2</u>

**4. INTEREST PAYABLE**

	2015 £	2014 £
On bank overdrafts	<u>3</u>	<u>86</u>

**5. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	34,902	47,850
Adjustments in respect of prior periods	-	(1,060)
	<u>34,902</u>	<u>46,790</u>
<b>Tax on profit on ordinary activities</b>		
	<u>34,902</u>	<u>46,790</u>

**WESTBRIDGE FUND MANAGERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**5. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>162,286</u>	<u>239,107</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	32,457	47,821
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,782	-
Capital allowances for year in excess of depreciation	(139)	-
Adjustments to tax charge in respect of prior periods	802	(1,060)
Other timing differences leading to an increase (decrease) in taxation	-	29
<b>Current tax charge for the year (see note above)</b>	<u><u>34,902</u></u>	<u><u>46,790</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**6. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>Cost</b>	
At 1 November 2014	40,924
Additions	579
At 31 October 2015	<u>41,503</u>
<b>Depreciation</b>	
At 1 November 2014	40,924
Charge for the year	290
At 31 October 2015	<u>41,214</u>
<b>Net book value</b>	
At 31 October 2015	<u><u>289</u></u>
At 31 October 2014	<u><u>-</u></u>

**WESTBRIDGE FUND MANAGERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**7. DEBTORS**

	2015 £	2014 £
Trade debtors	122,524	32,944
Amounts owed by WestBridge Capital LLP (See note 13)	739,018	769,945
Other debtors	357	13,149
Prepayments and accrued income	149,057	28,959
	<u>1,010,956</u>	<u>844,997</u>

**8. CREDITORS:  
Amounts falling due within one year**

	2015 £	2014 £
Bank overdraft	38,104	-
Trade creditors	45,190	27,321
Amounts owed to WestBridge SME Fund GP Ltd (See note 13)	81,843	-
Corporation tax	34,100	47,850
Other taxation and social security	2,305	-
Other creditors	4,827	4,277
Accruals and deferred income	131,683	236,462
	<u>338,052</u>	<u>315,910</u>

The bank overdraft is secured by a debenture over the assets of the company.

**9. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
55,000 Ordinary shares of £1 each	<u>55,000</u>	<u>55,000</u>

**10. RESERVES**

	Other reserves £	Profit and loss account £
At 1 November 2014	10,000	481,584
Profit for the financial year		127,384
Transfer between reserves	(10,000)	10,000
	<u>-</u>	<u>618,968</u>
At 31 October 2015		

# WESTBRIDGE FUND MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2015

### 11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	546,584	354,267
Profit for the financial year	127,384	192,317
Closing shareholders' funds	<u>673,968</u>	<u>546,584</u>

### 12. OPERATING LEASE COMMITMENTS

At 31 October 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Within 1 year	-	17,300	-	2,688
Between 2 and 5 years	-	-	3,040	-

### 13. RELATED PARTY TRANSACTIONS

A current account balance was maintained with WestBridge Capital LLP, the ultimate parent entity. At the balance sheet date WestBridge Capital LLP owed the company £739,018 (2014: £769,945). Management charges and fees of £354,324 (2014: £341,233) are payable to WestBridge Capital LLP for the year.

Turnover includes £396,203 (2014: £379,613) in respect of management fees receivable from the WestBridge SME Fund GP Limited, a company in which WestBridge Capital LLP has an interest. There were no amounts outstanding at the balance sheet date (2014: £nil).

In accordance with an agreement dated 15th June 2015, the Limited Partners of the WestBridge SME Fund LP ("the Fund") agreed to extend the primary investment period of the Fund for a further 12 months. As a result of this, the company owes the SME Fund GP Limited £81,843 in respect of management fees received in advance, which will be repaid over the remaining life of the Fund. In addition the company was owed £160 (2014: £160) by the WestBridge SME Fund GP Limited.

Consultancy fees of £57,000 (2014: £35,000) were payable to Sparsholt Services Limited in respect of work undertaken for the company by J C Wakefield, director and a partner in WestBridge Capital LLP.

Administrative expenses include an amount of £nil (2014: £105,000) payable to a former director.

### 14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is ultimately controlled by WestBridge Capital LLP.