

Registered number 2914364

# **WESTBRIDGE FUND MANAGERS LIMITED**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 OCTOBER 2013**

MONDAY



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## **WESTBRIDGE FUND MANAGERS LIMITED**

### **COMPANY INFORMATION**

**Directors**  
G Davies  
V C Kendall  
A Smart  
J C Wakefield

**Company secretary**  
L Morris

**Registered number**  
2914364

**Registered office**  
The Gatehouse  
Melrose Hall  
Cypress Drive  
Cardiff  
CF3 0EG

**Independent auditor**  
BDO LLP  
Helmont House  
Churchill Way  
Cardiff  
CF10 2HE

# **WESTBRIDGE FUND MANAGERS LIMITED**

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## **WESTBRIDGE FUND MANAGERS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2013**

The directors present their report and the financial statements for the year ended 31 October 2013

#### **Principal activities**

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

#### **Business review**

The 2012/13 trading year saw a continuation of the significant progress that had been made in the previous three years following the first closing of the WestBridge SME Fund LP ( "the Fund") in July 2010 and the final closing at £28.8 million in March 2012. Key highlights of the year include

- a continued strong flow of introductions from the extensive range of contacts that exist within WestBridge,
- exclusivity being awarded on three transactions,
- the completion of one new transaction together with further investments being provided to two of the Fund's investee companies to help finance future growth
- continued development of the Fund's existing portfolio,
- two assets that have been held for 3.25 and 2.75 years respectively that have now benefitted from professionalisation and business improvement initiatives under the Fund's ownership. These are potential exit opportunities in the next 24 months

Overall we are pleased with the continued development of the Fund's portfolio and expect to grow the funds under management over time

Our existing SME Fund together with our industrial investor network and future funds should give us a minimum of £50m to invest over the next three to four years. We expect the strong dealflow that we are currently seeing to increase and will also continue to explore "buy and build" opportunities for the Fund's existing portfolio companies

#### **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 2013**

**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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 17 February 2014 and signed on its behalf

A handwritten signature in black ink, appearing to read 'J C Wakefield', with a horizontal line underneath.

**J C Wakefield**  
Chairman

## **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 2013 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor**

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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**WESTBRIDGE FUND MANAGERS LIMITED**

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

**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

**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 from the requirement to prepare a strategic report

**BDO LLP**

**Timothy Smith** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Cardiff  
United Kingdom

19 February 2014

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 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>	1	<b>1,196,308</b>	1,514,908
Administrative expenses		<b>(1,049,200)</b>	(1,541,507)
Other operating income		<b>77,843</b>	174,763
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	2	<b>224,951</b>	148,164
Interest receivable and similar income		<b>58</b>	32
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>225,009</b>	148,196
Tax on profit on ordinary activities	4	<b>(48,850)</b>	(22,150)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	9	<b>176,159</b>	126,046
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 11 form part of these financial statements

**WESTBRIDGE FUND MANAGERS LIMITED**  
**REGISTERED NUMBER 2914364**

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	5		2,143		1,548
<b>CURRENT ASSETS</b>					
Debtors	6	669,272		458,094	
Cash at bank		26,504		925	
		<u>695,776</u>		<u>459,019</u>	
<b>CREDITORS</b> amounts falling due within one year	7	(343,652)		(282,459)	
<b>NET CURRENT ASSETS</b>			<u>352,124</u>		176,560
<b>NET ASSETS</b>			<u>354,267</u>		<u>178,108</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		55,000		55,000
Other reserves	9		10,000		10,000
Profit and loss account	9		<u>289,267</u>		<u>113,108</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>354,267</u>		<u>178,108</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 February 2014

  
**G Davies**  
 Director

The notes on pages 8 to 11 form part of these financial statements

## WESTBRIDGE FUND MANAGERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

#### 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 the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 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 not discounted

#### 2. OPERATING PROFIT

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	3,798	3,718
Auditor's remuneration	3,800	3,600
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2012 - £NIL)

**WESTBRIDGE FUND MANAGERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2013**

**3 STAFF COSTS**

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	90,408	54,897
Social security costs	8,869	5,262
	<u>99,277</u>	<u>60,159</u>

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

	2013 No	2012 No
Administration	<u>3</u>	<u>2</u>

**4 TAXATION**

	2013 £	2012 £
UK corporation tax charge on profit for the year	<u>48,850</u>	<u>22,150</u>

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2012 - 20%)

**5. TANGIBLE FIXED ASSETS**

	Fixtures & fittings £
<b>Cost</b>	
At 1 November 2012	36,531
Additions	4,393
At 31 October 2013	<u>40,924</u>
<b>Depreciation</b>	
At 1 November 2012	34,983
Charge for the year	3,798
At 31 October 2013	<u>38,781</u>
<b>Net book value</b>	
At 31 October 2013	<u>2,143</u>
At 31 October 2012	<u>1,548</u>

**WESTBRIDGE FUND MANAGERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2013**

**6 DEBTORS**

	2013 £	2012 £
Trade debtors	52,319	13,260
Amounts owed by group undertakings	563,821	423,815
Other debtors	53,132	21,019
	<u>669,272</u>	<u>458,094</u>

**7 CREDITORS**

**Amounts falling due within one year**

	2013 £	2012 £
Bank overdraft	-	6,461
Trade creditors	61,242	60,677
Corporation tax	48,850	22,150
Other creditors	233,560	193,171
	<u>343,652</u>	<u>282,459</u>

**8 SHARE CAPITAL**

	2013 £	2012 £
<b>Authorised, allotted, called up and fully paid</b>		
55,000 Ordinary Shares shares of £1 each	<u>55,000</u>	<u>55,000</u>

**9 RESERVES**

	Other reserves £	Profit and loss account £
At 1 November 2012	10,000	113,108
Profit for the financial year		176,159
	<u>10,000</u>	<u>289,267</u>
At 31 October 2013		

# WESTBRIDGE FUND MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

### 10 OPERATING LEASE COMMITMENTS

At 31 October 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2013	Other
	2013	2012		2012
	£	£	£	£
<b>Expiry date</b>				
Within 1 year	-	17,300	-	-
Between 2 and 5 years	<b>17,300</b>	-	<b>2,688</b>	2,599

### 11 RELATED PARTY TRANSACTIONS

A current account balance was maintained with WestBridge Capital LLP, the ultimate parent entity. At 31 October 2013 WestBridge Capital LLP owed the company £563,821 (2012 £423,815). Management charges and fees of £315,200 (2012 £796,301) are payable to WestBridge Capital LLP for the year.

Turnover includes £719,381 (2012 £1,103,956) in respect of management fees receivable from the WestBridge SME Fund LP, a limited partnership in which WestBridge Capital LLP has an interest. Administrative expenses include £180,945 (2012 £151,560) of fees payable to the limited partnership.

Consultancy fees of £35,000 (2012 £110,000) were payable to Sparsholt Services Limited in respect of work undertaken for the company by J C Wakefield, a director of both companies.

### 12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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