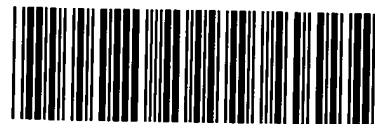


WESTBRIDGE FUND MANAGERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014

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COMPANIES HOUSE

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 OEG
Independent auditor	BDO LLP Bridgewater House Finzels Reach Counterslip Bristol BS1 6BX

WESTBRIDGE FUND MANAGERS LIMITED

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WESTBRIDGE FUND MANAGERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2014

The directors present their report and the financial statements for the year ended 31 October 2014.

Principal activities and review of business

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

The 2013/14 trading year saw a continuation of the significant progress that had been made in the previous four 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;
- the completion of two new transactions resulting in a further £7 million being invested;
- the completion of a small further investment into one of the Fund's existing investee companies to help finance future growth;
- continued development of the Fund's existing portfolio; and
- the appointment of an adviser to sell one of the Fund's existing investments

Subsequent to the year end, the Fund achieved its first realisation at an overall cash multiple of 3.6x which represented a significant valuation premium to the valuation of the investment at 31 December 2013.

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

We expect the current strong dealflow to increase and will also continue to implement operational improvements and explore acquisition opportunities for the Fund's existing portfolio companies. Additionally, we have now entered the initial "realisation stage" in the Fund's life and expect to make a second disposal during 2015 at an attractive money multiple.

Results

The profit for the year, after taxation, amounted to £192,317 (2013 - £176,159).

Directors

The directors who served during the year were:

G Davies
V C Kendall
A Smart
J C Wakefield

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.

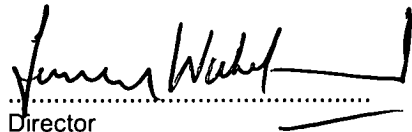
WESTBRIDGE FUND MANAGERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2014**

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 on *23rd February 2015* and signed on its behalf.

A handwritten signature in black ink, appearing to read 'James Wakefield', is written over a horizontal dotted line. Below the dotted line, the word 'Director' is printed.

Director

JAMES WAKEFIELD

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 2014 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 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.

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 2014 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.

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.

BDO LLP

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

24 February 2015

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 2014**

	Note	2014 £	2013 £
TURNOVER	1	1,146,088	1,196,308
Administrative expenses		(957,007)	(1,049,200)
Other operating income		50,103	77,843
		<hr/>	<hr/>
OPERATING PROFIT	2	239,184	224,951
Interest receivable and similar income		9	58
Interest payable and similar charges	4	(86)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		239,107	225,009
Tax on profit on ordinary activities	5	(46,790)	(48,850)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	10	192,317	176,159
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

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

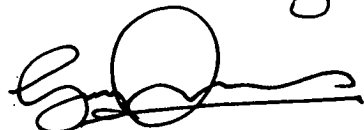
WESTBRIDGE FUND MANAGERS LIMITED
REGISTERED NUMBER: 2914364

BALANCE SHEET
AS AT 31 OCTOBER 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	6		-	2,142
CURRENT ASSETS				
Debtors	7	844,997	669,272	
Cash at bank		17,497	26,504	
		<u>862,494</u>	<u>695,776</u>	
CREDITORS: amounts falling due within one year	8	<u>(315,910)</u>	<u>(343,651)</u>	
NET CURRENT ASSETS			<u>546,584</u>	<u>352,125</u>
NET ASSETS			<u>546,584</u>	<u>354,267</u>
CAPITAL AND RESERVES				
Called up share capital	9		55,000	55,000
Other reserves	10		10,000	10,000
Profit and loss account	10		<u>481,584</u>	<u>289,267</u>
SHAREHOLDERS' FUNDS	11		<u>546,584</u>	<u>354,267</u>

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

23rd February 2015



Director

GUY DAVIES

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 2014

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.

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
Leasehold 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 2014

2. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	2,142	3,798
Auditor's remuneration	4,000	3,800
Operating lease rentals:		
- plant and machinery	3,040	3,576
- other operating leases	17,242	16,913
Payment to a former director	105,000	-
Exceptional legal fees	75,000	-
	<u>124,403</u>	<u>99,277</u>

During the year, no director received any emoluments (2013 - £NIL).

3. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	114,626	90,408
Social security costs	9,777	8,869
	<u>124,403</u>	<u>99,277</u>

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

	2014 No.	2013 No.
Administration	<u>2</u>	<u>3</u>

4. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	<u>86</u>	<u>-</u>

5. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	47,850	48,850
Adjustments in respect of prior periods	(1,060)	-
Tax on profit on ordinary activities	<u>46,790</u>	<u>48,850</u>

WESTBRIDGE FUND MANAGERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

5. TAXATION (continued)

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% (2013 - 20%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost	
At 1 November 2013 and 31 October 2014	40,924
Depreciation	
At 1 November 2013	38,782
Charge for the year	2,142
At 31 October 2014	40,924
Net book value	
At 31 October 2014	-
At 31 October 2013	2,142

7. DEBTORS

	2014 £	2013 £
Trade debtors	32,944	52,319
Amounts owed by group undertakings	769,945	563,821
Other debtors	13,149	28,132
Prepayments and accrued income	28,959	25,000
	844,997	669,272

WESTBRIDGE FUND MANAGERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2014**

8. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	27,321	61,242
Corporation tax	47,850	48,850
Other creditors	240,739	233,559
	<u>315,910</u>	<u>343,651</u>

9. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
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 2013	10,000	289,267
Profit for the financial year		192,317
	<u>10,000</u>	<u>481,584</u>
At 31 October 2014		

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	354,267	178,108
Profit for the financial year	192,317	176,159
	<u>546,584</u>	<u>354,267</u>
Closing shareholders' funds		

WESTBRIDGE FUND MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

12. OPERATING LEASE COMMITMENTS

At 31 October 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	17,300	-	2,688	-
Between 2 and 5 years	-	17,300	-	2,688

13. RELATED PARTY TRANSACTIONS

A current account balance was maintained with WestBridge Capital LLP, the ultimate parent entity. At 31 October 2014 WestBridge Capital LLP owed the company £769,785 (2013: £563,821). Management charges and fees of £341,233 (2013: £315,200) are payable to WestBridge Capital LLP for the year.

Turnover includes £379,613 (2013: £719,381) 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 includes £nil (2013: £180,945) of fees payable to the limited partnership. WestBridge SME Fund LP owes the company £160 at the year end (2013: £nil).

Consultancy fees of £35,000 (2013: £35,000) were payable to Sparsholt Services Limited in respect of work undertaken for the company by J C Wakefield, a director of both companies.

Administrative expenses include an amount of £105,000 (2013: £nil) payable to a former director.

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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