

## **WestBridge Fund Managers Limited**

Directors' Report and Financial Statements

Year Ended

31 October 2023

Company Number 02914364



# WestBridge Fund Managers Limited

## Company Information

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<b>Directors</b>	G Davies V C Kendall J C Wakefield T P G Whittard (Appointed 7 November 2023) P W Barkley (Appointed 7 November 2023) K E Bond (Appointed 7 November 2023) P W Dickson (Appointed 7 November 2023)
<b>Company secretary</b>	L L Morris
<b>Registered number</b>	02914364
<b>Registered office</b>	First Floor Capital Building Tyndall Street Cardiff CF10 4AZ
<b>Independent auditor</b>	Mercer & Hole LLP Trinity Court Church Street Rickmansworth WD3 1RT

# WestBridge Fund Managers Limited

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# WestBridge Fund Managers Limited

## Directors' Report For the Year Ended 31 October 2023

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The directors present their report and the audited financial statements for the year ended 31 October 2023.

### Principal activity

The principal activity of WestBridge Fund Managers Limited ("the company") is to provide fund management services and operational support to funds investing in profitable, growing SMEs. The company is regulated by the Financial Conduct Authority.

### Results and business review

The operating profit for the year amounted to £5,000 (2022 - £5,000).

The company currently manages three funds (WestBridge I, WestBridge II and WestBridge III) alongside investor co-investment monies. WestBridge III is still being raised and held a first close at £76.25m in August 2023 with a target final close of £200m. The funds are at different stages of maturity as follows:

#### WestBridge III ("WB III or the Fund"):

The Fund held a first close on 1 August 2023 at £76.25m and completed its first investment on 26 August 2023. The first close was an institutional LP only close due to the dynamics of the transaction. We aim to hold further closes over the course of 2024 and create a seeded portfolio which we believe should be an attractive opportunity to new investors. The Fund completed its second investment in December 2023, which is outside of this reporting period.

The first two investments are performing strongly and at 31 December 2023 the "J" curve had been extinguished. This, together with the strong WestBridge II performance and in particular some very profitable anticipated near term exits, we believe will result in the final demand for WB III exceeding our expectations and being over subscribed at the £200m hard cap level.

Our investment in the team is continuing, giving us a strong platform to position the business well for future growth.

The new Fund's strategy remains unchanged to ensure we continue to generate attractive returns in line with those generated by WB II to date.

#### WestBridge II ("WB II or the Fund"):

WB II has total commitments of £102m in addition to £55m of co-investment monies (managed by WestBridge) which have been invested in parallel. The Fund has now moved into the key value creation phase across the portfolio and the initial exit stage for investments made earlier in the Fund's life.

The year to 31 October 2023 saw a continuation of the progress made in prior years in respect of both new investments and adding value to existing investments. In December 2022 the Fund made its tenth and final new investment taking the total invested to £92.2 million. At the same time, each investment was working through its value creation plans to ensure that the Fund's investments continued to grow and to maximise ultimate exit returns. The remaining uninvested Fund capital will be utilised to assist with the acquisition strategy of these investments on a selective basis where we believe the highest returns will be generated.

To date, one investment has been realised delivering an 86% IRR, proceeds of 5.1x original cost and returning over 30% (£31.4m) of the total committed capital of the Fund.

# WestBridge Fund Managers Limited

## Directors' Report (continued) For the Year Ended 31 October 2023

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### WestBridge I ("WB I or the Fund"):

The Fund is in final exit mode and in the final year of its life. It originally comprised 8 investments of which 7 have already been realised. The final investment in DB Pixelhouse is planned to be re-leveraged during 2024 (which should result in a further cash distribution) then sold in the next 24 months at an attractive multiple which will produce a strong overall return for the Fund.

### Going Concern

The company is financed by management fees received from private equity partnerships which WestBridge operates. These partnerships are funded via legally binding contracts with its investors, which taken with the existing cash resources of the company, are sufficient for the company to settle its fixed costs and obligations as they fall due for a period of at least twelve months from the date of signing these accounts. The company believes the investors will continue to honour their commitments as required. Consequently, the company continues to prepare its financial statements on a going concern basis.

### Environmental, Social and Governance "ESG"

ESG is at the heart of our organisation and our dealings with all stakeholders. We understand that there is a direct correlation between responsible investing and creating value. Consequently, our approach to ESG is completely aligned with our investment objectives. We are seeking to be best-in-class amongst the lower mid-market and are delighted that our approach to enhancing the ESG footprint of all of our companies has been recognised by WestBridge being shortlisted in a number of awards during the year; however, we are not complacent and are continually developing, evolving and improving our approach to ESG and responsible investing.

- **Governance** is an area WestBridge has always paid attention to and takes extremely seriously. This has ranged from the implementation of policies and processes that improve the critical business functions to the appointment of an independent chair to oversee and drive growth in our portfolio companies. We also have an ESG officer responsible for policy within the WestBridge Group.
- **Social** issues represent a focus where WestBridge seeks to add value. These include employee engagement, employee welfare, talent attraction and responsible brand reputation - all with the objective of improving the quality of the business, the culture in which it operates and the impact it has on wider stakeholders.
- **Environmental** factors mean how portfolio companies manage resources, measure their impact on the environment and aim to become more efficient. Operational improvements increase the quality and efficiency of our businesses whilst limiting the environmental impact they have. All of our new investments are undergoing carbon footprint assessments to identify where we can improve environmental outcomes.

### WestBridge

- WestBridge as a business and investor is committed to leading by example. Our focus is on demonstrating best-in-class governance processes, engaging staff and managing our impact on the environment responsibly.
- Recent new initiatives and schemes implemented include: flexible working practices between home and office working, recycling all redundant IT equipment, Cycle to Work and Nursery schemes for team members, as well as funding staff through professional qualifications.

## WestBridge Fund Managers Limited

### Directors' Report (continued) For the Year Ended 31 October 2023

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#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were:

G Davies  
J C Wakefield  
V C Kendall  
T P G Whittard  
P W Barkley  
K E Bond  
P W Dickson

#### Disclosure 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

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

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 21 February 2024 and signed on its behalf by:



**J C Wakefield**  
Director

## **WestBridge Fund Managers Limited**

### **Directors' Responsibilities Statement For the Year Ended 31 October 2023**

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The directors are responsible for preparing the directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited 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 judgements 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 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 Auditor's Report to the Members of WestBridge Fund Managers Limited**

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### **Opinion on the financial statements**

We have audited the financial statements of WestBridge Fund Managers Limited ("the Company") for the year ended 31 October 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 October 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that Directors' use of the going concern basis of accounting is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



## WestBridge Fund Managers Limited

### Independent Auditor's Report to the Members of WestBridge Fund Managers Limited (continued)

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<b>Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> <li>the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>The Directors' report have been prepared in accordance with applicable legal requirements.</li> </ul> <p>In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.</p>
<b>Matters on which we are required to report by exception</b>	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>the financial statements are not in agreement with the accounting records and returns; or</li> <li>certain disclosures of Directors' remuneration specified by law are not made; or</li> <li>we have not received all the information and explanations we require for our audit.</li> </ul> <ul style="list-style-type: none"> <li>The Directors were not entitled to prepare the financial statements in accordance with the small company regime and take advantage of the small company exemptions in preparing the Directors' report.</li> </ul>

# WestBridge Fund Managers Limited

## Independent Auditor's Report to the Members of WestBridge Fund Managers Limited (continued)

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### Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud.*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to the applicable laws and regulations, including fraud.

These include but were not limited to compliance with the Companies Act 2006, those resulting from being authorised by the Financial Conduct Authority to undertake regulated activity and conformity with UK accounting standards.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our test included, but were not limited to:

- Discussions with management which included consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance and reviewing correspondence with the Financial Conduct Authority; and
- Agreement of the financial statement disclosures to underlying supporting documentation; and

## WestBridge Fund Managers Limited

### Independent Auditor's Report to the Members of WestBridge Fund Managers Limited (continued)

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- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and
  - Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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.

DocuSigned by:

*Mercer & Hole LLP*

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**Anil Kapoor** (Senior Statutory Auditor)

For and on behalf of Mercer & Hole LLP, Statutory Auditor

Trinity Court

Church Street

Rickmansworth

WD3 1RT

Date: 21 February 2024

Mercer & Hole LLP is a limited liability partnership registered in England and Wales (with registered number OC442071).

# WestBridge Fund Managers Limited

## Statement of Comprehensive Income For the Year Ended 31 October 2023

	Note	2023 £	2022 £
Turnover	4	3,507,094	3,166,672
<b>Gross profit</b>		<b>3,507,094</b>	3,166,672
Administrative expenses		(3,502,094)	(3,196,195)
Other operating income	5	-	34,523
<b>Operating profit</b>	6	<b>5,000</b>	5,000
Interest payable and expenses		-	-
<b>Profit before tax</b>		<b>5,000</b>	5,000
Tax on profit	8	(7,287)	(3,240)
<b>(Loss) / Profit for the financial year</b>		<b>(2,287)</b>	1,760
Other comprehensive income		-	-
<b>Total comprehensive (loss) / income for the year</b>		<b>(2,287)</b>	1,760

The notes on pages 12 to 22 form part of these financial statements.

**WestBridge Fund Managers Limited**

Registered number: 02914364

**Statement of Financial Position  
As at 31 October 2023**

	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible assets	9		35,872		19,205
<b>Current assets</b>					
Debtors: amounts falling due within one year	10	1,096,072		690,975	
Cash at bank and in hand		1,152,788		1,096,393	
		<u>2,248,860</u>		<u>1,787,368</u>	
Creditors: amounts falling due within one year	11	(2,214,293)		(1,738,014)	
<b>Net current assets</b>			<u>34,567</u>		<u>49,354</u>
<b>Total assets less current liabilities</b>			<u>70,439</u>		<u>68,559</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	12		(8,968)		(4,801)
<b>Net assets</b>			<u><u>61,471</u></u>		<u><u>63,758</u></u>
<b>Capital and reserves</b>					
Called up share capital	13		55,000		55,000
Profit and loss account	14		6,471		8,758
<b>Total equity</b>			<u><u>61,471</u></u>		<u><u>63,758</u></u>

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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 February 2024.



**G Davies**  
Director

The notes on pages 12 to 22 form part of these financial statements.

## WestBridge Fund Managers Limited

### Statement of Changes in Equity For the Year Ended 31 October 2023

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2022	55,000	8,758	63,758
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,287)	(2,287)
<b>Total comprehensive income for the year</b>	-	(2,287)	(2,287)
<b>At 31 October 2023</b>	<b>55,000</b>	<b>6,471</b>	<b>61,471</b>

### Statement of Changes in Equity For the Year Ended 31 October 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2021	55,000	6,998	61,998
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,760	1,760
<b>Total comprehensive income for the year</b>	-	1,760	1,760
<b>At 31 October 2022</b>	<b>55,000</b>	<b>8,758</b>	<b>63,758</b>

The notes on pages 12 to 22 form part of these financial statements.

# WestBridge Fund Managers Limited

## Notes to the Financial Statements For the Year Ended 31 October 2023

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### 1. General information

WestBridge Fund Managers Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Turnover

Turnover comprises fees for services attributable to the provision of investment management services, corporate directors' fees, fund management fees and recovery of fundraising costs 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 when there is reasonable probability that the cost will be recovered.

#### 2.3 Going concern

The company is financed by management fees received from private equity partnerships which WestBridge operates. These partnerships are funded via legally binding contracts with its investors, which taken with the existing cash resources of the company, are sufficient for the company to settle its fixed costs and obligations as they fall due for a period of at least twelve months from the date of signing these accounts. The company believes the investors will continue to honour their commitments as required. Consequently, the company continues to prepare its financial statements on a going concern basis.

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 2. Accounting policies (continued)

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 2. Accounting policies (continued)

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.7 Financial instruments

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

##### Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 2. Accounting policies (continued)

#### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.9 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.10 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

#### 2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

#### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 2. Accounting policies (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from a lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 9)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Bad debts

The company invoices non-executive directors' fees to its portfolio companies in line with investment agreements. Where these have remained unpaid for more than six months, the company has used its judgment to assess the likely recoverability of these fees and has made specific provisions in the statement of comprehensive income

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 4. Turnover

All turnover arose within the United Kingdom.

### 5. Other operating income

	2023 £	2022 £
Other operating income	<u>-</u>	<u>34,523</u>

Income from the recharge of expenses to portfolio companies, which are owned by funds managed by the company.

### 6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Fees payable to the company's auditor and associates for the audit of the company's annual financial statements	8,500	8,250
Fees payable to the company's auditor and associates for non-audit services	-	37,305
Depreciation of tangible fixed assets owned by the company	11,597	8,764
Operating leases - plant and machinery	-	-
Operating leases - property	<u>38,308</u>	<u>34,044</u>

### 7. Employees

The average monthly number of employees, including directors, during the year was 13 (2022 - 12).

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 8. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	3,120	5,304
Adjustments in respect of previous periods	-	(401)
<b>Total current tax</b>	<u>3,120</u>	<u>4,903</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,167	(534)
Adjustments in respect of prior periods	-	(960)
Effect of tax rate change on opening balance	-	(169)
<b>Total deferred tax</b>	<u>4,167</u>	<u>(1,663)</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>7,287</u></u>	<u><u>3,240</u></u>

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 22.52% (2022 - 19.00%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>5,000</u>	<u>5,000</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.52% (2022 – 19.00%)	1,126	950
<b>Effects of:</b>		
Fixed asset adjustments	(67)	(121)
Expenses not deductible for tax purposes	6,119	3,940
Adjustments to tax charge in respect of previous periods	-	(1,361)
Adjustments to deferred tax	109	(168)
<b>Total tax charge for the year</b>	<u><u>7,287</u></u>	<u><u>3,240</u></u>

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 9. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 November 2022	90,911
Additions	28,264
Disposals	(40,578)
At 31 October 2023	<u>78,597</u>
<b>Depreciation</b>	
At 1 November 2022	71,706
Charge for the year	11,597
Disposals	(40,578)
At 31 October 2023	<u>42,725</u>
<b>Net book value</b>	
At 31 October 2023	<u><u>35,872</u></u>
At 31 October 2022	<u><u>19,205</u></u>

### 10. Debtors

	2023 £	2022 £
Trade debtors	161,158	78,374
Amounts owed by group undertakings	792,457	418,264
Other debtors	25,200	110,658
Prepayments and accrued income	117,257	83,679
	<u><u>1,096,072</u></u>	<u><u>690,975</u></u>

Impairment losses are recognised in the statement of comprehensive income for the year in respect of bad and doubtful trade debtors.

# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 11. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	78,273	72,283
Amounts owed to group undertakings	68,125	330,296
Corporation tax	3,120	5,304
Other creditors	1,380	616
Accruals and deferred income	2,063,395	1,329,515
	<u>2,214,293</u>	<u>1,738,014</u>

### 12. Deferred taxation

	2023 £	2022 £
At beginning of year	(4,801)	(6,464)
Charged to profit or loss	(4,167)	1,663
<b>At end of year</b>	<u><b>(8,968)</b></u>	<u><b>(4,801)</b></u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(8,968)	(4,801)
Short term timing differences	-	-
	<u><b>(8,968)</b></u>	<u><b>(4,801)</b></u>

### 13. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
55,000 - ordinary shares of £1 each	<u><b>55,000</b></u>	<u><b>55,000</b></u>



# WestBridge Fund Managers Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 October 2023

### 14. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 15. Commitments under operating leases

At 31 October 2023 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	127,212	100,095
Later than 1 year and not later than 5 years	8,361	17,814
	<u>135,573</u>	<u>117,909</u>

### 16. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent entity or any wholly owned subsidiary undertaking of the group.

### 17. Post balance sheet events

There were no post balance sheet events to disclose.

### 18. Controlling party

The company is ultimately controlled by WestBridge Capital LLP, an entity registered in England and Wales, by virtue of their 100% shareholding. The registered office of WestBridge Capital LLP is Capital Building, Tyndall Street, Cardiff, CF10 4AZ.