

REGISTERED NUMBER: 05237578 (England and Wales)

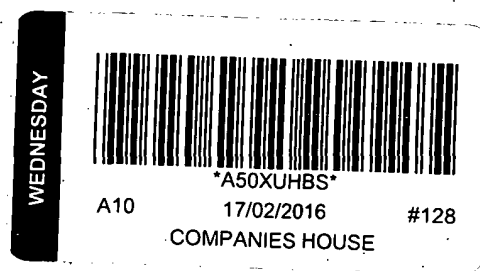
**WMG Funds Limited**

**Report of the Director and**

**Audited Financial Statements**

**for the Year Ended 31 October 2015**

Alton & Co  
Chartered Accountants  
& Statutory Auditors  
237 Kennington Lane  
London  
SE11 5QU



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for the year ended 31 October 2015**

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**WMG Funds Limited**  
**Company Information**  
**for the year ended 31 October 2015**

**DIRECTOR:**

Mr P Van Leuven

**SECRETARY:**

**REGISTERED OFFICE:**

237 Kennington Lane  
London  
SE11 5QU

**REGISTERED NUMBER:**

05237578 (England and Wales)

**AUDITORS:**

Alton & Co  
Chartered Accountants  
& Statutory Auditors  
237 Kennington Lane  
London  
SE11 5QU

**Report of the Director  
for the year ended 31 October 2015**

The director presents his report with the financial statements of the company for the year ended 31 October 2015.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of acting as managing member of WMG Advisors LLP, a limited liability partnership whose principal activity is the provision of investment management services. WMG Advisors LLP is authorised and regulated by the Financial Conduct Authority.

**DIRECTORS**

Mr P Van Leuven has held office during the whole of the period from 1 November 2014 to the date of this report.

Other changes in directors holding office are as follows:

Mr M Dalman - resigned 4 June 2015

**KEY PERFORMANCE INDICATORS**

The company's activities relate directly to those of its subsidiary, WMG Advisors LLP and its key performance indicators are therefore linked to those of the LLP. These relate to the performance of the funds managed and with the growth of funds under management. Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Director  
for the year ended 31 October 2015**

**AUDITORS**

The auditors, Alton & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'P Van Leuven', written over a dotted line.

Mr P Van Leuven - Director

Date: 12 Feb 2016

## **Report of the Independent Auditors to the Members of WMG Funds Limited**

We have audited the financial statements of WMG Funds Limited for the year ended 31 October 2015 on pages six to thirteen. 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 a Report of the Auditors 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 director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note twelve to the financial statements.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

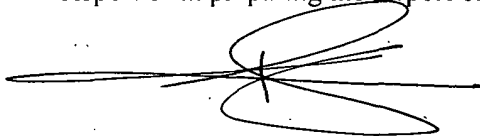
In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
WMG Funds 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.



Mr Altan Kemal ACA FCCA (Senior Statutory Auditor)  
for and on behalf of Alton & Co  
Chartered Accountants  
& Statutory Auditors  
237 Kennington Lane  
London  
SE11 5QU

Date:

12th February 2016

**WMG Funds Limited (Registered number: 05237578)**

**Profit and Loss Account  
for the year ended 31 October 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>		81,316	417,946
Administrative expenses		<u>5,183</u>	<u>204,016</u>
<b>OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	76,133	213,930
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>76,133</u></u>	<u><u>213,930</u></u>

The notes form part of these financial statements



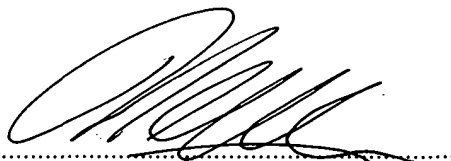
**WMG Funds Limited (Registered number: 05237578)**

**Balance Sheet  
31 October 2015**

	Notes	2015	2014
		£	£
<b>FIXED ASSETS</b>			
Investments	5	1,710,624	1,710,624
<b>CURRENT ASSETS</b>			
Debtors	6	433,990	358,279
Cash at bank		422	61,117
		<u>434,412</u>	<u>419,396</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	3,875	64,992
<b>NET CURRENT ASSETS</b>		<u>430,537</u>	<u>354,404</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,141,161	2,065,028
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	1,050,000	1,050,000
<b>NET ASSETS</b>		<u><u>1,091,161</u></u>	<u><u>1,015,028</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,010,002	1,010,002
Share premium	10	1,034,999	1,034,999
Profit and loss account	10	(953,840)	(1,029,973)
<b>SHAREHOLDERS' FUNDS</b>		<u><u>1,091,161</u></u>	<u><u>1,015,028</u></u>

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

The financial statements were approved by the director on 12 FEB 2016 and were signed by:



Mr P Van Leuven - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the year ended 31 October 2015**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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).

**Preparation of consolidated financial statements**

The financial statements contain information about WMG Funds Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, W M G Limited, a company registered in England and Wales.

**Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover comprises service charges made to companies in the financial services sector. Fees and other income are recognised on an accruals basis and are shown exclusive of Value Added Tax.

Turnover is generated from ordinary activities of the business.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Going concern**

The director has indicated that, in their judgement, there is reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Notwithstanding this, the company is assured of continuing necessary financial support from WMG Limited, the parent company to enable it to meet its liability as that fall due. Therefore, the director continues to adopt the going concern basis in preparing these financial statements.

**Expenses**

Expenses incurred have been recognised on an accruals basis.

**Investments**

Investments are stated at cost less provision for any permanent diminution in value.

**2. STAFF COSTS**

There were no staff costs for the year ended 31 October 2015 nor for the year ended 31 October 2014.

Notes to the Financial Statements - continued  
for the year ended 31 October 2015

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Directors' remuneration and other benefits etc	-	-

Auditors' remuneration is paid by WMG Services Limited, a fellow group undertaking.

4. TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2015 nor for the year ended 31 October 2014.

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	76,133	213,930
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 23%)	15,227	49,204
Effects of:		
Expenses not deductible for tax purposes	-	4,005
Advisors LLP		
Losses brought forward	(341,343)	(394,552)
Services Limited		
Losses carried forward	326,116	341,343
Current tax charge	-	-

Notes to the Financial Statements - continued  
for the year ended 31 October 2015

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 November 2014 and 31 October 2015	3,080,000
<b>PROVISIONS</b>	
At 1 November 2014 and 31 October 2015	1,369,376
<b>NET BOOK VALUE</b>	
At 31 October 2015	1,710,624
At 31 October 2014	1,710,624

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**WMG Advisors LLP**

Nature of business: Investment Manager

	% holding	2015 £	2014 £
Class of shares:			
LLP - Designated member	99.90		
Aggregate capital and reserves		664,097	654,944
Profit for the year		9,153	3,839

Investments represent the company's 100% capital contribution in WMG Advisors LLP. The partnership is an investment manager registered in UK.

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Amounts owed by group undertakings	433,990	358,278
Called up share capital not paid	-	1
	433,990	358,279

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Notes to the Financial Statements - continued  
for the year ended 31 October 2015

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Deposit from clients	-	61,117
Amounts owed to group undertakings	3,875	3,875
	<u>3,875</u>	<u>64,992</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Amounts owed to group undertakings	1,050,000	1,050,000
	<u>1,050,000</u>	<u>1,050,000</u>

Subordinated loans from WMG Limited were entered into on 24 October 2005 (£250,000) and 22 November 2005 (£800,000). They are due to be repaid not earlier than five years from their respective start dates. The loans are interest free and the permission of the Financial Conduct Authority is required before repayment can be made.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
		£1	£	£
1,010,002	Ordinary		<u>1,010,002</u>	<u>1,010,002</u>

Allotted share capital included 1 ordinary share of £1 which is not paid.

10. RESERVES

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 November 2014	(1,029,973)	1,034,999	5,026
Profit for the year	76,133		76,133
At 31 October 2015	<u>(953,840)</u>	<u>1,034,999</u>	<u>81,159</u>

Notes to the Financial Statements - continued  
for the year ended 31 October 2015

11. RELATED PARTY DISCLOSURES

**WMG Services Limited**

Mr P Van Leuven is director of both companies.

WMG Services Limited is a subsidiary of WMG Limited, the parent undertaking of both companies. The loan is interest free and repayable on demand.

	2015	2014
	£	£
Amount due from related party at the balance sheet date	<u>433,990</u>	<u>358,278</u>

WMG Services Limited was charged for administrative expenses of Nil (2014 - £213,930) during the year.

**WMG Advisors LLP**

Mr P Van Leuven is designated member of the LLP.

WMG Advisors LLP is subsidiary of this company. The loan is interest free and repayable on demand.

	2015	2014
	£	£
Amount due to related party at the balance sheet date	<u>3,875</u>	<u>3,875</u>

**WMG Limited**

Mr P Van Leuven is director of both companies.

WMG Limited is a parent undertaking. The loan is in relation to the subordinated loan detailed in Note 8.

	2015	2014
	£	£
Amount due to related party at the balance sheet date	<u>1,050,000</u>	<u>1,049,999</u>

12. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature, we take our auditors assistance in submission of returns to the tax authorities and the preparation of the financial statements.

**Notes to the Financial Statements - continued  
for the year ended 31 October 2015**

**13. ULTIMATE CONTROLLING PARTY**

The parent undertaking of largest group within which the company belongs and for which group financial statements are prepared is WMG Holdings Limited, a company registered in Jersey with company registration number 89999. The smallest group within which the company's accounts are consolidated is WMG Limited, a company registered in England and Wales.

The directors consider that WMG Holdings Limited is the ultimate controlling party.