

REGISTERED NUMBER: 05237578 (England and Wales)

WMG Funds Limited

Report of the Directors and

Financial Statements

for the Year Ended 31 October 2014

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

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for the year ended 31 October 2014**

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WMG Funds Limited
Company Information
for the year ended 31 October 2014

DIRECTORS: Mr M Dalman
Mr P Van Leuven

SECRETARY:

REGISTERED OFFICE: 237 Kennington Lane
London
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 Directors
for the year ended 31 October 2014**

The directors present their report with the financial statements of the company for the year ended 31 October 2014.

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 2013 to the date of this report.

Other changes in directors holding office are as follows:

Mr M Dalman - appointed 30 October 2014

Mrs J Dalman - resigned 30 October 2014

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.

GOING CONCERN

The directors have 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 directors continue to adopt the going concern basis in preparing these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 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.

**Report of the Directors
for the year ended 31 October 2014**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

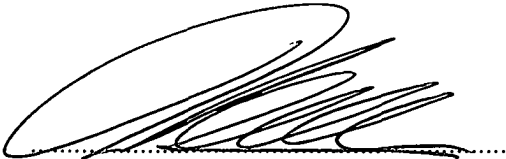
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

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: 23 February 2015

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 2014 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 2014 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 Directors 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 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 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 Directors.



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: 23rd February 2015

WMG Funds Limited (Registered number: 05237578)

**Profit and Loss Account
for the year ended 31 October 2014**

	Notes	2014 £	2013 £
TURNOVER		417,946	125,000
Administrative expenses		<u>204,016</u>	<u>77</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	213,930	124,923
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>213,930</u></u>	<u><u>124,923</u></u>

The notes form part of these financial statements

Balance Sheet
31 October 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investments	5	1,710,624	1,710,624
CURRENT ASSETS			
Debtors	6	358,279	144,349
Cash at bank		61,117	-
		<u>419,396</u>	<u>144,349</u>
CREDITORS			
Amounts falling due within one year	7	<u>64,992</u>	<u>3,875</u>
NET CURRENT ASSETS		<u>354,404</u>	<u>140,474</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,065,028</u>	<u>1,851,098</u>
CREDITORS			
Amounts falling due after more than one year	8	<u>1,050,000</u>	<u>1,050,000</u>
NET ASSETS		<u><u>1,015,028</u></u>	<u><u>801,098</u></u>
CAPITAL AND RESERVES			
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	(1,029,973)	(1,243,903)
SHAREHOLDERS' FUNDS		<u><u>1,015,028</u></u>	<u><u>801,098</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 Board of Directors on 23 February 2015 and were signed on its behalf 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 2014**

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. There was no turnover generated in the current period.

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 company is dependent on continuing finance being made available by its parent company to enable it to continue operating and to meet its liabilities as they fall due. The parent company has agreed to provide sufficient funds to the company for these purposes. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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 2014 nor for the year ended 31 October 2013.

Notes to the Financial Statements - continued
for the year ended 31 October 2014

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
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 2014 nor for the year ended 31 October 2013.

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:

	2014 £	2013 £
Profit on ordinary activities before tax	213,930	124,923
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	49,204	29,982
Effects of:		
Expenses not deductible for tax purposes Advisors LLP	20,023	-
Losses brought forward Services Limited	(394,552)	(424,534)
Losses carried forward	325,325	394,552
Current tax charge	-	-

Notes to the Financial Statements - continued
for the year ended 31 October 2014

5. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 November 2013 and 31 October 2014	3,080,000
PROVISIONS	
At 1 November 2013 and 31 October 2014	1,369,376
NET BOOK VALUE	
At 31 October 2014	1,710,624
At 31 October 2013	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	2014 £	2013 £
Class of shares:			
LLP - Designated member	99.90		
Aggregate capital and reserves		654,944	651,105
Profit for the year		3,839	1,656

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**

	2014 £	2013 £
Amounts owed by group undertakings	358,278	144,348
Called up share capital not paid	1	1
	358,279	144,349

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 2014

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Deposit from clients	61,117	-
Amounts owed to group undertakings	3,875	3,875
	<u>64,992</u>	<u>3,875</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

	2014 £	2013 £
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:	2014 £	2013 £
1,010,002	Ordinary	£1	<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 2013	(1,243,903)	1,034,999	(208,904)
Profit for the year	213,930		213,930
At 31 October 2014	<u>(1,029,973)</u>	<u>1,034,999</u>	<u>5,026</u>

**Notes to the Financial Statements - continued
for the year ended 31 October 2014**

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.

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>358,278</u>	<u>144,348</u>

WMG Services Limited was charged for administrative expenses of £213,930 (2013 - £125,000) 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.

	2014	2013
	£	£
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.

	2014	2013
	£	£
Amount due to related party at the balance sheet date	<u>1,049,999</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 2014**

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.