

WELLESLEY SECURED FUNDING LIMITED

Annual Report and Financial Statements

For the period from 29 July 2014 (date of incorporation)
to 31 December 2015

Company Number 09151623



WELLESLEY SECURED FUNDING LIMITED

Report and financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015

Contents

Page:

2	Officers and advisers
3	Strategic report
5	Report of the Directors
5	Statement of Directors' responsibilities
7	Independent auditors' report
9	Statement of comprehensive income
9	Statement of other comprehensive income
10	Statement of financial position
11	Statement of changes in equity
12	Statement of cash flows
13	Notes forming part of the financial statements

WELLESLEY SECURED FUNDING LIMITED

Officers and advisers

Directors

Andrew Turnbull (Appointed 29 July 2014)
Graham Wellesley (Appointed 29 July 2014)
Gary Sher (Appointed 28 July 2015)
Paul Cragg (Appointed 29 July 2014, Resigned 29 March 2016)
Anthony Fane (Appointed 29 July 2014, Resigned 21 October 2015)
Lorenzo Naldini (Appointed 29 July 2014, Resigned 21 October 2015)
Paul Copson (Appointed 31 March 2015, Resigned 29 May 2015)

Registered Office

6th Floor, St Albans House, 57/59 Haymarket, London, SW1Y 4QX

Company Registration Number

09151623

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

Barclays, Leicester, Leicestershire, LE87 2BB

WELLESLEY SECURED FUNDING LIMITED

Strategic Report

For the period from 29 July 2014 (date of incorporation) to 31 December 2015

Overview

Wellesley Secured Funding Limited (the "Company") was established as a specialist provider of invoice discounting. During the period, the management took the decision not to establish the business.

Operating and Financial Review

The Company had limited activity during the period except for small operational costs. The Company earned £7,000 of income incurring £93,721 of administration expenses, generating a loss before taxation of £(86,721).

Key performance indicators ("KPIs")

The Directors do not consider any significant KPIs as the Company has had limited activity during the period.

Future developments

The Company was established with the intention to begin an invoice discounting business. The business was not established. The Directors believe the Company has a role to play in the future strategy of the Wellesley group of companies and thus the financial statements are prepared on a going concern basis. The Directors are satisfied that the Company has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the financial statements). The Company has received a letter of support from its parent, Wellesley Group Investors Limited.

Business review

The Company was established with the intention to begin an invoice discounting business which never materialised. The Company incurred initial legal and professional fees and other costs in respect of advice taken on establishing the invoice discounting business. The Company earned £7,000 of fees from a prospective customer which never fully completed on closing down the business. There was no other significant activity in the Company.

Results

The Company earned £7,000 of income and incurred £93,721 of administration expenses generating £(86,721) of a loss before taxation.

WELLESLEY SECURED FUNDING LIMITED

Strategic Report *(continued)*
For the period from 29 July 2014 (date of incorporation) to 31 December 2015

Principal risks and uncertainties

The principal risks to the Company are as follows:

- Funding risk
The Company is exposed to liquidity risk of funding its minimal operating expenses. Wellesley Group Investors Limited, the immediate parent, has indicated its willingness to continue to fund the Company; and
- Credit risk
The Company has exposure to credit risk in the form of the receivables held on the statement of financial position. The risk to the Company is that these receivables are uncollectible. The risk is mitigated due to the receivables being owed by other Wellesley group entities.

The directors do not consider there are any other principal risks and uncertainties to the Company. The purpose of the Company was to establish an invoice discounting business. During the period, the decision was taken not to establish this business and thus there has been minimal activity in the Company.

The main risks arising from the Company's financial instruments are detailed in note 14.

Graham Wellesley
Director


Approved by order of the Board on 29/04/2016

WELLESLEY SECURED FUNDING LIMITED

Report of the Directors For the period from 29 July 2014 (date of incorporation) to 31 December 2015

The Directors present the Strategic Report, Directors' Report and the financial statements of Wellesley Secured Funding Limited for the period ended 31 December 2015. The directors of the Company during the period were those listed on page 2.

Results

The Company earned £7,000 of income and incurred £93,721 of administration expenses generating £(86,721) of a loss before taxation.

The directors do not recommend the payment of a final dividend.

Principal activities

The Company was established as a specialist provider of invoice discounting.

Principal risk and uncertainties

The principal risks and management of these risks are detailed in the Strategic Report on page 4.

Post balance sheet events

No information has been identified since the statement of financial position date about conditions existing at the statement of financial position date which is required to be disclosed in these financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standard ("IFRS") 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; 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 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.

WELLESLEY SECURED FUNDING LIMITED

Report of the Directors (continued)
For the period from 29 July 2014 (date of incorporation) to 31 December 2015

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

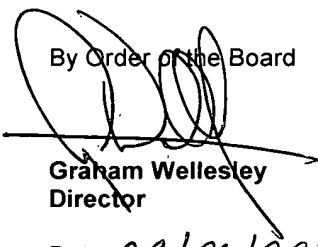
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Macalvins Limited resigned as auditors of the Company during the period.

It was resolved to appoint BDO LLP as auditors. It is proposed to re-appoint BDO LLP as auditor at the Annual General Meeting.

By Order of the Board



Graham Wellesley
Director

Date 29/04/2016

WELLESLEY SECURED FUNDING LIMITED

Independent auditor's report
For the period from 29 July 2014 (date of incorporation) to 31 December 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLESLEY SECURED FUNDING LIMITED

We have audited the financial statements of Wellesley Secured Funding Limited for the period ended 31 December 2015 which comprise the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

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 auditors

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 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

WELLESLEY SECURED FUNDING LIMITED

Independent auditor's report
For the period from 29 July 2014 (date of incorporation) to 31 December 2015 (*continued*)

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.



Leigh Wormald (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date 29 APRIL 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WELLESLEY SECURED FUNDING LIMITED

Statement of comprehensive income For the period from 29 July 2014 (date of incorporation) to 31 December 2015

	Notes	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
Other operating income	5	7,000
Total operating income		7,000
Administrative expenses	6	(93,721)
(Loss) before tax from operations		(86,721)
Income tax charge	8	-
(Loss) after taxation - attributable to the equity holders of the Company		(86,721)

Statement of other comprehensive income For the period from 29 July 2014 (date of incorporation) to 31 December 2015

	Notes	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
(Loss) after taxation - attributable to the equity holders of the Company		(86,721)
Net change in fair value of investment securities		-
Tax on other comprehensive loss		-
Total other comprehensive loss for the period, net of taxation		-
Total comprehensive loss for the period, net of taxation		(86,721)

The accounting policies and notes set out on pages 13 to 24 form an integral part of these financial statements.

WELLESLEY SECURED FUNDING LIMITED

Statement of financial position
For the period from 29 July 2014 (date of incorporation) to 31 December 2015

	Notes	31 December 2015 £
Assets		
<i>Current assets</i>		
Cash and cash equivalents		2,041
Other assets	9	1,426
Total assets		<u>3,467</u>
Liabilities		
<i>Current liabilities</i>		
Other liabilities	10	90,187
		<u>90,187</u>
Net assets		<u>(86,720)</u>
Equity		
Share capital	11	1
(Accumulated losses)		(86,721)
Total equity		<u>(86,720)</u>

The notes on pages 13 to 24 are an integral part of these financial statements.

These financial statements were approved by the Board of directors on 29/04/2016 and were signed on its behalf by:



Graham Wellesley
Director
Company number 09151623

WELLESLEY SECURED FUNDING LIMITED

Statement of changes in equity For the period from 29 July 2014 (date of incorporation) to 31 December 2015

	Share capital £	(Accumulated losses) £	Total equity £
Balance at 29 July 2014	-	-	-
Total comprehensive income for the period			
(Loss) for the period	-	(86,721)	(86,721)
Other comprehensive income:			
Net change in fair value of investment securities	-	-	-
Tax on other comprehensive income	-	-	-
Total comprehensive income for the period	-	(86,721)	(86,721)
Transactions with owners recorded directly in equity:			
Issue of shares	1	-	1
Dividend paid	-	-	-
Total contributions by and distributions to owners	1	-	1
Balance at 31 December 2015	1	(86,721)	(86,720)

The notes on pages 13 to 24 are an integral part of these financial statements.

WELLESLEY SECURED FUNDING LIMITED

Statement of cash flows For the period from 29 July 2014 (date of incorporation) to 31 December 2015

	Notes	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
Net cash flows generated from operating activities	12	2,040
Cash flows from financing activities		
Proceeds from issue of shares		1
Net cash used in financing activities		<u>1</u>
Net increase in cash and cash equivalents		2,041
Cash and cash equivalents at the start of the period		-
Movement during period		<u>2,041</u>
Cash and cash equivalents at the end of the period		<u>2,041</u>

The notes on pages 13 to 24 are an integral part of these financial statements.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015

1 Nature of operations

Wellesley Secured Funding Limited, (the "Company"), was established as a provider of invoice discounting. The decision was subsequently taken not to proceed with starting this business.

2 Basis of preparation

2.1 Accounting basis

The Company was incorporated on 29 July 2014. These financial statements are prepared for the period from 29 July 2014 (date of incorporation) to 31 December 2015.

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ("IFRS") as developed and published by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

The financial statements have been prepared on the historical cost basis except for the following material items in the financial statements.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about areas of estimation, uncertainty and critical judgements in applying accounting Policies that have the most significant effect on the amounts recognised in the financial statements are included in Note 4.

The accounting policies that have been used in the preparation of these financial statements are described below. The particular accounting policies adopted by the Directors are described below and are unchanged from the previous year unless otherwise stated.

2.2 Future accounting developments

New standards and amendments

There have been no new standards having a material impact on the financial statements for the period. The following standards and amendments to existing standards have been published, but in some case, not yet adopted by the EU. They are mandatory from the financial period beginning on or after the effective dates shown below but are not currently relevant to the Company (although they may affect the accounting for future transactions and events).

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015

2 Basis of preparation (Continued)

2.2 Future accounting developments (Continued)

- IFRS9 – Financial instruments classification and measurement. Applicable for financial years beginning on or after 1 January 2018. IFRS 9 is yet to be endorsed by the EU.
 - IFRS 15 – Revenue from contracts with customers. Applicable for financial years beginning on or after 1 January 2017. IFRS 15 is yet to be endorsed by the EU
- The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 Financial instruments

IFRS 9 Financial Instruments issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting.

The key changes relate to:

- Financial assets: Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income;
- Financial liabilities: Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the income statement and instead taken to other comprehensive income;
- Impairment: Credit losses expected at the statement of financial position date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss will be reflected in impairment allowances; and
- Hedge accounting: Hedge accounting will be more closely aligned with financial risk management. Adoption is not mandatory until periods beginning on or after 1 January 2018. The standard has not been endorsed by the EU. At this stage, it is not possible to determine the full potential financial impact, but it is expected that IFRS 9's impact on the Company will be in line with the industry, and considerably less significant compared to traditional lending institutions.

IFRS 15 Revenue from contracts with customers

IFRS 15 Revenue will replace IAS 18 Revenue and IAS 11 Construction Contracts. It applies to all contracts with customers except leases, financial instruments and insurance contracts. IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Adoption of the standard is not expected to have a significant impact.

Annual Improvements to IFRSs (2012–2014 Cycle)

Application of amendments to various standards in issue is not expected to have a significant impact on the Company's financial statements. In addition, the IASB has indicated that it will issue a new standard on accounting for leases. Under the proposals, lessees would be required to recognise assets and liabilities arising from both operating and finance leases on the balance sheet. The IASB also plans to issue a new standard on insurance contracts. The Company will consider the financial impacts of these new standards as they are finalised. Other standards and interpretations have been issued but these are not considered to be relevant to the Company's operations. The Company intends complying with standards from the date they become effective.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

2 Basis of preparation (Continued)

2.3 Going concern

The Directors believe the Company has a role to play in the future strategy of the Wellesley group of companies and thus the financial statements are prepared on a going concern basis. The Directors are satisfied that the Company has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the financial statements). The Company has received a letter of support from its parent, Wellesley Group Investors Limited.

3 Significant accounting policies

3.1 Other operating income

Other operating income is recognised on an accruals basis when the service has been provided or received.

3.2 Financial instruments – recognition and de-recognition

Recognition

The Company initially recognises loans and advances, subordinated notes issued on the date they are originated at fair value. Financial assets are subsequently measured at amortised cost.

De-recognition

De-recognition of financial assets and liabilities is the point at which an asset or liability is removed from the statement of financial position.

Financial assets are derecognised when they are qualifying transfers and:

- the rights to receive cash flows from the assets have ceased; and
- the Company has transferred substantially all the risk and rewards of ownership of the assets.

When a financial asset is derecognised in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other income is recognised in the income statement.

When available for sale financial assets are derecognised, the cumulative gain or loss, including that previously recognised in reserves, is recognised in the income statement.

A financial liability is derecognised when the obligation is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability derecognised and the consideration paid is recognised through the income statement.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

3 Significant accounting policies (continued)

3.2 Financial instruments (continued)

Financial Liabilities

Financial liabilities are contractual obligations to deliver cash or another financial asset.

Financial liabilities at amortised cost are recognised initially at fair value, which equates to issue proceeds net of transaction costs incurred. They are subsequently stated at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the EIR method.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

3 Significant accounting policies (continued)

3.3 Financial instruments and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the Company measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the issue of unobservable inputs. The chosen valuation techniques incorporate all the factors that market participants would take in to account in pricing a transaction.

The best evidence of fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration received or given.

3.4 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.5 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities held at the statement of financial position date are translated into sterling at the exchange rates ruling at the statement of financial position date. Exchange differences are charged or credited to the income statement.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

3.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in equity through other comprehensive income.

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the year end date.

Deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary difference, the carry forward of unused tax credits and any unused losses. Such assets and liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is not probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right of offset exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

3 Significant accounting policies (continued)

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balance and balances with a maturity of three months or less from the acquisition date, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4 Use of estimates and judgements

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Company has made estimates in respect of operating expenses incurred during the period.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

5 Other operating income

Period from 29
July 2014 (date
of incorporation)
to 31 December
2015
£

Other	7,000
	<u>7,000</u>

6 Administrative expenses

Period from 29
July 2014 (date
of incorporation)
to 31 December
2015
£

Staff costs	-
Legal & professional	65,536
FX on foreign cash balances	358
Other administrative expenses	27,827
	<u>93,721</u>

All other administrative expenses are incurred in the normal course of business.

Directors were remunerated for their services to the company via a separate group entity.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

7 Auditor's remuneration

	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
Auditor's remuneration	5,000
<i>Amounts receivable by the Company's auditor and their associates in respect of other services:</i>	
Tax advisory services	-
Other advisory services	-
	<u>5,000</u>

8 Taxation

	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
Recognised in the Statement of Comprehensive Income	-
Current tax:	
UK corporation tax at 20.47%	-
Total current tax	<u>-</u>
Deferred tax:	
Origination and reversal of temporary difference	-
Total deferred tax	<u>-</u>
Total tax charge/(credit)	<u>-</u>
Reconciliation of tax charge/(credit):	
Loss on ordinary activities before tax	<u>(86,721)</u>
Tax on loss on ordinary activities at standard corporation tax rate of 20.47%	(17,754)
Effects of:	
Expenses not deductible for tax purposes	696
Group relief surrendered	17,058
Total tax charge/(credit)	<u>-</u>

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

9	Other assets	31 December 2015 £
	Other receivables	1,426
		<u>1,426</u>
10	Other liabilities	31 December 2015 £
	Accruals	975
	Other payables	89,212
		<u>90,187</u>
11	Share capital	31 December 2015 £
	1 issued ordinary share at £1 each (1 authorised ordinary share at £1 each)	1
		<u>1</u>
	During the period, the Company issued 1 share at £1 each and is fully paid up at the period end.	
12	Cashflows from operating activities	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
	(Loss) before taxation	(86,721)
	Increase in trade & other assets	(1,426)
	Increase in trade payables & other liabilities	90,187
	Non-cash adjustments	-
	Tax (paid)	-
	Net cashflows generated from operating activities	<u>2,040</u>

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

13 Commitments and contingent liabilities

At 31 December 2015, the Company had no undrawn commitments or contingent liabilities.

14 Risk management

The main areas of risk that the business is exposed to are:

- **Funding risk**
The Company is exposed to liquidity risk of funding its minimal operating expenses. Wellesley Group Investors Limited, the immediate parent, has indicated its willingness to continue to fund the Company; and
- **Credit risk**
The Company has exposure to credit risk in the form of the receivables held on the statement of financial position. The risk to the Company is that these receivables are uncollectible. The risk is mitigated due to the receivables being owed by other Wellesley group entities.

15 Related party transactions

Related parties of the Company include key management personnel, close family members of key management personnel and entities which are controlled, jointly controlled or significantly influenced, or for which significant voting power is held, by key management personnel or their close family members. Key management personnel are defined as the Directors.

The Company is owed the below from the following related party entities:

	31 December 2015 £
<i>Wellesley Lease Finance Limited</i>	
Opening balance	-
Advances	420
Repayments	-
	<u>420</u>

The maximum balance owed to Wellesley Group Investors Limited during the period was £1. The maximum balance owed to Wellesley Lease Finance Limited during the period was £420.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For the period from 29 July 2014 (date of incorporation) to 31 December 2015
(Continued)

15 Related party transactions (continued)

The Company owes the below to the following related party entities:

	31 December 2015 £
<i>Wellesley & Co Limited</i>	
Opening balance	-
Advances	37,146
Repayments	(9,000)
	<u>28,146</u>
	31 December 2015 £
<i>Wellesley Finance PLC</i>	
Opening balance	-
Advances	397,284
Repayments	(336,218)
	<u>61,066</u>

The maximum balance owed to Wellesley Finance PLC during the period was £348,066. The maximum balance owed to Wellesley & Co Limited during the period was £28,080.

16 Ultimate controlling party

Wellesley Group Investors Limited, a company incorporated in England, is the immediate parent of the Company and is the largest Group for which consolidated accounts are prepared. The ultimate controlling party of the immediate parent is IFX Group Trust.

17 Events after the statement of financial position date

No information has been identified since the statement of financial position date about conditions existing at the statement of financial position date which is required to be disclosed in these financial statements.