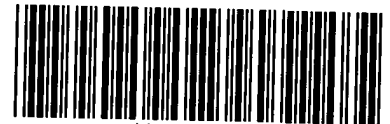


**REGISTERED NUMBER: 07981279 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
REVISED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014  
FOR  
WELLESLEY & CO LIMITED**

TUESDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 30 JUNE 2014**

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**WELLESLEY & CO LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**DIRECTORS:**

G Wellesley  
A J Fane  
L Naldini  
A Turnbull  
P A Cragg

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

07981279 (England and Wales)

**AUDITORS:**

Macalvins Limited  
Chartered Accountants  
and Statutory Auditors  
7 St John's Road  
Harrow  
Middlesex  
HA1 2EY

**BANKERS:**

Lloyds TSB  
25 Gresham Street  
London  
EC2V 7HN

**SOLICITORS:**

Bridgehouse Partners LLP  
Suite 426,  
Linen Hall  
162-168  
Regent Street  
London  
W1B 5TE

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2014**

The directors present their strategic report of the company for the year ended 30 June 2014.

- Wellesley & Co Ltd is a subsidiary of Wellesley Group (UK) Ltd ("The Group"). The Group is comprised principally of two operating companies which provide alternative finance solutions within the secured lending arena. Wellesley Finance PLC is a specialist lender within the property bridging and development sector and Wellesley & Co is a regulated Peer-to-Peer lending firm.

Wellesley & Co started trading in November 2013 with a significant marketing campaign which gained the organisation considerable publicity. Wellesley & Co offers retail investors the opportunity to invest their funds into the senior portion of secured loans that have been made by Wellesley Finance PLC. Wellesley & Co became Authorised and Regulated by the Financial Conduct Authority in April 2014. It is currently authorised under the interim permission regime.

The company achieved a net loss before tax of £703,733 (2013: £62,028 Loss) during the year ended 30 June 2014. The directors consider the company's financial position at 30 June 2014 to be satisfactory.

The focus of the business in the coming year will be to enhance and develop the existing platform offering to ensure that the organisation can proceed in its current trajectory of growth whilst continuing to provide the highest level of service to company's customers. The business plans to significantly increase the size and quality of its executive management team and also identify suitable candidates for a non-executive management team.

Principal Risks

Borrower Default

As is normal with most lending businesses the biggest risk posed to the business remains borrower default. Wellesley & Co Ltd focuses on making loans which are asset backed by residential or commercial property and therefore has security over an asset which could be sold in the event of default. Care and attention is paid to ensure that the asset security is of a suitable quality and loan to value (LTV) ratio to reduce the possibility of losses after recovery in a default situation.

Property Market Risk

The loans made by Wellesley & Co Ltd are predominantly secured on residential property in the United Kingdom and therefore in the event of a downturn in property prices it is possible if a borrower defaults that the security held by the firm may not be sufficient to cover the value of a loan which may result in a loss.

Interest Rate Risk

The UK is currently experiencing an unprecedentedly low interest rate environment combined with a shortage of funding which has created opportunity within the alternative finance sector. If interest rates were to take a sudden or severe change it is possible that certain types of lending performed by Wellesley & Co Ltd would not be viable and as such the business would need to modify its lending strategy to remain profitable and competitive.

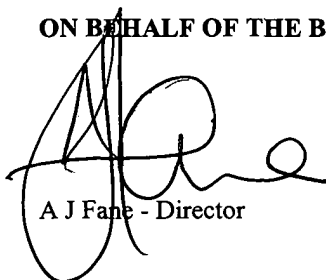
Employees Issues

The company employed eleven persons at the end of the financial year. The company is committed to the welfare of its staff and believes that staff benefits are comparable to companies of a similar size and nature.

Dividends

The directors did not recommend a dividend to be paid for the year to 30 June 2014.

**ON BEHALF OF THE BOARD:**



A J Fane - Director

22 January 2015

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 JUNE 2014**

The directors present their report with the financial statements of the company for the year ended 30 June 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of management.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2013 to the date of this report.

G Wellesley  
A J Fane  
A Turnbull

Other changes in directors holding office are as follows:

L Naldini - appointed 5 March 2014  
P A Cragg - appointed 8 April 2014  
C J Emson - resigned 5 March 2014  
N D Pilbrow - resigned 5 March 2014  
L S Trachtenberg - resigned 11 November 2013

**REVISED FINANCIAL STATEMENTS**

These revised financial statements replace the original financial statements. They are now the statutory financial statements. They have been prepared as at the date of the original financial statements, and not as at the date of the revision and accordingly do not deal with events between those dates.

The original financial statements did not comply with the requirements of the Companies Act 2006 because they were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

There are no significant amendments to the loss of the financial year nor the shareholders' funds.

**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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 30 JUNE 2014**

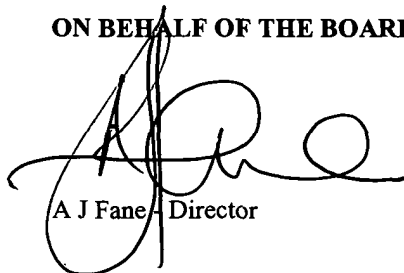
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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, Macalvins Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'A J Fane', written over a circular stamp or seal.

A J Fane - Director

22 January 2015

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WELLESLEY & CO LIMITED**

We have audited the financial statements of Wellesley & Co Limited for the year ended 30 June 2014 on pages seven to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 three, 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 Ethical Standards for Auditors.

### **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 Strategic Report and 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 30 June 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

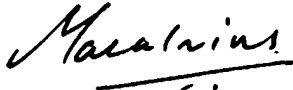
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
WELLESLEY & CO LIMITED**

**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.

The revised financial statements have been properly prepared in accordance with the Companies Act 2006 and the revised financial statements give a true and fair view.



Prakash Kurup (Senior Statutory Auditor)  
for and on behalf of Macalvins Limited  
Chartered Accountants  
and Statutory Auditors  
7 St John's Road  
Harrow  
Middlesex  
HA1 2EY

22 January 2015



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2014**

		Year Ended 30.6.14 £	Period 8.3.13 to 30.6.13 £
	Notes		
<b>TURNOVER</b>		534,000	-
Administrative expenses		<u>1,237,733</u>	<u>62,028</u>
<b>OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(703,733)	(62,028)
Tax on loss on ordinary activities	4	<u>(158,954)</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><u>(544,779)</u></u>	<u><u>(62,028)</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

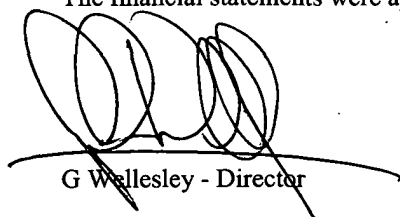
**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous period.

**BALANCE SHEET**  
**30 JUNE 2014**

	Notes	30.6.14 £	30.6.13 £
<b>FIXED ASSETS</b>			
Intangible assets	5	84,061	5,580
Tangible assets	6	<u>25,222</u>	<u>16,120</u>
		109,283	21,700
<b>CURRENT ASSETS</b>			
Debtors	7	144,283	25,461
Cash at bank		<u>14,616</u>	<u>159,618</u>
		158,899	185,079
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>874,987</u>	<u>268,805</u>
<b>NET CURRENT LIABILITIES</b>		(716,088)	(83,726)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(606,805)</u>	<u>(62,026)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Profit and loss account	10	<u>(606,807)</u>	<u>(62,028)</u>
<b>SHAREHOLDERS' FUNDS</b>	13	<u>(606,805)</u>	<u>(62,026)</u>

The financial statements were approved by the Board of Directors on 22 January 2015 and were signed on its behalf by:

  
G Wellesley - Director

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

**Financial Reporting Standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 20% on cost

**Deferred tax**

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

**Development costs**

Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over five years from which the company is expected to benefit.

**Going concern**

The accounts have been prepared on the going concern basis as the directors have received assurances of continued financial support from the parent company.

2. STAFF COSTS

	Year Ended 30.6.14	Period 8.3.13 to 30.6.13
	£	£
Wages and salaries	128,927	7,500
Social security costs	<u>13,857</u>	<u>858</u>
	<u>142,784</u>	<u>8,358</u>

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

	Year Ended 30.6.14	Period 8.3.13 to 30.6.13
Administration staff	6	-
Directors	<u>5</u>	<u>-</u>
	<u>11</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**3. OPERATING LOSS**

The operating loss is stated after charging:

	Year Ended 30.6.14 £	Period 8.3.13 to 30.6.13 £
Depreciation - owned assets	6,374	273
Development costs amortisation	21,038	95
Auditors' remuneration	<u>5,000</u>	<u>-</u>
Directors' remuneration	<u>28,513</u>	<u>-</u>

**4. TAXATION****Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows:

	Year Ended 30.6.14 £	Period 8.3.13 to 30.6.13 £
Current tax:		
Tax losses surrendered to group	(158,954)	-
Tax on loss on ordinary activities	<u>(158,954)</u>	<u>-</u>

**Factors affecting the tax credit**

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

	Year Ended 30.6.14 £	Period 8.3.13 to 30.6.13 £
Loss on ordinary activities before tax	<u>(703,733)</u>	<u>(62,028)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2013 - 0%)	-	-
Effects of:		
Trading losses surrendered to group	(158,954)	-
Current tax credit	<u>(158,954)</u>	<u>-</u>

The company has trading losses of £78,083 (2013: £78,083) available for carry forward against future trading profit.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2014

5. INTANGIBLE FIXED ASSETS

	Development costs £
<b>COST</b>	
At 1 July 2013	5,675
Additions	<u>99,519</u>
At 30 June 2014	<u>105,194</u>
<b>AMORTISATION</b>	
At 1 July 2013	95
Amortisation for year	<u>21,038</u>
At 30 June 2014	<u>21,133</u>
<b>NET BOOK VALUE</b>	
At 30 June 2014	<u>84,061</u>
At 30 June 2013	<u>5,580</u>

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>COST</b>	
At 1 July 2013	16,393
Additions	<u>15,476</u>
At 30 June 2014	<u>31,869</u>
<b>DEPRECIATION</b>	
At 1 July 2013	273
Charge for year	<u>6,374</u>
At 30 June 2014	<u>6,647</u>
<b>NET BOOK VALUE</b>	
At 30 June 2014	<u>25,222</u>
At 30 June 2013	<u>16,120</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.14 £	30.6.13 £
Amounts owed by group undertakings	32,487	250
VAT	72,155	11,057
Prepayments and accrued income	<u>39,641</u>	<u>14,154</u>
	<u>144,283</u>	<u>25,461</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2014

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.14	30.6.13
	£	£
Trade creditors	105,471	77,990
Amounts owed to group undertakings	749,756	184,750
Social security and other taxes	-	2,414
Wages and salaries control	-	323
Directors' current accounts	-	1,328
Accrued expenses	19,760	2,000
	<u>874,987</u>	<u>268,805</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.14	30.6.13
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

10. RESERVES

	Profit and loss account £
At 1 July 2013	(62,028)
Deficit for the year	<u>(544,779)</u>
At 30 June 2014	<u>(606,807)</u>

11. RELATED PARTY DISCLOSURES

At the year end, the company owed £749,756 (2013: £184,750) to Wellesley Group (UK) Limited. This loan is interest free and with no fixed repayment terms. Wellesley Group (UK) Ltd is the parent company of Wellesley & Co Ltd.

During the year, the company received a management charge of £534,000 from Wellesley Finance Plc. At the year end, the company was due £32,487 (2013: £250) by Wellesley Finance Plc. This loan is interest free and with no fixed repayment terms. Wellesley Finance Plc is a fellow subsidiary in the group.

During the period, the company paid consultancy fees of £46,799 (2013: £26,666) to a former director, Mr L Trachtenberg.

During the year, the company paid consultancy fees of £45,000 (2013: £Nil) to a director of the company, Mr P A Cragg.

12. ULTIMATE CONTROLLING PARTY

As at 30 June 2014 Wellesley & Co Limited was a wholly owned subsidiary of Wellesley Group UK Limited. There is no single controlling party in Wellesley Group UK Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2014

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.6.14	30.6.13
	£	£
Loss for the financial year	(544,779)	(62,028)
New share capital subscribed	<u>-</u>	<u>2</u>
<b>Net reduction of shareholders' funds</b>	<b>(544,779)</b>	<b>(62,026)</b>
Opening shareholders' funds	<u>(62,026)</u>	<u>-</u>
<b>Closing shareholders' funds</b>	<b><u>(606,805)</u></b>	<b><u>(62,026)</u></b>