

Company Number 03042092

IWI Fund Management Limited

Report and Financial Statements

For the year ended
31 March 2016

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IWI FUND MANAGEMENT LIMITED

STRATEGIC REPORT

The directors have pleasure in presenting the strategic report together with the directors' report and the financial statements for the year ended 31 March 2016.

Principal activity

The company's principal activity was previously that of an Authorised Corporate Director ('ACD') of investment funds. The company ceased to act as an ACD of investment funds on 29 January 2016. As the company no longer trades, these accounts have been prepared on a break-up basis. It is expected that the company will seek permission from the Financial Conduct Authority ('FCA') to deregister as a regulated entity during the year ending 31 March 2017, and subsequent to that deregistration, be placed into members' voluntary liquidation.

Financial results, dividends and future developments

Revenue (net of fees payable to third parties) for the year ended 31 March 2016 was £865,000 (2015: £1,135,000), a decrease of 23.8%, which reflects the cessation of trading during the year. The profit for the year was £265,000 (2015: £637,000).

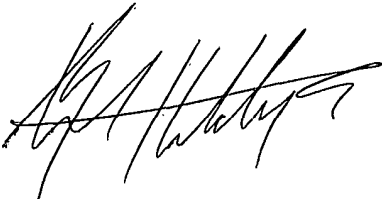
Interim dividends amounting to £1,300,000 (2015: £nil) were declared and paid during the year ended 31 March 2016. The directors are not recommending the payment of a final dividend (2015: £nil).

ACD responsibilities for the investment funds that were previously managed by the company were transferred to a third party with effect from 29 January 2016. The company therefore ceased to trade as at that date. Operating expenses include a net cost of £124,000 in relation to the transfer, comprising £1,334,000 of direct costs associated with the transfer net of the consideration received of £1,210,000.

Risks and uncertainties

Financial risks, comprising credit and liquidity risk, and the associated key controls are set out in note 10 to the financial statements.

By order of the board



S. Hatelly
Director
23 June 2016

IWI FUND MANAGEMENT LIMITED

DIRECTORS' REPORT

Directors

The directors who held office during the year and through to the date of signing of these financial statements were as follows:

S. Hately
P.E. Herrington
C.G. Lewis
J.P. Wragg

Secretary

D. Miller

Directors' indemnities

Certain of the company's directors are also directors of Rensburg Sheppards plc. Rensburg Sheppards plc has undertaken, by way of deeds of indemnity, to indemnify its directors for liabilities that they may incur in the course of acting as a director of Rensburg Sheppards plc or a subsidiary of Rensburg Sheppards plc in connection with negligence, default or breach of duty or trust. These indemnities, which represent qualifying third party indemnity provisions, do not extend to a liability of a director to Rensburg Sheppards plc or a subsidiary of Rensburg Sheppards plc, or liabilities in respect of criminal proceedings or regulatory sanctions. Rensburg Sheppards plc, in accordance with its articles of association, maintains insurance against potential liabilities of directors.

Going concern

The company ceased to trade on 29 January 2016. These accounts have therefore been prepared on a break-up basis. There is no impact on any of the balances presented in these financial statements as a result of them being prepared on a break-up basis.

Disclosure of information to the independent auditor

The directors who held office at the date of approval of the directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

IWI FUND MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

Auditor

KPMG LLP will be deemed to have been reappointed as auditor under section 487(2) of the Companies Act 2006.

By order of the board

A handwritten signature in black ink, appearing to read 'S. Hately', with a stylized flourish at the end.

S. Hately
Director
23 June 2016

2 Gresham Street
London
EC2V 7QP

IWI FUND MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the strategic report, the 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 that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

IWI FUND MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £'000	2015 £'000
Revenue	1(c)		
Fee income		2,024	2,990
Fee expense		(1,159)	(1,855)
Net revenue		<u>865</u>	<u>1,135</u>
Transfer of ACD responsibilities	2	(124)	-
Other operating expenses		(410)	(478)
Operating expenses		<u>(534)</u>	<u>(478)</u>
Profit before tax	2	<u>331</u>	<u>657</u>
Taxation	4	(66)	(20)
Profit for the year attributable to the equity holders of the company		<u>265</u>	<u>637</u>
Total comprehensive income for the year net of tax, attributable to the equity holders of the company		<u>265</u>	<u>637</u>

All revenue and costs relate to discontinued operations.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2014	75	1,181	1,256
Total comprehensive income for the year	-	637	637
At 31 March 2015	<u>75</u>	<u>1,818</u>	<u>1,893</u>
Dividends	-	(1,300)	(1,300)
Total comprehensive income for the year	-	265	265
At 31 March 2016	<u>75</u>	<u>783</u>	<u>858</u>

IWI FUND MANAGEMENT LIMITED**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	Note	2016 £'000	2015 £'000
Current assets			
Trade and other receivables	6	24	1,603
Cash and cash equivalents	7	2,049	2,668
		<u>2,073</u>	<u>4,271</u>
Total assets		<u>2,073</u>	<u>4,271</u>
Current liabilities			
Trade and other payables	8	(1,011)	(2,095)
Current tax liabilities		(204)	(283)
		<u>(1,215)</u>	<u>(2,378)</u>
Total liabilities		<u>(1,215)</u>	<u>(2,378)</u>
Net assets		<u>858</u>	<u>1,893</u>
Equity attributable to the equity holders of the company			
Share capital	11	75	75
Retained earnings		783	1,818
Total equity		<u>858</u>	<u>1,893</u>

The financial statements on pages 5 to 16 were approved by the board of directors on 23 June 2016 and were signed on its behalf by:



S. Hatelly
Director
23 June 2016

Company registration number: 03042092

IWI FUND MANAGEMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Profit before taxation		331	657
- Transfer of ACD responsibilities		124	-
- Decrease/(increase) in trade and other receivables		1,579	(148)
- Decrease in trade and other payables		(1,271)	(1,164)
Cash inflow/(outflow) from operations		<u>763</u>	<u>(655)</u>
Taxation paid		(145)	-
Net cash inflow/(outflow) from operating activities		<u>618</u>	<u>(655)</u>
Cash flow from investing activities			
Proceeds from transfer of ACD responsibilities		1,210	-
Costs paid associated with transfer of ACD responsibilities	5	(1,147)	-
Net cash inflow from investing activities		<u>63</u>	<u>-</u>
Cash flow from financing activities			
Dividends paid to shareholders	5	(1,300)	-
Net cash outflow from financing activities		<u>(1,300)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(619)	(655)
Cash and cash equivalents at start of year		<u>2,668</u>	<u>3,323</u>
Cash and cash equivalents at end of year	7	<u>2,049</u>	<u>2,668</u>

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'). The financial statements are reported in sterling and have been prepared on the historical cost basis.

The company ceased to trade on 29 January 2016. It is expected that the company will seek permission from the Financial Conduct Authority ('FCA') to deregister as a regulated entity during the year ending 31 March 2017, and subsequent to that deregistration, be placed into members' voluntary liquidation.

These accounts have therefore been prepared on a break-up basis. There is no impact on any of the balances presented in these financial statements as a result of them being prepared on a break-up basis.

The accounting policies applied are the same as those applied by the company in its financial statements for the year ended 31 March 2015.

The International Accounting Standards Board (IASB) has issued a number of new accounting standards, which are not yet effective. It is not expected that any of these new standards will have an impact on the company.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported values of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and they are reviewed on an ongoing basis. Actual results may differ from these estimates.

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Principal accounting policies (continued)

(b) Discontinued operations

All revenue and costs relate to discontinued operations.

(c) Revenue

Revenue comprises fees from the provision of Authorised Corporate Director ('ACD') services to authorised collective investment schemes. Revenue is disclosed both before and after the deduction of fees payable to third parties in connection with investment management services. Fees receivable are recognised in the period in which the related service is provided. Interest is recognised in the period in which it is earned. Fees payable to third parties are recognised in the period in which the obligation to pay the amount arises.

(d) Taxation

Current tax is charged or credited to the statement of comprehensive income, except where it relates to items charged or credited directly to equity, in which case the tax is also recognised within equity. Current tax represents the expected tax payable on profits chargeable to corporation tax, using the rates of taxation enacted at the statement of financial position date, net of any adjustments to tax payable in respect of prior years.

(e) Financial assets

Financial assets, comprising trade and other receivables, are recognised initially at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(f) Financial liabilities

Financial liabilities, comprising trade and other payables, are recognised initially at fair value, which is the agreed market price at the time goods or services are provided and are subsequently measured at amortised cost using the effective interest rate method, where such subsequent measurement would result in a material difference in the carrying value of the liability. The company accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value.

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Principal accounting policies (continued)

(g) Share capital

Ordinary shares of the company are classified as equity. Share capital represents the nominal value of shares issued. Where shares are issued at an amount greater than their nominal value, the surplus is credited to the share premium account or, where merger relief is available, the merger reserve. Costs directly incurred in respect of shares issued are recognised as a deduction from the issue proceeds.

(h) Retained earnings

This reserve records all income, expenses, gains and losses recognised in the statement of comprehensive income and is net of dividends paid to shareholders. This reserve is distributable.

(i) Dividends

Final dividends payable to the company's shareholder are recognised in the financial statements as a distribution of retained earnings in the period in which the dividend is approved by the company's shareholder. Interim dividends are recognised in the period in which they are paid.

(j) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks and financial institutions with a maturity of up to three months and bank overdrafts repayable on demand.

(k) Critical estimates and judgements

The company's corporation tax charge and statement of financial position provision are judgmental in nature. This arises from certain transactions for which the ultimate tax treatment can only be determined by final resolution with the relevant local tax authorities. The company recognises liabilities for taxation based on estimates of levels of taxation expected to be payable, taking into consideration expert external advice where appropriate. The final resolution may result in different amounts of cash flows to those initially provided and any necessary adjustments are taken into consideration in the period in which they are identified.

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Profit before tax

In the current year, the auditor's remuneration for the audit of these financial statements was borne by another group company. The audit fee in respect of the company for the year ended 31 March 2016 was £13,000. The audit fee in respect of the year ended 31 March 2015, which was borne by the company was £16,000.

Fees paid to the company's auditor, KPMG LLP, and its associates for services other than the statutory audit of the company are not disclosed in the report and financial statements of IWI Fund Management Limited since the consolidated accounts of the company's ultimate parent undertaking, Investec plc, are required to disclose non-audit fees on a consolidated basis.

ACD responsibilities for the investment funds that were previously managed by the company were transferred to a third party with effect from 29 January 2016. Operating expenses include a net cost of £124,000 in relation to the transfer, comprising £1,334,000 of direct costs associated with the transfer net of the consideration received of £1,210,000.

3. Staff costs and directors' emoluments

There were no employees, including directors, directly employed by the company during the current or prior year. Where employees of other group companies provide services to the company, the costs associated with the provision of such services are recharged by way of management and support cost recharges.

The average number of persons recharged to the company, based on full time equivalents, during the year was 5 (2015: 9). The total staff costs recharged to the company was £999,000 (2015: £901,000), including one-off staff costs associated with the transfer of ACD responsibilities.

The directors did not receive any emoluments for the services provided to the company in the current or prior year.

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Taxation

	2016 £'000	2015 £'000
Current tax expense:		
United Kingdom corporation tax	66	138
Adjustment in respect of prior periods	-	(118)
Total tax expense in the statement of comprehensive income	<u>66</u>	<u>20</u>

The standard rate of corporation tax that was applicable in the UK throughout the year ended 31 March 2016 was 20% (2015: 21%).

The total current tax charge stated above and the amount calculated by applying the standard UK Corporation tax rate of 20% (2015: 21%) can be reconciled as follows:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	<u>331</u>	<u>657</u>
Tax on profit on ordinary activities before taxation at 20% (2015: 21%)	66	138
Effect of:		
Adjustment in respect of prior periods	-	(118)
Total tax expense in the statement of comprehensive income	<u>66</u>	<u>20</u>

5. Dividends

	2016 £'000	2015 £'000
Equity dividends on ordinary shares:		
Interim dividends paid during the year ended 31 March 2016 totalling £17.33 per share (2015: £nil)	<u>1,300</u>	<u>-</u>

No final dividend was declared in respect of the year ended 31 March 2016 (2015: £nil).

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Trade and other receivables

	2016 £'000	2015 £'000
Current assets:		
Trade receivables	1	1,566
Prepayments and accrued income	23	37
	<u>24</u>	<u>1,603</u>

At 31 March 2016 and 31 March 2015 none of the company's trade receivables balances were past due or impaired. All trade and other receivables balances are denominated in sterling.

7. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash and cash equivalents	<u>2,049</u>	<u>2,668</u>

The carrying value of cash and cash equivalents approximates to their fair value.

8. Trade and other payables

	2016 £'000	2015 £'000
Current liabilities:		
Trade payables	28	1,755
Amounts owed to group companies	588	141
Accruals and deferred income	395	199
	<u>1,011</u>	<u>2,095</u>

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

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Financial instruments

The financial instruments of the company are short term in nature and as such, the carrying values of the financial assets and liabilities held at 31 March 2016 and 31 March 2015 are considered to be a reasonable approximation to their fair values and therefore no further disclosure of fair value is required.

None of the financial assets or liabilities held have been renegotiated during the year ended 31 March 2016 (2015: none) and no defaults of their terms have occurred. No financial assets of the company are impaired.

10. Financial risk management

The financial risks to which the company is exposed comprise credit risk, liquidity risk and price risk. The management of these financial risks is set out below.

Credit risk

Credit risk is the risk of financial loss arising from a counterparty failing to meet their obligations as outstanding amounts fall due.

The primary credit risk for the company arises from cash deposited with banks. Cash deposits are placed on call or on term deposits with a maturity of up to three months, with major banks that possess a high credit rating and are managed by the dedicated treasury function within the company's intermediate parent undertaking, Investec Wealth & Investment Limited.

The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations as they fall due.

As explained in the section on credit risk above, the company's cash balances are deposited either on call or on term deposits with a maturity of up to three months, with a number of the higher rated banks. The company deems that it has a sufficient liquidity surplus.

At 31 March 2016 and 31 March 2015 the company's liabilities were all payable within one year and the contractual cash flows are equal to the amounts at which the liabilities are carried on the statement of financial position.

The company had no operating lease or capital commitments at 31 March 2016 or 31 March 2015.

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Share capital

Allotted, called up and fully paid:

	2016		2015	
	No.	£'000	No.	£'000
Ordinary shares of £1 each	<u>75,000</u>	<u>75</u>	<u>75,000</u>	<u>75</u>

12. Related party transactions

The directors represent the key management of the company. The directors did not receive any emoluments from the company in respect of their services during the current or prior year.

The company is a wholly owned subsidiary of Investec plc, the ultimate parent company. The transactions set out below have taken place with Investec plc or its subsidiary companies during the year.

	2016	2015
	£'000	£'000
Investment management and support cost recharge (including one-off costs associated with the transfer of ACD responsibilities)	<u>1,220</u>	<u>1,298</u>
	2016	2015
	£'000	£'000
Amounts due to group companies – Investec Wealth & Investment Limited	<u>588</u>	<u>141</u>

The investment management and support cost recharge comprises employment costs (see note 3), together with a share of overhead, and costs incurred by other group companies on behalf of IWI Fund Management.

All transactions with related parties have been undertaken on an arm's length basis in the normal course of business. None of the amounts outstanding are impaired or are subject to securities or guarantees. All amounts outstanding are due for settlement in cash.

IWI FUND MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Parent undertaking

The company is a subsidiary of Investec plc, the ultimate parent undertaking, which is registered in England & Wales. Investec Bank plc, also registered in England & Wales, is the parent undertaking of the smallest group to consolidate these financial statements. Copies of the Investec plc and Investec Bank plc consolidated financial statements can be obtained from 2 Gresham Street, London, EC2V 7QP.

14. Country by country reporting

Under Regulation 4 of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 ('the regulations'), the company is exempt from the requirement to publish the reportable information required by the regulations on the grounds that a parent undertaking includes the company in its own consolidated country by country reporting, published on the Investec plc website www.investec.co.uk.

IWI FUND MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWI FUND MANAGEMENT LIMITED

We have audited the financial statements of IWI Fund Management Limited for the year ended 31 March 2016 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 auditor

As explained more fully in the statement of directors' responsibilities set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

IWI FUND MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWI FUND MANAGEMENT LIMITED (CONTINUED)

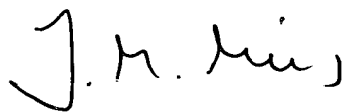
Opinion on other matters prescribed by the Companies Act 2006

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

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.



**Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

23 June 2016