

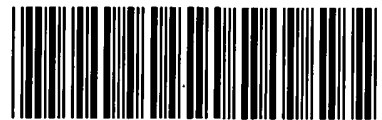
Company Number 03042092

# IWI Fund Management Limited

## Report and Financial Statements

For the year ended  
31 March 2017

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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 2017.

#### **Principal activity**

The company did not trade during the year ended 31 March 2017. Income and expenditure for the year shown in the statement of comprehensive income on page 5 relate solely to adjustments required resulting from the cessation of trade in January 2016.

The company is authorised and regulated by the Financial Conduct Authority (the "FCA"). It is intended that the company will seek permission from the FCA to deregister as a regulated entity in due course. As the company no longer trades these accounts have been prepared on a break-up basis.

#### **Financial results, dividends and future developments**

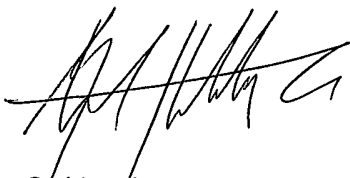
During the year ended 31 March 2017 the company made a profit after taxation of £20,000 (2016: £265,000), this reduction reflecting the cessation of trade during the prior year.

Interim dividends amounting to £750,000 (2016: £1,300,000) were declared and paid during the year ended 31 March 2017. The directors are not recommending the payment of a final dividend (2016: £nil).

#### **Risks and uncertainties**

The financial risks and the associated key controls that the company is subject to are set out in note 10 to the financial statements.

By order of the board



S. Hatelly  
Director

14 June 2017

## **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 no longer trades and as such, these accounts have 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 be 'S. Hatelý', written over a horizontal line.

S. Hatelý  
Director

14 June 2017

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 2017

	Note	2017 £'000	2016 £'000
<b>Revenue</b>	1(d)		
Fee income		-	2,024
Fee expense		37	(1,159)
<b>Net revenue</b>		<u>37</u>	<u>865</u>
Transfer of ACD responsibilities		-	(124)
Other operating expenses		(12)	(410)
Operating expenses		(12)	(534)
<b>Profit before tax</b>	2	<u>25</u>	<u>331</u>
Taxation	4	(5)	(66)
<b>Profit for the year attributable to the equity holders of the company</b>		<u>20</u>	<u>265</u>
<b>Total comprehensive income for the year net of tax, attributable to the equity holders of the company</b>		<u>20</u>	<u>265</u>

All revenue and costs relate entirely to discontinued operations.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2015	75	1,818	1,893
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>
Dividends	-	(750)	(750)
Total comprehensive income for the year	-	20	20
<b>At 31 March 2017</b>	<u>75</u>	<u>53</u>	<u>128</u>

# IWI FUND MANAGEMENT LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 £'000	2016 £'000
<b>Current assets</b>			
Trade and other receivables	6	199	24
Cash and cash equivalents	7	-	2,049
		<u>199</u>	<u>2,073</u>
<b>Total assets</b>		<u>199</u>	<u>2,073</u>
<b>Current liabilities</b>			
Trade and other payables	8	-	(1,011)
Current tax liabilities		(71)	(204)
		<u>(71)</u>	<u>(1,215)</u>
<b>Total liabilities</b>		<u>(71)</u>	<u>(1,215)</u>
<b>Net assets</b>		<u>128</u>	<u>858</u>
<b>Equity attributable to the equity holders of the company</b>			
Share capital	11	75	75
Retained earnings		53	783
<b>Total equity</b>		<u>128</u>	<u>858</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 14 June 2017 and were signed on its behalf by:



S. Hatelly  
Director

14 June 2017

Company registration number: 03042092

Registered office: 2 Gresham Street, London, EC2V 7QP

# IWI FUND MANAGEMENT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £'000	2016 £'000
<b>Cash flows from operating activities</b>			
Profit before taxation		25	331
- Transfer of ACD responsibilities		-	124
- (Increase)/decrease in trade and other receivables		(175)	1,579
- Decrease in trade and other payables		(1,011)	(1,271)
<b>Cash (outflow)/inflow from operations</b>		<b>(1,161)</b>	<b>763</b>
Taxation paid		(138)	(145)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(1,299)</b>	<b>618</b>
<b>Cash flow from investing activities</b>			
Proceeds from transfer of ACD responsibilities		-	1,210
Costs paid associated with transfer of ACD responsibilities		-	(1,147)
<b>Net cash inflow from investing activities</b>		<b>-</b>	<b>63</b>
<b>Cash flow from financing activities</b>			
Dividends paid to shareholders	5	(750)	(1,300)
<b>Net cash outflow from financing activities</b>		<b>(750)</b>	<b>(1,300)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,049)</b>	<b>(619)</b>
Cash and cash equivalents at start of year		2,049	2,668
<b>Cash and cash equivalents at end of year</b>	7	<b>-</b>	<b>2,049</b>



## **IWI FUND MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Principal accounting policies**

##### **(a) Basis of preparation**

The company is a private company limited by shares. The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are reported in sterling and have been prepared on the historical cost basis.

The company ceased to trade during the prior year. It is expected that the company will seek permission from the Financial Conduct Authority ('FCA') to deregister as a regulated entity in due course. As the company no longer trades, these accounts have been prepared on a break-up basis in both the current and prior year. 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.

##### **(b) Changes in accounting policies and disclosures**

The accounting policies applied are the same as those applied by the company in its financial statements for the year ended 31 March 2016.

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 April 2016, have had a material impact on the company.

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 a material 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)**

##### **(c) Discontinued operations**

All revenue and costs relate entirely to discontinued operations.

##### **(d) Revenue**

Revenue comprise 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 were recognised in the period in which the related service was provided. Fees payable to third parties were recognised in the period in which the obligation to pay the amount arose.

##### **(e) 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.

##### **(f) 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.

##### **(g) 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)**

##### **(h) Share capital**

Ordinary shares of the company are classified as equity. Share capital represents the nominal value of shares issued.

##### **(i) 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.

##### **(j) 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.

##### **(k) 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.

##### **(l) Critical estimates and judgements**

The company's corporation tax charge and statement of financial position provision are judgmental in nature. 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.

#### **2. Profit before tax**

The auditor's remuneration for the audit of these financial statements in both the current and prior period was borne by another group company. The audit fee in respect of the company for the year ended 31 March 2017 was £2,500 (2016 £13,000).

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.

## IWI FUND MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 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 nil (2016: 5). The total staff costs recharged to the company was £nil (2016: £999,000).

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

#### 4. Taxation

	2017 £'000	2016 £'000
Total tax expense in the statement of comprehensive income	<u>5</u>	<u>66</u>

The standard rate of corporation tax that was applicable in the UK throughout the year ended 31 March 2017 was 20% (2016: 20%).

The total tax expense stated above solely comprises current tax arising from UK corporation tax and is equal to the amount calculated by applying the standard UK corporation tax rate of 20% (2016: 20%) to the profit on ordinary activities before taxation for the year of £25,000 (2016: £331,000).

#### 5. Dividends

	2017 £'000	2016 £'000
Equity dividends on ordinary shares:		
Interim dividends paid during the year ended 31 March 2017 totalling £10.00 per share (2016: £17.33)	<u>750</u>	<u>1,300</u>

No final dividend was declared in respect of the year ended 31 March 2017 (2016: £nil).

## IWI FUND MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 6. Trade and other receivables

	2017 £'000	2016 £'000
Current assets:		
Trade receivables	-	1
Amounts owed by group companies	199	-
Prepayments and accrued income	-	23
	<u>199</u>	<u>24</u>

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

#### 7. Cash and cash equivalents

	2017 £'000	2016 £'000
Cash and cash equivalents	<u>-</u>	<u>2,049</u>

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

#### 8. Trade and other payables

	2017 £'000	2016 £'000
Current liabilities:		
Trade payables	-	28
Amounts owed to group companies	-	588
Accruals and deferred income	-	395
	<u>-</u>	<u>1,011</u>

## 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 instruments held at 31 March 2017 and 31 March 2016 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 held have been renegotiated during the year ended 31 March 2017 (2016: none) and no defaults of their terms have occurred. No financial assets of the company are impaired.

#### 10. Financial risk management

The company continues to face some credit, liquidity and regulatory risk on residual statement of financial position items despite not trading. The company has in place a risk management framework that seeks to limit any adverse effects on financial performance.

##### **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 only credit risk to which the company is exposed at 31 March 2017 relates to the amount owed by the company's intermediate parent undertaking, Investec Wealth & Investment Limited ('IW&I'). Given the nature of the relationship with IW&I and IW&I's financial position, the credit risk attaching to this balance is considered to be insignificant.

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.

At 31 March 2017 the company no longer has a bank account. The only liability that remains on the statement of financial position at 31 March 2017 is the corporation tax liability, which will initially be settled by IW&I and will be reimbursed to IW&I by way of intercompany account.

##### **Regulatory risk**

The company remains regulated by the FCA. Regulatory risk may arise as a consequence of changes in regulatory rules or guidance to which the company needs to respond. To mitigate this risk, the parent company monitors the regulatory capital position, taking into account the risk profile of the business. Under this process the company is satisfied that there is sufficient capital for its size and complexity.

# IWI FUND MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11. Share capital

Allotted, called up and fully paid:

	2017		2016	
	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.

	2017 £'000	2016 £'000
Investment management and support cost recharge (including one-off costs associated with the transfer of ACD responsibilities)	<u>-</u>	<u>1,220</u>
	2017 £'000	2016 £'000
Amounts due from/(to) to group companies – Investec Wealth & Investment Limited	<u>199</u>	<u>(588)</u>

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 their registered office at 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](http://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 2017 set out on pages 5 to 15. 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](http://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 2017 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.

#### **Emphasis of matter – non-going concern basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

## **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 is consistent with the financial statements.


Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the strategic report and the directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with Companies Act 2006.

#### **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.



**David Allen (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

14 June 2017