

COMPANY NO: 3720363

T. BAILEY FUND MANAGERS LIMITED
ANNUAL REPORT & ACCOUNTS

◆ *Year ended 30 September 2014* ◆

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COMPANY INFORMATION

Directors

N J Forman Hardy	<i>(Non-executive Chairman)</i>
P A Letley	<i>(Chief Executive Officer)</i>
Q F Baer	<i>(Non-executive Director)</i>
M Hughes	<i>(Non-executive Director)</i>

Company Secretary

HP Company Secretarial Services Limited
3 The Osiers Business Centre
Leicester
Leicestershire
LE19 1DX

Registered Office

64 St. James's Street
Nottingham
NG1 6FJ

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Fax: 0115 988 8222
Web: www.tbailey.co.uk
Email: info@tbailey.co.uk

Company Registration Number

3720363

Financial Services Act Registration

FCA firm reference number: 190293

Statutory Auditor

Deloitte LLP
4 Brindleyplace
Birmingham
B1 2HZ

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

Business Review

The T. Bailey business ("T. Bailey") consists of T. Bailey Asset Management Limited and T. Bailey Fund Managers Limited, although they are run as one operation. T. Bailey Asset Management Limited is responsible for the day to day activities of the operation.

T. Bailey manages a range of unit trusts operating on a fund of funds basis. The fund of funds structure allows the skills and investment abilities of leading fund managers from around the globe to be blended into one offering for investors. T. Bailey promotes its expertise and products principally via financial advisers across the UK.

T. Bailey's Funds under Management ("FuM") started the year at £213m and ended the year at £202m. Net sales for the year were £22m of outflows (2013: £19m net outflows). The key performance indicators for the company are the level of FuM and the level of net sales into the funds. The total Assets under Administration ("AuA") of T. Bailey's fund administration services grew from £618m at the start of the year to £1.277bn at 30 September 2014. This has driven the improved financial results seen in these accounts.

The principal risks facing the business remain a continued decline in the levels of markets and the ongoing suppression in investor appetite for investment. In the light of market conditions, the company continues to take steps including the continued extension of provision of Fund Administration services to third party partners.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The company does not use derivative financial instruments.

Credit risk

The company's debtors are the Funds it manages. Management fees payable to the company are accrued monthly and paid promptly. The company's credit risk is considered to be very low.

Cash flow risk

The company maintains significant cash balances. No additional capital is considered necessary to cover the risk that the firm has insufficient financial resources available to enable it to meet its obligations as they fall due.

Liquidity risk

As set out above, the company has adequate financial resources and is therefore subject to very low liquidity risk.

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Continued)

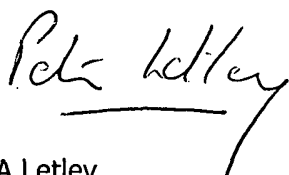
Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and financial position are set out above.

T. Bailey's trading position has improved as the Fund Administration client base has grown and losses have reduced significantly. The wider and growing client base means trading performance continues to improve and, therefore, the company has adequate financial resources. As a consequence, the Directors believe that the company is well placed to manage its business risks successfully.

Approval

The strategic report was approved by the Board on 20.11.15 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P A Letley', with a horizontal line underneath the name.

P A Letley
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors submit their report and the audited financial statements for the year ended 30 September 2014.

Principal Activities

The principal activity of the company during the year was the management of a range of collective investment schemes, namely:

- The **T. Bailey Growth Fund** – an authorised unit trust designed to provide capital growth over the medium-to-long term and to outperform the IMA Global Sector over rolling three-year periods.
- The **T. Bailey Dynamic Fund** – an authorised unit trust designed to outperform the IMA Mixed Investment 20-60% Shares Sector average on a total return basis over the medium-to-long term.
- The **T. Bailey Defensive Fund** – an authorised unit trust designed to outperform the IMA Mixed Investment 20-60% Shares Sector average on a total return basis over the medium-to-long term.

These products are available to institutional and retail investors and can be held within various tax wrappers including ISAs and SIPPs. Further information can be obtained from T. Bailey Fund Managers Limited or www.tbailey.co.uk.

Results and Dividends

The result for the year to 30 September 2014 and prior period comparatives are set out in the profit and loss account on page 8. The directors do not recommend the payment of a dividend (2013: Nil).

Directors

The directors who served during the year are set out on page 1.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue business.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014 (Continued)

The directors confirm that the above requirements have been met in preparing the financial statements.

The directors are responsible for keeping adequate accounting records which 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.

Pillar 3 Disclosures

The company has documented the disclosures required by the FCA under BIPRU 11.3. These can be found at www.tbailey.co.uk.

Awareness of relevant audit information

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all steps they ought to have to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 auditors are 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 auditors are aware of that information.

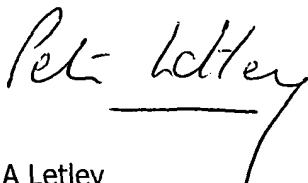
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

A resolution to re-appoint Deloitte LLP as auditor will be passed at the next board meeting.

Approval

The report of the directors was approved by the Board on 20.11.15 and signed on its behalf by:



P A Letley
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T. BAILEY ASSET MANAGEMENT LIMITED

We have audited the financial statements of T. Bailey Asset Management Limited for the year ended 30 September 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 13. 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 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 Directors' Responsibilities Statement, 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 annual report 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 September 2014 and of its results 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 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.



Matthew Perkins
Senior Statutory Auditor
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham
22 January 2015

**PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2014**

	Notes	Year ended 30 September 2014 £'000	Year ended 30 September 2013 £'000
Turnover			
Investment management fees		1,947	2,069
Initial commission		1	1
Sundry income		1,283	767
	3	<u>3,231</u>	<u>2,837</u>
Cost of sales			
Trail commission		(297)	(384)
		<u>(297)</u>	<u>(384)</u>
Gross profit		<u>2,934</u>	<u>2,453</u>
Administrative expenses		(2,935)	(2,454)
Operating Profit	5	<u>(1)</u>	<u>(1)</u>
Interest receivable		1	1
Profit on ordinary activities before taxation		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	6	-	-
Profit after tax for the financial year		<u><u>-</u></u>	<u><u>-</u></u>

The results of the company relate solely to continuing operations.

There are no recognised gains or losses in the year other than disclosed in the profit and loss account above.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

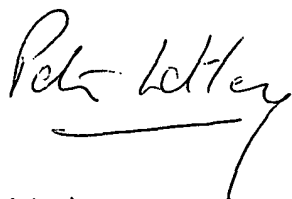
The notes on pages 10 to 13 form an integral part of the financial statements.

BALANCE SHEET
as at 30 September 2014

	Notes	30 September 2014	30 September 2013
		£'000	£'000
Current assets			
Debtors	7	348	272
Cash at bank and in hand		398	315
		<u>746</u>	<u>587</u>
Creditors: Amounts falling due within one year	8	(361)	(302)
		<u>385</u>	<u>285</u>
Net current assets			
		<u>385</u>	<u>285</u>
Net assets			
		<u>385</u>	<u>285</u>
Capital and reserves			
Called up share capital	9	250	150
Profit and loss account	10	135	135
		<u>385</u>	<u>285</u>
Shareholders' funds	11	<u>385</u>	<u>285</u>

The notes on pages 10 to 13 form an integral part of the financial statements.

The financial statements were approved by the Board on 20.11.14 and signed on its behalf by:



P A Letley
Director

Company no: 3720363

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention. They have been prepared in accordance with applicable United Kingdom accounting standards, and on a going concern basis.

Cash, debtors and creditors relating to amounts due to and from the T. Bailey Funds arising on transactions with clients of the T. Bailey Funds are excluded from the Balance Sheet.

Turnover

Turnover represents annual management fees from the funds under management. Fee income is recognised on an accruals basis over the period to which it relates.

Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19 'Deferred Tax'.

Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Expenses

Included within administrative expenses is the management fee paid by the company to T. Bailey Asset Management for services in relation to the operation of the business. (As disclosed in note 5)

2. CASH FLOW STATEMENT

The company is a greater than 90% owned subsidiary of a group whose accounts are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under Financial Reporting Standard 1 (revised 1996) 'Cash Flow Statements'.

3. TURNOVER

Turnover comprises fee and commission income from unit trust management.

4. DIRECTORS AND EMPLOYEES

T. Bailey Fund Managers Limited has no employees (2013: nil).

Directors were not remunerated during the year (2013: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 September 2014

5. OPERATING PROFIT

Operating profit is arrived at after charging:

	Year ended 30 September 2014 £'000	Year ended 30 September 2013 £'000
Management fee:		
- T. Bailey Asset Management Limited	2,875	2,348
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the annual financial statements	18	11
Fees payable to the Company's auditor and its associates for other services		
- Other services relating to tax	5	5
- All other services: manager share of unit trust audit fees	-	-
	<hr/>	<hr/>

The company has entered into agreements with its parent company T. Bailey Asset Management Limited for the provision of services. Under the agreement with T. Bailey Asset Management Limited, operating expenses, but not certain direct costs, are borne by that company in exchange for a management fee.

6. TAXATION

The taxation charge for the year was £nil (2013: £nil).

Current Taxation

The current taxation charge for the year is different from that resulting from applying the small companies rate of corporation tax in the UK at 20% (2013: 20%). The differences are explained below.

	Year ended 30 September 2014 £'000	Year ended 30 September 2013 £'000
Profit on ordinary activities before tax	<hr/> - <hr/>	<hr/> - <hr/>
Tax at 20%/20% thereon:		
Effects of:		
- Group relief claim	-	-
Actual current tax charge	<hr/> - <hr/>	<hr/> - <hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2014**6. TAX****Deferred Tax**

The taxation charge for the year was £nil (2013:£nil). As at 30 September 2014 there were carried forward tax losses of £17,808 (2013:£17,879). The deferred tax asset in respect of this would be £3,561 (2013:£3,576). Due to uncertainty over the use of these tax losses, no deferred tax has been recognised. Deferred tax assets have been calculated at 20%, being the substantively enacted rate at the balance sheet date.

7. DEBTORS

	30 September 2014 £'000	30 September 2013 £'000
Amounts due from T. Bailey collective investment schemes	293	263
Other debtors	55	9
	<u>348</u>	<u>272</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2014 £'000	30 September 2013 £'000
Amounts due to T. Bailey Asset Management Limited	285	239
Accruals	76	63
	<u>361</u>	<u>302</u>

9. SHARE CAPITAL

	30 September 2014 £'000	30 September 2013 £'000
Authorised		
250,000 (2013:150,000) ordinary shares of £1 each	250	150
Allotted, issued and fully paid		
250,001 (2013:150,001) ordinary shares of £1 each	250	150

On 21 November 2013 a further 100,000 shares were issued.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 September 2014**10. RESERVES**

	30 September 2014 £'000	30 September 2013 £'000
Profit and loss account		
At start of period	135	135
Retained profit for the financial year	-	-
At end of period	<u>135</u>	<u>135</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 September 2014 £'000	30 September 2013 £'000
Profit for the period	-	-
Shares issued in the period	100	100
Opening shareholders' funds	285	185
Closing shareholders' funds	<u>385</u>	<u>285</u>

12. RELATED PARTY DISCLOSURES

As a wholly owned subsidiary, the company is exempt from the requirements of Financial Reporting Standard 8 'Related Party Disclosures' to disclose transactions with other members of the Group headed by Nottingham Industrial Group Limited.

13. PARENT COMPANY AND ULTIMATE PARENT UNDERTAKING

The company is a subsidiary of T. Bailey Asset Management Limited, incorporated in the United Kingdom. Nottingham Industrial Group Limited is the company's ultimate parent, also incorporated in the UK.

As of 30 September 2014, the smallest and largest group of undertakings of which the Company was a member and for which group accounts will be drawn up was that headed by the ultimate parent undertaking Nottingham Industrial Group Limited, a company registered in England and Wales.

Copies of Nottingham Industrial Group Limited's consolidated financial statements can be obtained from the Company Secretary at 64 St. James's Street, Nottingham NG1 6FJ.