

Widecast Capital LLP

Members' report and audited financial statements

for the period from 28 July 2015 to 31 December 2016

Registered number: OC401042

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COMPANIES HOUSE

LLP information

Designated members S Herrero (Appointed 28 July 2015)
Widecast (Services) Ltd (Appointed 28 July 2015)

LLP Registered number OC401042

Registered office 24 Berkeley Square
London
W1J 6EJ

Independent auditor Deloitte LLP
Hill House
1 Little New Street
London
EC4A 3TR

Bankers Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Metro Bank
One Southampton Row
London
WC1B 5HA

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Members' report (continued)

for the period from 28 July 2015 to 31 December 2016

The Members present their annual report together with the audited financial statements of Widecast Capital LLP ('the LLP') for the period from 28 July 2015 to 31 December 2016.

Incorporation

The LLP was incorporated on 28 July 2015 in England & Wales under the Companies Act 2016. The LLP received FCA authorisation on 1 April 2016.

Principal activities

During the period from incorporation to 31 December 2016 the firm was in the process of applying for regulatory approval to act as an investment manager and was completing the process before taking on its investment management duties in early 2017.

Business review and future developments

The members are satisfied with the results of the LLP for the period ended 31 December 2016 and are confident of continuing growth.

The loss for the financial period amounted to £372,384 and at the end of the reporting period the LLP had net assets attributable to members of £713,571.

Going concern, is discussed in more detail in note 2.3.

Key performance indicators ("KPI")

Given the nature of the business the members are of the opinion that analysis using KPIs is not necessary for an understanding of the developments, performance or position of the business.

Financial risk management

The LLP operates systems and controls to mitigate any adverse effects across a range of risks it faces.

The principal risks and uncertainties faced by the LLP are those inherent within the financial services industry, but primarily include:

- Credit risk – exposed to counterparties not fulfilling their obligations
- Operational risk- incurring losses resulting from inadequate or failed internal and external processes, systems and human error or from external events.
- Regulatory risk – subject to the effects of change in the laws, regulations, policies and interpretations and any accounting standards in the markets in which it operates.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and on-going review by management. Compliance with regulation, legal and ethical standards is a high priority for the LLP and the compliance team and finance department take on an important oversight role in this regard.

The finance department is responsible for satisfying themselves that a proper internal control framework exists to manage financial risks and that controls operate effectively.

Members' report (continued)

for the period from 28 July 2015 to 31 December 2016

Principal risks and uncertainties (continued)

The LLP has developed a framework for identifying the risks that it is exposed to and their impact on economic capital.

This process is risk based to manage its capital requirements and to ensure that the LLP has the financial strength and capital adequacy to support the growth of the business and to meet the requirements of the regulator.

Pillar 3 Disclosures

Details of the LLP's unaudited Pillar 3 and stewardship code disclosures of the LLP as required under Chapter 11 of the Financial Conduct Authority's Prudential Source book for Banks, Building Societies and Investment Firms ("BIPRU") are attached as an appendix to these financial statements on pages 19-24. These disclosures are unaudited.

Designated members

The designated members of the LLP who were in office during the period and to the date of signing the financial statements were as follows:

S Herrero	(Appointed 28 July 2015)
Widecast (Services) Ltd	(Appointed 28 July 2015)

Policy of members' drawings, subscriptions and repayment of members' capital

During the period, the members contributed capital of £700,001 on becoming members of the LLP. Capital is contributed in accordance to the terms set in the LLP agreement dated 30 March 2016.

Members may contribute further capital with the agreement of the management committee. No member is entitled to interest on his capital contribution. No member may be required to contribute any further capital on the insolvency of the LLP.

No member has the right to withdraw or receive back any part of the amount standing to the credit of his capital account. The LLP shall have discretion to return some or all of the amount standing to the credit of a member's capital account subject to agreement from the FCA or an equal amount of capital being contributed by the LLP or another member.

Profit shall be divided between the members as per the LLP agreement.

The management committee have discretion to determine the level of drawing that members can take in anticipation of their profit entitlement. Members are entitled to withdraw from the LLP any amounts standing to the credit of that member's distribution account.

Members' report (continued)

for the period from 28 July 2015 to 31 December 2016

Members' responsibilities statement

The members are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law, as applied to limited liability partnerships, by the Limited Liability (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ("the Regulations) requires the members to prepare Annual Reports and financial statements for each financial year. Under that law, the members have elected to prepare the LLP's financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company Law, as applied to limited liability partnerships, the members 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 LLP and of the profit and loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 LLP will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the Annual Report and financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

Each of the Members confirms that:

- so far as the member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP'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.

Independent auditors

The auditors, Deloitte LLP, have indicated their willingness to continue in office and a resolution will be proposed for their re-appointment at the forthcoming Annual General Meeting.

This report was approved by the Members on 28 March 2017 and signed on their behalf by



S Herrero
Designated member



R M J Moore
For and on behalf of Widecast (Services) Ltd
(Designated member)

Independent auditor's report to the members of Widecast Capital LLP

for the period from 28 July 2015 to 31 December 2016

We have audited the financial statements of Widecast Capital LLP for the period from 28 July 2015 to 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in members' Interest, the statement of Cash Flows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to Limited Liability Partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulation 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and auditors

As explained more fully in the Members' Report, the Members 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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 LLP's affairs as at 31 December 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to Limited Liability Partnerships.

Independent auditor's report to the members of Widecast Capital LLP

for the period from 28 July 2015 to 31 December 2016

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
- we have not received all the information and explanations we require for our audit.



Theo Brennand (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date: *28 March 2017*

Statement of comprehensive income for the period from 28 July 2015 to 31 December 2016

	Note	Period from 28 July 2015 to 31 December 2016 £
Administrative expenses		<u>(372,786)</u>
Operating loss	3	<u>(372,786)</u>
Interest receivable and similar income		<u>402</u>
Loss for the period before members' remuneration and profit shares available for discretionary division among members		<u>(372,384)</u>
Members' remuneration charged as an expense		—
Loss for the financial period available for discretionary division among members		<u>(372,384)</u>

All of the LLP's activities derived from continuing operations during the above financial period.

There were no comprehensive income/expenses for the period other than those included in the profit and loss account.

The accompanying notes on pages 9 to 18 form an integral part of these financial statements.

Statement of financial position as at 31 December 2016

	Note	2016 £	2016 £
Fixed assets			
Tangible assets	6		29,382
Current assets			
Trade and other receivables	7	42,308	
Cash and cash equivalents	8	<u>737,493</u>	
		779,801	
Trade and other payables	9	<u>(95,612)</u>	
Net current assets			<u>684,189</u>
Net assets attributable to members			<u><u>713,571</u></u>
Represented by:			
Loans and other debts due to members			
Within one year			
Other amounts			385,954
Members' other interests			
Members' capital classified as equity		700,001	
Members' interests - Other reserves		<u>(372,384)</u>	
			<u>327,617</u>
			<u><u>713,571</u></u>
Total Members' interests			
Loans and other debts due to members			385,954
Members' other interests			<u>327,617</u>
			<u><u>713,571</u></u>

These financial statements were approved and authorised for issue by the members and were signed on their behalf on 28 March 2017.



S Herrero
Designated member



R M J Moore
For and on behalf of Widecast (Services) Ltd
(Designated member)

The accompany notes on pages 9 to 18 form an integral part of these financial statements.

Statement of changes in members' Interests as at 31 December 2016

	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	Total members' interests £
Members' interests: balance at 28 July 2015	—	—	—	—	—
Members' remuneration charged as an expense	—	—	—	—	—
Loss for the year available for discretionary division among members	—	(372,384)	(372,384)	—	(372,384)
Other movements	—	—	—	385,954	385,954
Capital introduced by member	700,001	—	700,001	—	700,001
Amounts due to members	—	—	—	385,954	—
Members' interests: balance at 31 December 2016	700,001	(372,384)	327,617	385,954	713,571

In the event of winding up, loans and other debts due to members rank after unsecured creditors. There is no protection for unsecured creditors.

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of winding up.

The accompanying notes on pages 9 to 18 form an integral part of these financial statements.

Statement of cash flows for the period from 28 July 2015 to 31 December 2016

	Note	Period from 28 July 2015 to 31 December 2016 £
Cash flows from operating activities		
Loss for the period		(372,384)
Adjustments for:		
Depreciation of tangible assets	6	15,320
Interest received		(402)
Increase in debtors		(42,308)
Decrease in creditors		481,566
Net cash generated from operating activities		<u>81,792</u>
Cash flows from investing activities		
Interest received		402
Purchase of tangible fixed assets	6	(44,702)
Net cash used in investing activities		<u>(44,300)</u>
Cash flows from financing activities		
Members' capital contributed		700,001
Net cash from financing activities		<u>700,001</u>
Net increase in cash and cash equivalents		737,493
Cash and cash equivalents at beginning of period		—
Cash and cash equivalents at the end of the period		<u>737,493</u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand		737,493
		<u>737,493</u>

The accompanying notes on pages 9 to 18 form an integral part of these financial statements.

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

1 LLP information

Widecast Capital LLP is a limited liability partnership incorporated in England and Wales on 28 July 2015. The address of the registered office and its principal place of trading is 24 Berkeley Square, London, England, W1J 6EJ. The nature of the LLP's operations and its principal activities are set out in the members report on page 1.

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, IFRIC Interpretations and those parts of the Companies Act 2006 applicable to LLP's reporting under IFRSs and requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships (SORP) issued January 2017.

2.2 Basis of preparation

The financial statements are prepared on the historical cost basis.

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the LLP's accounting policies. See note 2.17 for more details.

The significant accounting policies of the LLP are set out below.

2.3 Going concern

The LLP has made a loss during this financial year and is currently dependent upon the financial support of Widecast (Services) Ltd (a Designated Member). The LLP has received confirmation from Widecast (Services) Ltd that it will continue to provide financial support to the LLP for a period of at least twelve months from the date of approval of these financial statements.

The Designated members of the LLP, having assessed the responses of the directors of the company's parent, Widecast (Services) Ltd to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the LLP to continue as a going concern

On the basis of their assessment of the LLP's financial position and of the enquiries made of the directors' of Widecast (Services) Ltd, the LLP's members have a reasonable expectation that the LLP will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

2 Significant accounting policies (continued)

2.4 Revenue

Revenue will comprise of the fair value of the consideration received or receivable to the LLP from its principal activity of providing investment management services in accordance with an advisory agreement which commenced in January 2017. Fees will be accrued for monthly and presented net of Value Added Tax.

All revenue will arise from activities performed within the United Kingdom.

Revenue will be recognised to the extent that it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the LLP.

2.5 Administrative expenses

All expenses have been accounted for on an accruals basis.

2.6 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is Pound Sterling (£). Pound Sterling is the currency of the primary economic environment in which the LLP operates.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'interest payable or interest receivable'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.7 Taxation

The taxation payable on the LLP's profit is the personal liability of the members and consequently neither taxation nor related deferred taxation is accounted for in the financial statements. Amounts retained for tax are treated in the same way as other profits of the LLP and are included in Members' interests' or in Loans and other debts due to members' depending on whether or not division of profits has occurred.

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

2 Significant accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Computer equipment	- 3 years straight line.
Office equipment	- 5 years straight line.

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.9 Impairment of assets

At each balance sheet date, the LLP reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of comprehensive income.

2.10 Trade receivables

Short term receivables are measured at transaction price, less any impairment for bad and doubtful debt.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and all other cash amounts with maturities of three months or less.

2.12 Trade payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are measured at the transaction price.

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

2 Significant accounting policies (continued)

2.13 Financial liabilities

Financial liabilities other than trading liabilities are recognised initially at fair value and subsequently measured at amortised cost.

2.14 Accruals

Accruals comprise of expenses relating to the current period, which will not be invoiced until after the balance sheet date.

2.15 Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

2.16 Members capital (classified as equity)

Members' capital represents the value of capital; contributed the members.

2.17 Critical accounting judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

There were no significant estimates or judgments made during the period.

2.18 Adoption of new and revised standards

a) New and amended standards adopted by the LLP:

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on 28 July 2015 that would be expected to have a material impact on the LLP.

b) New standards, amendments and interpretations issued but not effective for the financial period beginning 28 July 2015 and not early adopted:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognitions of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

2 Significant accounting policies (continued)

2.18 Adoption of new and revised standards (continued)

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The LLP is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018.

IFRS15 'Revenue from contracts with customers' was published in July 2014 and applies to accounting periods beginning on or after 1 January 2018 subject to EU endorsement. It is applicable to financial assets and financial liabilities, and covers the classification, measurement, impairment and de-recognition of financial assets and financial liabilities together with a new hedge accounting model.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the LLP.

The directors anticipate that the adoption of these Standards/revisions to Standards and Interpretations in future periods will have no material impact on the financial statements of the company.

3 Operating loss

	Period from 28 July 2015 to 31 December 2016 £
This is stated after charging:	
Auditors remuneration:	
- Audit services	12,500
Foreign exchange differences	7,479
Depreciation of fixed assets – owned by the LLP	<u>15,320</u>

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

4 Staff costs

The staff costs, excluding the members, were as follows:

	Period from 28 July 2015 to 31 December 2016 £
Wages and salaries	58,333
Social security costs	<u>7,957</u>
	<u><u>66,290</u></u>

The average monthly number of employees during the period were as follows:

	Period from 28 July 2015 to 31 December 2016 Number
Management	<u>1</u>

5 Members' share of profit and average number of members

Profits and losses are divided among the members during each accounting period in accordance with established profit sharing arrangements and as the designated members may determine from time to time.

	Period from 28 July 2015 to 31 December 2016 £
Average number of members	<u><u>2</u></u>

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

6 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 28 July 2015	—	—
Additions	<u>44,702</u>	<u>44,702</u>
At 31 December 2016	<u>44,702</u>	<u>44,702</u>
Depreciation		
At 28 July 2015	—	—
Charge for the period	<u>15,320</u>	<u>15,320</u>
At 31 December 2016	<u>15,320</u>	<u>15,320</u>
Net book value		
At 31 December 2016	<u>29,382</u>	<u>29,382</u>
At 28 July 2015	<u>—</u>	<u>—</u>

7 Trade and other receivables

	2016 £
Other receivables	29,354
Prepayments and accrued income	<u>12,954</u>
	<u>42,308</u>

Included within other receivables is an amount of £17,200 in respect of a rent deposit which is due after more than one year.

8 Cash and cash equivalents

	2016 £
Cash at bank and in hand	<u>737,493</u>

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

9 Trade and other payables

	2016
Current liabilities	£
Trade payables	20,212
Accruals	75,400
	<u>95,612</u>

Trade payables and accruals relate to amounts payable at the reporting date for services received during the period. The LLP has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

10 Related party transactions

During the period, Widecast (Services) Ltd settled various administrative expenses totalling £385,954 on behalf of the LLP. At the balance sheet date, this balance remained outstanding.

Widecast (Services) Ltd is considered to be a related party by virtue of the fact that it is the managing member of the LLP.

	2016
	£
Key management personal compensation	
The remuneration of members and other key management during the period	
Short-term benefits	<u>66,290</u>

11 Commitments under operating leases

At 31 December the company had the following minimum lease payments under non-cancellable operating leases as follows:

	2016
	£
Not later than 1 year	<u>70,864</u>

Notes to the financial statements for the period from 28 July 2015 to 31 December 2016

12 Ultimate parent undertaking and controlling party

The LLP is under the control of Widecast (Services) Ltd, the managing member of the LLP.

The ultimate controlling party is JB Capital Markets, S.V., S.A.U, a company incorporated in Spain.

The smallest group of undertakings preparing consolidated financial statements including the LLP is headed by Widecast (Services) Ltd. The largest group of such undertakings is headed by JB Capital Markets, S.V., S.A.U.,

The consolidated financial statements of Widecast (Services) Ltd will be available from 24 Berkeley Square, London, W1J 6EJ.

13 Post balance sheet events

The members of the LLP injected additional capital of £900,000 into the LLP post period to ensure that it has sufficient capital to meet its regulatory capital requirements and settle their liabilities as and when they fall due.

FCA Pillar 3 Disclosures

for the year ended 31 December 2016

Introduction

The Capital Requirements Directive ('the Directive') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain.

In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The FCA framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets the firm's credit, market and operational risk capital requirement.
- Pillar 2 requires the firm to assess whether its capital reserves, processes, strategies and systems are adequate to meet pillar 1 requirements and further determine whether it should apply additional capital, processes, strategies or systems to cover any other risks that it may be exposed to.
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position to encourage market discipline.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This document is designed to meet our Pillar 3 obligations.

The Pillar 3 disclosure document has been prepared by Widecast Capital LLP ("The Firm") in accordance with the requirements of BIPRU 11 and is verified by the Management Committee. Unless otherwise stated, all figures are as at the financial year-end.

Pillar 3 disclosures will be issued on an annual basis after the year end and published as soon as practical with the annual accounts.

We (as the designated members of the Firm) are permitted to omit required disclosures if we believe that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions about the firm.

In addition, we may omit required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties.

We have taken the decision to omit the Remuneration Code disclosure on the grounds that it is proprietary and confidential.

Scope and application of the requirements

Widecast Capital LLP is authorised and regulated by the FCA and as such is subject to minimum regulatory capital requirements. The Firm is categorised as a "Limited Licence Firm" by the FCA for capital purposes.

It is an investment management firm and as such has no trading book exposures.

The Firm is a member of a group and, as such going forward, will be required to prepare consolidated reporting for prudential purposes.

FCA Pillar 3 Disclosures

for the year ended 31 December 2016

Risk management

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management process is overseen by the Compliance Officer, with the Management Committee taking overall responsibility for this process and the fundamental risk appetite of the firm. The Compliance officer has responsibility for the implementation and enforcement of the Firm's risk principles.

Senior Management meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital management, business planning and risk management. Senior Management engage in the Firm's risks through a framework of policy and procedures having regard to the relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Senior Management team has identified that business, operational, market and credit risks are the main areas of risk to which the Firm is exposed. Annually the Senior Management team formally review the risks, controls and other risk mitigation arrangements and assess their effectiveness.

A formal update on operational matters is provided to the Management Committee on a regular basis. Management accounts demonstrating continued adequacy of the firm's regulatory capital are reviewed on a regular basis.

Appropriate action is taken where risks are identified which fall outside of the Firm's tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the firm's mitigating controls.

Specific risks applicable to the Firm come under the headings of business, operational, credit, liquidity and market risks.

Business risk

The Firm's revenue is reliant on the performance of the existing funds under management and its ability to launch new funds/obtain new mandates. As such, the risk posed to the firm relates to underperformance resulting in a decline in revenue and adverse market conditions hindering the launch of new funds and ultimately the risk of redemptions from the funds managed by the firm. This risk is mitigated by ensuring that the firm maintains appropriate levels of capital which will continue to cover all the expenses of the business.

Operational risk

The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Firm has identified a number of key operational risks to manage. These relate to e.g. systems failure, failure of a third party provider, key man, potential for serious regulatory breaches, market abuse. Appropriate policies are in place to mitigate these risks.

Credit risk

The Firm is exposed to credit risk in respect of its debtors, investment management fees billed and cash held on deposit.

The number of credit exposures relating to the Firm's investment management clients is limited. The Firm considers that there is little risk of default by its clients. All bank accounts are held with large international credit institutions.

Given the nature of the Firm's exposures, no specific policy for hedging and mitigating credit risk is in place. The Firm uses the simplified standardised approach detailed in BIPRU 3.5.5 of the FCA Handbook when calculating risk weighted exposures of 1.6% (Cash in Bank) and 8% in respect of its other assets.

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for the year ended 31 December 2016

Credit risk summary

Credit risk exposure	Risk weighting	Risk weighted exposure
Tangible Fixed Assets	8%	£2,351
Cash in the bank	1.6% or 8% subject to institution and FCA rules	£11,800
Inter-company	8%	£9
Prepayments	8%	£1,036
Other debtors	8%	£2,474
VAT	0%	£-

Market risk

Since the Firm takes no trading book positions on its balance sheet, it has only indirect market risk exposure. The Firm's foreign exchange risk therefore would only arise in respect of its debtors, investment management fees receivable and creditors as well as cash balances held in currencies other than GBP.

No specific strategies are adopted in order to mitigate the risk of currency fluctuations.

Positions in foreign currencies are monitored on a regular basis and reported to Senior Management via the management accounts.

The Firm calculates its foreign exchange risk by reference to the rules in BIPRU 7.5.1 of the FCA Handbook and applies an 8% risk factor to its foreign exchange exposure.

Market risk summary

Market risk exposure	Risk weighting	Risk weighted exposure
Foreign currency assets and liabilities	8%	£46

Liquidity risk

The Firm is required to maintain sufficient liquidity to ensure that there is no significant risk that its liabilities cannot be met as they fall due or to ensure that it can secure additional financial resources in the event of a stress scenario.

The Firm retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under normal business conditions. The firm has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this given the cash deposits it holds. The cash position of the firm is monitored by the Management Committee on a regular basis, and the Firm would be able to call on its partners for further capital as required.

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for the year ended 31 December 2016

Regulatory capital

The Firm is a Limited Liability Partnership and its capital arrangements are established in its Partnership deed. Its capital is summarised as follows:

	31/12/2016 £
Members' capital classified as equity	700,000
Total capital	700,000

The main features of the Firm's capital resources for regulatory purposes are as follows:

	31/12/2016 £
Tier 1 capital*	700,000
Tier 2 capital	-
Tier 3 capital**	-
Deductions from Tiers 1 and 2	(370,251)
Total capital resources	329,749
*No hybrid tier one capital is held	
**Note: Tier 3 capital is to be removed under the CRD IV	

Our Firm is small with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its accounts receivable in foreign currency, and credit risk from management fees receivable from the funds under its management. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk.

Limited Licence - The Firm is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge though it considers this as part of its process to identify the level of risk based capital required.

As discussed above the firm is a limited licence firm and as such its capital requirements are:

For a limited licence firm that is a UCITS Investment Firm:

- €50,000; and
- The sum of the market & credit risk requirements; or
- The fixed overheads requirement ('FOR') which is essentially 25% of the firm's operating expenses less certain variable costs.

We have not identified credit risk exposure classes or the minimum capital requirements for market risk as we believe that they are immaterial.

The FOR is calculated, in accordance with FCA rules, based on the firm's previous years audited expenditure. The firm has adopted the simplified standardised approach to credit and market risk and the above figures have been produced on that basis. The firm is not subject to an operational risk requirement.

It is the Firm's policy that the Fixed Overhead Requirement establishes its capital requirements. The Firm's FOR of £286,390 was calculated based on 25% of the fixed expenditure as per the FCA authorisation forecasts in 1st year of being authorised. This is not expected to materially change in the future and the Firm has adequate resources as at 31 December 2016 to meet this requirement.

Capital requirement

The Firm's Pillar 1 capital requirement has been determined by reference to the Firm's Fixed Overheads Requirement ("FOR") and calculated in accordance with the FCA's General Prudential Sourcebook ("GENPRU") at GENPRU 2.1.53. The requirement is based on the FOR since this exceeds the total of the credit and market risk capital requirements it faces and also exceeds its base capital requirement of €50,000.

The FOR is based on annual expenses net of variable costs deducted, which include discretionary bonuses paid to staff, allowable commission and fees and other variable expenditure which has been deducted. The Firm monitors its expenditure on a quarterly basis and takes into account any material fluctuations in order to determine whether the FOR remains appropriate to the size and nature of the business or whether any adjustment needs to be made intra-year.

This is monitored by the Management Committee on a quarterly basis.

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for the year ended 31 December 2016

UK Financial Reporting Council's Stewardship Code

Under Rule 2.2 of the FCA's Conduct of Business Sourcebook (COBS), Widecast Capital LLP is required to include on this website a disclosure about the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "Code") or, where it does not commit to the Code, its alternative investment strategy.

Widecast Capital LLP's investment strategy is to deliver highly diversified exposure to broad factors in equity markets with a focus on mid-small cap stocks. Therefore the Firm will generally have small positions in a very large number of securities across the regions it invests in. The individual stakes that the Firm has in a given company will therefore be small and not significant. Consequently, while the Firm supports the objectives that underlie the Code, the provisions of the Code are not relevant to the type of trading currently undertaken by the Firm.

If the Firm's investment strategy changes in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

A note on materiality

A firm must regard information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purposes of making economic decisions.

A firm must regard information as proprietary information if the sharing of that information with the public would undermine its competitive position.

Proprietary information may include information on products or systems which, if shared with competitors would render the firm's investment in them less valuable.

A firm must regard information as confidential if there are obligations to customers or other counterparty relationships binding the firm to confidentiality.

CEBS has stated that it is unlikely that the disclosure of information relating to remuneration would be confidential or proprietary for firms that have been allowed to aggregate the information due to proportionality. Where there is a limited number of Code Staff then the firm may consider such omissions.

See FCA Templates on Remuneration Code and FAQ for further consideration.