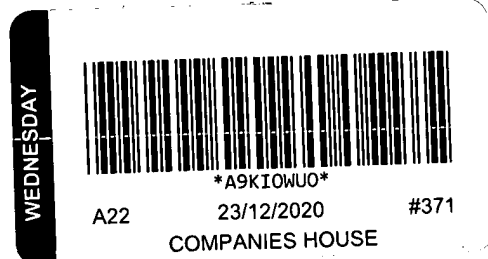


Registered number: OC304213

HARWOOD CAPITAL LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



HARWOOD CAPITAL LLP

INFORMATION

Designated Members

J J Brade
Harwood Capital Management Limited

Members

J D Agnew
T J Sturm

LLP registered number

OC304213

Registered office

6 Stratton Street, Mayfair, London, W1J 8LD

Independent auditors

Simmons Gainsford LLP, 7-10 Chandos Street, London, W1G 9DQ

Bankers

Bank of Scotland, 38 Threadneedle Street, London, EC2P 2EH

Solicitors

Bircham Dyson Bell, 50 Broadway, Westminster, London, SW1H 0BL

HARWOOD CAPITAL LLP

CONTENTS

	Page
Members' report	1 - 3
Independent auditors' report	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 19

HARWOOD CAPITAL LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The members present their annual report together with the audited financial statements of Harwood Capital LLP (the LLP) for the year ended 31 March 2020.

Principal activities

The principal activity of the LLP is to provide investment management and advisory services to active value and private equity clients. The LLP is regulated by the Financial Conduct Authority.

The LLP has an Administration Services Agreement with James Hambro & Partners LLP ('JH&P') whereby JH&P will provide administration services to the private clients of the LLP.

Profit available for discretionary division for the year amounted to £4,414,722 (2019: £5,661,412).

Designated Members

J J Brade and Harwood Capital Management Limited were designated members of the LLP throughout the period.

Members

J D Agnew and T J Sturm were members of the LLP throughout the period. K A Jelley resigned during the year on 30 June 2019.

Members' capital and interests

Any profits are shared among the members as set out in the Limited Liability Partnership Agreement dated 14 October 2016.

The policies for members' drawings, subscriptions and repayment of members' capital are governed by the Limited Liability Partnership Agreement.

Information on the Group's Regulatory Capital disclosure can be found on the LLP's website at www.harwoodcapital.co.uk

Going concern

The financial position of the LLP, its cash balances and liquidity position are reflected on the balance sheet. In addition, the LLP's Pillar 3 disclosures, which are available on www.harwoodcapital.co.uk, describes the LLP's risk management objectives and policies, its capital resources and its approach to assessing the adequacy of its internal capital to support current and future activities.

The LLP has considerable financial resources and ongoing investment management contracts in relation to the funds it manages. As a consequence, the Designated Members believe that the LLP is well placed to manage its business risks successfully. The Designated Members have a reasonable expectation that the LLP has adequate resources 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.

HARWOOD CAPITAL LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Future Developments

The Designated Members of the LLP do not believe that the Coronavirus will have a direct impact on its ability to continue providing its services. The economic environment has become very uncertain following the lock down, however, the LLP has considerable financial resources and ongoing investment management contracts in relation to the funds it manages. The Designated Members will closely monitor the situation and act accordingly to mitigate any impact.

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 or 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 UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by 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.

HARWOOD CAPITAL LLP

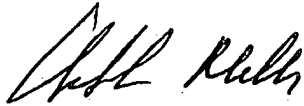
**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that 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 report was approved by the members on 20 July 2020 and signed on their behalf by:



**C H B Mills on behalf of Harwood Capital
Management Limited**
Designated member

HARWOOD CAPITAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARWOOD CAPITAL LLP

Opinion

We have audited the financial statements of Harwood Capital LLP (the 'LLP') for the year ended 31 March 2020, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2020 and of its profit 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

HARWOOD CAPITAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARWOOD CAPITAL LLP (CONTINUED)

Other Information

The members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, 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.

Responsibilities of members

As explained more fully in the Members' responsibilities statement on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

HARWOOD CAPITAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARWOOD CAPITAL LLP (CONTINUED)

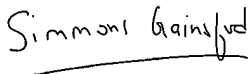
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.


Simmons Gainsford

Atulya Mehta, FCCA (Senior statutory auditor)

for and on behalf of

Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

7-10 Chandos Street
London
W1G 9DQ

20 July 2020

HARWOOD CAPITAL LLP

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	8,503,546	9,372,272
Administrative expenses		(3,737,477)	(3,336,875)
Other operating income	5	25,348	35,000
Operating profit	6	4,791,417	6,070,397
Interest receivable and similar income	10	48,191	71,015
Profit before tax		4,839,608	6,141,412
Profit for the year before members' remuneration and profit shares		4,839,608	6,141,412
Profit for the year before members' remuneration and profit shares		4,839,608	6,141,412
Members' remuneration charged as an expense		(424,886)	(480,000)
Profit for the financial year available for discretionary division among members		4,414,722	5,661,412

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 10 to 19 form part of these financial statements.

HARWOOD CAPITAL LLP
REGISTERED NUMBER: OC304213

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	11	102	102
Current assets			
Debtors: amounts falling due within one year	12	4,379,039	4,827,197
Cash at bank and in hand	13	2,518,889	2,107,668
		<u>6,897,928</u>	<u>6,934,865</u>
Creditors: Amounts Falling Due Within One Year	14	(1,104,402)	(906,074)
Net current assets		5,793,526	6,028,791
Net assets		<u>5,793,628</u>	<u>6,028,893</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	15	3,890,628	4,124,893
Members' other interests			
Members' capital classified as equity		1,903,000	1,904,000
		<u>1,903,000</u>	<u>1,904,000</u>
		<u>5,793,628</u>	<u>6,028,893</u>
Total members' interests			
Loans and other debts due to members	15	3,890,628	4,124,893
Members' other interests		1,903,000	1,904,000
		<u>5,793,628</u>	<u>6,028,893</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



C H B Mills on behalf of Harwood Capital Management Limited
Designated member

Date: 20 July 2020

The notes on pages 10 to 19 form part of these financial statements.

HARWOOD CAPITAL LLP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Members capital (classified as equity) £	Other reserves £	Total equity £
At 1 April 2019	1,904,000	-	1,904,000
Profit for year	-	4,414,722	4,414,722
Allocated profit	-	(4,414,722)	(4,414,722)
Contributions by and distributions to members			
Capital amounts repaid to members	(1,000)	-	(1,000)
At 31 March 2020	<u>1,903,000</u>	<u>-</u>	<u>1,903,000</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Members capital (classified as equity) £	Other reserves £	Total equity £
At 1 April 2018	1,904,000	-	1,904,000
Profit for year	-	5,661,412	5,661,412
Allocated Profit	-	(5,661,412)	(5,661,412)
At 31 March 2019	<u>1,904,000</u>	<u>-</u>	<u>1,904,000</u>

The notes on pages 10 to 19 form part of these financial statements.

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The entity is a limited liability partnership and is incorporated in England and Wales. The address of its registered office is 6 Stratton Street, Mayfair, London, W1J 8LD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see note 3).

The LLP is itself a subsidiary entity and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

The individual accounts of Harwood Capital LLP have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- the total amount of key management compensation
- financial instrument disclosures, including categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments, and exposure to and management of financial risks.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the value of assets under management when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract; and
- the assets under management at the end of the reporting period can be measured reliably.

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.5 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities and equity instruments are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies, are initially measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

2.6 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is GBP.

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 non-monetary items measured at fair value are 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.7 Pensions

Defined contribution pension plan

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the LLP in independently administered funds.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The entity makes estimates and assumptions concerning the future. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The members consider there to be no significant areas of judgements or key sources of estimation uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Fees receivable from the rendering of services	8,503,546	9,372,272

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Service and other fees	25,348	35,000

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Exchange differences	(33,141)	(28,022)
Defined contribution pension cost	94,534	48,320

HARWOOD CAPITAL LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	<u>11,100</u>	<u>11,025</u>
Fees payable to the LLP's auditor in respect of:		
Other services relating to taxation	2,400	2,400
Other (FCA)	<u>9,550</u>	<u>9,450</u>
	<u>11,950</u>	<u>11,850</u>

8. Employees

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	1,426,769	1,095,993
Social security costs	194,252	176,727
Cost of defined contribution scheme	<u>94,534</u>	<u>48,320</u>
	<u>1,715,555</u>	<u>1,321,040</u>

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

	2020	2019
	No.	No.
Office and administration	<u>14</u>	<u>11</u>

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Information in relation to members

	2020 Number	2019 Number
The average number of members during the year was	4	5
	<u>2020</u> £	<u>2019</u> £
The average members remuneration during the year was	1,209,902	1,228,282
	<u>2020</u> £	<u>2019</u> £
The amount of profit attributable to the member with the largest entitlement was	3,689,088	4,924,353

10. Interest receivable

	2020 £	2019 £
Other interest receivable	48,191	71,015

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2019	102
At 31 March 2020	102

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
Harwood Capital Nominees Limited	England and Wales	Dormant	Ordinary	100%
North Atlantic Value GP III Limited	England and Wales	Financial intermediation	Ordinary	100%
North Atlantic Value GP 4 Limited	England and Wales	Financial intermediation	Ordinary	100%
North Atlantic Value GP Scotland 4 LLP	Scotland	Dormant	N/A	100%

12. Debtors

	2020 £	2019 £
Trade debtors	1,177,898	1,183,789
Amounts owed by group undertakings	2,568,846	3,106,954
Other debtors	377,696	81,383
Prepayments and accrued income	254,599	455,071
	<u>4,379,039</u>	<u>4,827,197</u>

13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>2,518,889</u>	<u>2,107,668</u>

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	244,661	30,203
Amounts owed to group undertakings	102	102
Other creditors	42,704	61,395
Accruals and deferred income	816,935	814,374
	<u>1,104,402</u>	<u>906,074</u>

15. Loans and other debts due to members

	2020 £	2019 £
Amounts due to members	<u>3,890,628</u>	<u>4,124,893</u>

Loans and other debts due to members may be further analysed as follows:

	2020 £	2019 £
Falling due within one year	<u>3,890,628</u>	<u>4,124,893</u>

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

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

16. Reconciliation of members' interests

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Amounts due to members				493,496	493,496	
Balance at 1 April 2018	1,904,000	-	1,904,000	493,496	493,496	2,397,496
Members' remuneration charged as an expense	-	-	-	480,000	480,000	480,000
Profit for the year available for discretionary division among members	-	5,661,412	5,661,412	-	-	5,661,412
Members' interests after profit for the year	1,904,000	5,661,412	7,565,412	973,496	973,496	8,538,908
Other division of profits	-	(5,661,412)	(5,661,412)	5,661,412	5,661,412	-
Drawings	-	-	-	(2,510,015)	(2,510,015)	(2,510,015)
Amounts due to members				4,124,893	4,124,893	
Balance at 31 March 2019	1,904,000	-	1,904,000	4,124,893	4,124,893	6,028,893
Members' remuneration charged as an expense	-	-	-	424,886	424,886	424,886
Profit for the year available for discretionary division among members	-	4,414,722	4,414,722	-	-	4,414,722
Members' interests after profit for the year	1,904,000	4,414,722	6,318,722	4,549,779	4,549,779	10,868,501
Other division of profits	-	(4,414,722)	(4,414,722)	4,414,722	4,414,722	-
Repayment of capital	(1,000)	-	(1,000)	-	-	(1,000)
Drawings	-	-	-	(5,073,873)	(5,073,873)	(5,073,873)
Amounts due to members				3,890,628	3,890,628	
Balance at 31 March 2020	1,903,000	-	1,903,000	3,890,628	3,890,628	5,793,628

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

HARWOOD CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

17. Pension commitments

The limited liability partnership operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the entity in an independently administered fund. The pension cost charge represents contributions payable by the entity to the fund and amounted to £94,534 (2019: £48,320). Contributions totalling £42,704 (2019: £30,853) were payable to the fund at the balance sheet date.

18. Related party transactions

The ultimate controlling party of the immediate parent undertaking holds shares in a listed entity which is jointly managed by the LLP.

During the year, the LLP received £3,277,311 (2019: £3,195,945) for the provision of administration and management services to this entity. At the year end, the amount due from this entity was £811,380 (2019: £763,692).

During the year, the LLP received £748,729 (2019: £1,699,792) from an entity managed by the LLP. At the year end, the amount due from this entity was £nil (2019: £107,654).

As at the balance sheet date, the LLP was owed £600,000 (2019: nil) from a fellow subsidiary, this balance is unsecured, interest free and payable on demand.

During the year, the LLP received £25,000 (2019: £25,000) from a joint venture of a member of the group of which the LLP is a member.

At the balance sheet date, the LLP was owed £300,157 (2019: £Nil) from several funds managed by its subsidiary undertakings, these balances are unsecured, interest free and payable on demand.

During the year, £100,000 (2019: £100,000) was paid for the use of company premises to a fellow subsidiary.

A designated member of the LLP, is also a director and one of the key management personnel of the immediate parent undertaking. He is a director of certain investee companies of funds managed or advised by the LLP and in the course of performing his responsibilities may receive fees for services or hold shares or options in those companies.

Members of the LLP, are directors of certain investee companies of funds managed or advised by the LLP and in the course of performing their responsibilities may receive fees for services or hold shares or options in those companies.

19. Controlling party

The immediate and ultimate parent undertaking is Harwood Capital Management Limited which is registered in England and Wales. The consolidated financial statements of Harwood Capital Management Limited are held and are available at 6 Stratton Street, Mayfair, London W1J 8LD.

CHB Mills is the ultimate controlling party in both this and the preceding year by virtue of his shareholding in Harwood Capital Management Limited.