

**Company Registration No. 04280232 (England and Wales)**

**WELLIAN INVESTMENT SOLUTIONS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**



# WELLIAN INVESTMENT SOLUTIONS LIMITED

## COMPANY INFORMATION

---

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | A Durrant<br>R Philbin  |
| <b>Company number</b>    | 04280232  |
| <b>Registered office</b> | C/O Hawksmoor Investment Management<br>17 Dix's Field<br>Exeter<br>EX11QA         |
| <b>Auditor</b>           | Azets<br>2nd Floor<br>Regis House<br>45 King William Street<br>London<br>EC4R 9AN |

---

# **WELLIAN INVESTMENT SOLUTIONS LIMITED**

## **CONTENTS**

---

|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Strategic report                  | 1 - 2       |
| Directors' report                 | 3 - 4       |
| Independent auditor's report      | 5 - 7       |
| Income statement                  | 8           |
| Statement of financial position   | 9           |
| Statement of changes in equity    | 10          |
| Notes to the financial statements | 11 - 24     |

---

# **WELLIAN INVESTMENT SOLUTIONS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE PERIOD ENDED 31 DECEMBER 2021**

---

During the period under review, Wellian Investment Solutions Ltd ("the Company") has, along with the wider business community, continued to face the challenges of the global pandemic. The Company was required to adapt its working practices in order to continue to offer its services. The directors have been very pleased with the performance of the business under the challenging times.

#### **Business Review**

Revenue for the 14 month period grew by 22% from £2,206,586 to £2,700,480. The gross profit margin remained in line with the prior period at 84%. The Company continues to maintain close links to the trading activities of fellow Group companies in order to deliver continued growth.

#### **Assets under Management**

At 31 December 2021 the assets under management of the Company were £1,194m, up 28% from the end of the previous period of £930m.

#### **Cash and Net Asset Position**

At the end of the period the Company held cash of £1,781,677 (2020: £1,039,615). The net assets of the business have also increased from the prior year.

#### **Risk Management**

As part of a larger group, our risk management is aligned with that of our parent company, Hurst Point Group Ltd.

#### **Outlook**

On the 22nd March 2022 Hawksmoor Investment Management Limited acquired the business and assets of Wellian Investment Solutions Limited as part of an internal reorganisation. Both Wellian Investment Solutions and Hawksmoor Investment Management Limited are wholly-owned subsidiaries of Hurst Point Group Limited. The activities of the Company are expected to grow and develop as part of Hawksmoor Investment Management Limited and no service interruption to clients is expected.

#### **Section 172 Report**

The Group recognised that it has a number of stakeholders and that it needs to seek and understand the views of each of these. As such, the following addresses the requirements of section 172 of the Companies Act 2006, which states it must have regard for:

- The likely consequences of any decision in the long term;
- The interest of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company

The Board identifies its key stakeholders as shareholders, clients, employees and advisors, regulators and suppliers. The Board is committed to effective engagement with these stakeholders, ensuring the interests of each are given equal importance when making key decisions.

#### **Shareholders**

The shareholders, Hurst Point, have close involvement in the key decisions and operations of the Company. There is representation from Hurst Point at all leadership team meetings of the Company.

#### **Clients**

Clients remain as the key driver behind decisions. Delivering expert advice and communicating with our clients is an imperative for our continued growth. We aim to provide our clients with timely and personalised communications, with key management personnel maintaining close contact with clients.

# **WELLIAN INVESTMENT SOLUTIONS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

---

### *Employees & Advisors*

The Board receive regular updates in respect of employees and has conducted employee engagement surveys, seeking feedback and suggestions. A number of the suggestions arising out of these surveys have resulted in changes within the Company, with others in progress. The Board have close involvement with senior management. Since the start of the pandemic, the Board have sought to engage in additional communications and have held Company wide virtual updates.

### *Regulators*

Operating in a regulated sector has resulted in the development of strong processes and procedures with regard to regulator engagement. The Company has a dedicated compliance department, who hold a position within the senior leadership team.

### *Suppliers*

The Company aims to conduct itself to the highest standards when dealing with suppliers and aims to pay all invoices promptly. The Board has direct involvement in these matters.

On behalf of the board



**A Durrant**  
**Director**

26 April 2022

# **WELLIAN INVESTMENT SOLUTIONS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 31 DECEMBER 2021**

---

The directors present their annual report and financial statements for the period ended 31 December 2021.

These financial statements are prepared in accordance with Financial Reporting Standard 101 ("FRS 101").

#### **Principal activities**

The principal activity of the company continued to be that of the provision of discretionary investment management services. Wellian Investment Solutions Limited is authorised and regulated by the Financial Conduct Authority.

#### **Results and dividends**

The results for the period are set out on page 8.

Ordinary dividends were paid amounting to £1,150,000 (2020: £750,000). The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

C Mayo  
A Durrant  
R Philbin

(Resigned 22 March 2022)

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

#### **Auditor**

Azets were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Future developments**

The company has chosen to set out in the company's strategic report information required to be contained in the directors' report in respect of future developments.

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

---

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

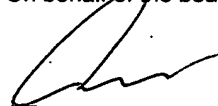
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



A Durrant  
Director

26 April 2022

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WELLIAN INVESTMENT SOLUTIONS LIMITED

---

#### Opinion

We have audited the financial statements of Wellian Investment Solutions Limited (the 'company') for the period ended 31 December 2021 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period 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.

#### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# **WELLIAN INVESTMENT SOLUTIONS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WELLIAN INVESTMENT SOLUTIONS LIMITED**

---

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### **Responsibilities of directors**

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, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF WELLIAN INVESTMENT SOLUTIONS LIMITED

---

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

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.

*Azets Audit Services*

**Robin Haslam (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

**Chartered Accountants**  
**Statutory Auditor**

26 April 2022

2nd Floor  
Regis House  
45 King William Street  
London  
EC4R 9AN

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## INCOME STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2021

|   |       | Period<br>ended<br>31 December<br>2021<br>£ | Year<br>ended<br>31 October<br>2020<br>£ |
|---|-------|---|--|
|   | Notes |   |  |
| Revenue   | 3     | 2,700,480                                   | 2,206,586                                |
| Cost of sales   |       | (441,239)                                   | (364,560)                                |
| <b>Gross profit</b>   |       | <b>2,259,241</b>                            | <b>1,842,026</b>                         |
| Administrative expenses   |       | (837,134)                                   | (707,527)                                |
| Exceptional items   | 4     | 448,873                                     | -  |
| <b>Operating profit</b>   | 5     | <b>1,870,980</b>                            | <b>1,134,499</b>                         |
| Finance costs   |       | (2,287)                                     | (3,449)                                  |
| <b>Profit before taxation</b>   |       | <b>1,868,693</b>                            | <b>1,131,050</b>                         |
| Tax on profit   | 9     | -   | (115,910)                                |
| <b>Profit and total comprehensive income for the financial period</b> |       | <b>1,868,693</b>                            | <b>1,015,140</b>                         |

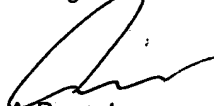
# WELLIAN INVESTMENT SOLUTIONS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

|                                | Notes | 2021<br>£ | £         | 2020<br>£ | £         |
|--------------------------------|-------|-----------|-----------|-----------|-----------|
| <b>Non-current assets</b>      |       |           |           |           |           |
| Intangible assets              | 11    | 98,535    |           | 123,917   |           |
| Property, plant and equipment  | 12    | 9,671     |           | 42,768    |           |
|                                |       |           | 108,206   |           | 166,685   |
| <b>Current assets</b>          |       |           |           |           |           |
| Trade and other receivables    | 13    | 259,206   |           | 225,518   |           |
| Cash and cash equivalents      |       | 1,781,677 |           | 1,039,615 |           |
|                                |       | 2,040,883 |           | 1,265,133 |           |
| <b>Current liabilities</b>     |       |           |           |           |           |
| Trade and other payables       | 14    | 229,345   |           | 85,797    |           |
| Taxation and social security   |       | 24,878    |           | 138,559   |           |
| Lease liabilities              | 15    | 6,958     |           | 26,701    |           |
|                                |       | 261,181   |           | 251,057   |           |
| <b>Net current assets</b>      |       |           | 1,779,702 |           | 1,014,076 |
| <b>Non-current liabilities</b> |       |           |           |           |           |
| Lease liabilities              | 15    | -         |           | 11,546    |           |
|                                |       | -         |           | 11,546    |           |
| <b>Net assets</b>              |       |           | 1,887,908 |           | 1,169,215 |
| <b>Equity</b>                  |       |           |           |           |           |
| Called up share capital        | 18    | 630,000   |           | 630,000   |           |
| Retained earnings              |       | 1,257,908 |           | 539,215   |           |
| <b>Total equity</b>            |       | 1,887,908 |           | 1,169,215 |           |

The financial statements were approved by the board of directors and authorised for issue on 26 April 2022 and are signed on its behalf by:



A Durrant  
Director

Company Registration No. 04280232

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

|  | Notes | Share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>£  |
|--|-------|-----------------------|---------------------------|-------------|
| <b>Balance at 1 November 2019</b>                    |       | 630,000               | 274,075                   | 904,075     |
| <b>Year ended 31 October 2020:</b>                   |       |                       |                           |             |
| Profit and total comprehensive income for the year   |       | -                     | 1,015,140                 | 1,015,140   |
| Dividends  | 10    | -                     | (750,000)                 | (750,000)   |
| <b>Balance at 31 October 2020</b>                    |       | 630,000               | 539,215                   | 1,169,215   |
| <b>Period ended 31 December 2021:</b>                |       |                       |                           |             |
| Profit and total comprehensive income for the period |       | -                     | 1,868,693                 | 1,868,693   |
| Dividends  | 10    | -                     | (1,150,000)               | (1,150,000) |
| <b>Balance at 31 December 2021</b>                   |       | 630,000               | 1,257,908                 | 1,887,908   |

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

#### Company information

Wellian Investment Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/O Hawksmoor Investment Management, 17 Dix's Field, Exeter, EX11QA. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101, where applicable:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment, (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Harwood Wealth Management Group Ltd. The group accounts of Harwood Wealth Management Group Ltd are available to the public and can be obtained as set out in note 20.

#### 1.2 Reporting period

The period of financial reporting covers the 14 months from 1 November 2020 to 31 December 2021. The prior period covers the year, 1 November 2019 to 31 October 2020. Thereafter the company will report on an annual basis.

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The directors have reviewed projections for the period to 30 April 2023 using assumptions which the directors consider to be appropriate to the current financial position of the Company with regard to its revenue and cost base, together with requirements to make payments to its parent Company, to allow that Company to meet its expenses and service its obligations. These projections show that the Company is shown to be able to operate within its current level of resources for a period of at least 12 months from the date of approval of the financial statements. The Company's going concern assumption is based on the outcome of a variety of scenarios that demonstrate the Company's ability to withstand market disruption - both in terms of the turbulence in equity markets and any potential reluctance of clients to further invest during such times of turbulence. After making enquiries and having regard to the FRC's guidance for Companies on COVID 19 issued in March 2020, the directors have a reasonable expectation that the Company has adequate capital resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in the preparation of these financial statements.

In assessing the Company's viability, the directors have assumed that there is no material improvement in market conditions and that the disruption to normal working patterns as a result of COVID 19 does not improve significantly over this period. The directors have stress tested these assumptions, considering a further downturn in the market, which would result in a lower level of revenue. These reductions could be partly offset by cost savings. This stress testing did not indicate an inability of the Company to meet its cash requirements as they fall due for the foreseeable future.

#### 1.4 Revenue

Fees for management, processing and administration charges and other services are recognised over time as the services are provided to reflect the satisfaction of the performance obligation. Income is shown net of any Value Added Tax.

Interest income represents bank interest receivable on cash balances and is recognised as it is earned.

#### 1.5 Intangible assets other than goodwill

Other than goodwill, intangible assets with finite useful lives that are acquired externally are carried at cost less accumulated amortisation and impairment losses.

Expenditure on acquired client portfolios is capitalised in the period in which the acquisition is agreed.

The cost of a purchased intangible asset is the purchase price plus any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

Amortisation is recognised on a combined reducing balance / straight line method basis starting from the month of acquisition, over the estimated useful lives of the assets as below. The amortisation charge is included within administration expenses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Client relationships: 15 years useful life;

- 17.5% reducing balance for 8 years, remaining balance straight line over 7 years

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                              |                            |
|------------------------------|----------------------------|
| Leasehold land and buildings | over the term of the lease |
| Fixtures and fittings        | 5-12 years straight line   |
| Plant and equipment          | 4 years straight line      |
| Computers                    | 3 years straight line      |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.7 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible 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 the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.



# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Trade and other receivables**

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Impairment of financial assets**

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

##### **Derecognition of financial assets**

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.

##### **Accrued income**

Accrued income represents fees due from services provided before the reporting date.

#### 1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Trade and other payables**

Trade and other payables are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### 1.15 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations - see note 14).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assess the profitability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If they carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

Rentals payable under short term or low value leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. In the prior period rentals payable under operating leases, less any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time periods in which economic benefits from the lease asset are consumed.

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.16 Consolidation

The company is a wholly owned subsidiary of Harwood Wealth Management Group Ltd and is included in that company's consolidated financial statements, which are publically available. Therefore, the company is exempt by virtue of section 40D of the Companies Act 2006 from the requirements to prepare consolidated financial statements. These financial statements comprise the separate financial statements of the company.

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Critical judgements

##### Intangible asset life

Intangible assets with a carrying value of £123,917 at the year-end are amortised over their estimated useful lives. In the case of client relationships, this estimation reflects the Directors' expectation of client attrition, based on the group's experience of similar acquisitions. The expected useful life is 15 years, but the directors believe the pattern of expected attrition is higher in the earlier years. For this reason, the rate of amortisation has been selected as 17.% on the reducing balance for the first 8 years of the expected useful life, and straight line for the remaining period.

### 3 Revenue

An analysis of the company's revenue from contracts with customers is as follows, all attributable to activities undertaken wholly in the UK:

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| <b>Revenue analysed by class of business</b> |           |           |
| Fee income                                   | 2,700,480 | 2,206,586 |

Revenues in respect of discretionary fund management fees are variable depending on movements in the values of the investments which are the subject of the fee arrangement.

This variability is outside the control of the company, but is known at the reporting date and is not subject to future uncertainty.

Contract assets are very short term and generally settled within 30 days. All contract assets recognised at the period end are, therefore, recognised in revenue in the one to two months following the period end.

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 4 Separately disclosed items

|             | 2021<br>£ | 2020<br>£ |
|-------------|-----------|-----------|
| Income      |           |           |
| VAT reclaim | 448,873   | -         |

### 5 Operating profit

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| Operating profit for the period is stated after charging/(crediting):       |           |           |
| Depreciation of property, plant and equipment                               | 35,843    | 31,749    |
| Amortisation of intangible assets (included within administrative expenses) | 25,382    | 26,376    |

### 6 Auditor's remuneration

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| Fees payable to the company's auditor and associates: |           |           |
| <b>For audit services</b>                             |           |           |
| Audit of the financial statements of the company      | 5,000     | 12,000    |
| <b>For other services</b>                             |           |           |
| Tax services  | 1,500     | -         |
| Other services  | 1,000     | -         |
| Total non-audit fees                                  | 2,500     | -         |

Tax and other services fees were paid by Harwood Wealth Management Group Limited in the prior year.

### 7 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

|                | 2021<br>Number | 2020<br>Number |
|----------------|----------------|----------------|
| Administration | 6              | 7              |
| Directors      | 3              | 3              |
| Total          | 9              | 10             |

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 7 Employees

(Continued)

Their aggregate remuneration comprised:

|                       | 2021<br>£      | 2020<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 475,864        | 389,559        |
| Social security costs | 53,371         | 42,510         |
| Pension costs         | 9,347          | 6,592          |
|                       | <u>538,582</u> | <u>438,661</u> |

### 8 Directors' remuneration

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| Remuneration for qualifying services                          | 245,372        | 200,619        |
| Company pension contributions to defined contribution schemes | 4,734          | 2,090          |
|   | <u>250,106</u> | <u>202,709</u> |

The emoluments of the highest paid director were:

|                      |                |                |
|----------------------|----------------|----------------|
| Aggregate emoluments | <u>159,708</u> | <u>124,589</u> |
|----------------------|----------------|----------------|

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020: 2)

### 9 Taxation

|  | 2021<br>£ | 2020<br>£      |
|--|-----------|----------------|
| <b>Current tax</b>                                   |           |                |
| UK corporation tax on profits for the current period | <u>-</u>  | <u>115,910</u> |

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 9 Taxation

(Continued)

The charge for the period can be reconciled to the profit per the income statement as follows:

|  | 2021<br>£ | 2020<br>£      |
|--|-----------|----------------|
| Profit before taxation   | 1,868,693 | 1,131,050      |
| Expected tax charge based on a corporation tax rate of 19.00% (2020: 19.00%) | 355,052   | 214,900        |
| Effect of expenses not deductible in determining taxable profit              | -         | 1,033          |
| Group relief   | (360,331) | (105,745)      |
| Amortisation on assets not qualifying for tax allowances                     | 5,279     | 5,011          |
| Other timing differences   | -         | 711            |
| <b>Taxation charge for the period</b>  | <b>-</b>  | <b>115,910</b> |

#### 10 Dividends

|                                      | 2021<br>per share<br>£ | 2020<br>per share<br>£ | 2021<br>Total<br>£ | 2020<br>Total<br>£ |
|--------------------------------------|------------------------|------------------------|--------------------|--------------------|
| Amounts recognised as distributions: |                        |                        |                    |                    |
| <b>Ordinary shares</b>               |                        |                        |                    |                    |
| Interim dividend paid                | 1.83                   | 1.19                   | 1,150,000          | 750,000            |

#### 11 Intangible fixed assets

|                                    | Client<br>relationships<br>£ |
|------------------------------------|------------------------------|
| <b>Cost</b>                        |                              |
| At 31 October 2020                 | 412,911                      |
| At 31 December 2021                | 412,911                      |
| <b>Amortisation and impairment</b> |                              |
| At 31 October 2020                 | 288,994                      |
| Charge for the year                | 25,382                       |
| At 31 December 2021                | 314,376                      |
| <b>Carrying amount</b>             |                              |
| At 31 December 2021                | 98,535                       |
| At 31 October 2020                 | 123,917                      |

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 12 Property, plant and equipment

|  | Leasehold<br>land and<br>buildings | Fixtures and<br>fittings | Plant and<br>equipment | Computers | Total   |
|--|------------------------------------|--------------------------|------------------------|-----------|---------|
|  | £                                  | £                        | £                      | £         | £       |
| <b>Cost</b>  |                                    |                          |                        |           |         |
| At 31 October 2020                                 | 63,578                             | 7,656                    | 9,647                  | 43,650    | 124,531 |
| Additions  | -                                  | -                        | -                      | 2,746     | 2,746   |
| At 31 December 2021                                | 63,578                             | 7,656                    | 9,647                  | 46,396    | 127,277 |
| <b>Accumulated depreciation and<br/>impairment</b> |                                    |                          |                        |           |         |
| At 31 October 2020                                 | 26,308                             | 7,656                    | 9,487                  | 38,312    | 81,763  |
| Charge for the period                              | 30,693                             | -                        | 160                    | 4,990     | 35,843  |
| At 31 December 2021                                | 57,001                             | 7,656                    | 9,647                  | 43,302    | 117,606 |
| <b>Carrying amount</b>                             |                                    |                          |                        |           |         |
| At 31 December 2021                                | 6,577                              | -                        | -                      | 3,094     | 9,671   |
| At 31 October 2020                                 | 37,270                             | -                        | 160                    | 5,338     | 42,768  |



# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 12 Property, plant and equipment

(Continued)

Property, plant and equipment includes right-of-use assets, as follows:

| Right-of-use assets                | 2021<br>£ | 2020<br>£ |
|------------------------------------|-----------|-----------|
| Net values                         |           |           |
| Property                           | 6,577     | 37,270    |
| Depreciation charge for the period |           |           |
| Property                           | 30,693    | 26,308    |

### 13 Trade and other receivables

|                                | 2021<br>£ | 2020<br>£ |
|--------------------------------|-----------|-----------|
| Trade receivables              | 10,062    | -         |
| Contract assets                | 198,632   | 173,960   |
| Prepayments and accrued income | 50,332    | 51,378    |
|                                | 259,026   | 225,338   |
| Deferred tax asset             | 180       | 180       |
|                                | 259,206   | 225,518   |

### 14 Trade and other payables

|                              | 2021<br>£ | 2020<br>£ |
|------------------------------|-----------|-----------|
| Trade payables               | 78,444    | 6,365     |
| Accruals and deferred income | 4,900     | 6,500     |
| Other payables               | 146,001   | 72,932    |
|                              | 229,345   | 85,797    |

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 15 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

|                         | 2021<br>£    | 2020<br>£     |
|-------------------------|--------------|---------------|
| Current liabilities     | 6,958        | 26,701        |
| Non-current liabilities | -            | 11,546        |
|                         | <u>6,958</u> | <u>38,247</u> |

|   | 2021<br>£    | 2020<br>£    |
|---|--------------|--------------|
| Amounts recognised in profit or loss include the following: |              |              |
| Interest on lease liabilities                               | <u>2,287</u> | <u>3,449</u> |

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

|  | Decelerated<br>capital<br>allowances<br>£ |
|--|---|
| Deferred tax asset at 1 November 2020 and 31 December 2021 | <u>180</u>                                |

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

### 17 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £9,347 (2020 - £6,592).

# WELLIAN INVESTMENT SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

### 18 Share capital

|   | 2021<br>Number | 2020<br>Number | 2021<br>£ | 2020<br>£ |
|---|----------------|----------------|-----------|-----------|
| Ordinary share capital<br>Issued and fully paid |                |                |           |           |
| Ordinary shares of £1 each                      | 630,000        | 630,000        | 630,000   | 630,000   |

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 19 Events after the reporting date

On the 22nd March 2022 Hawksmoor Investment Management Limited acquired the business and assets of Wellian Investments Solutions Limited as part of an internal re-organisation.

Both Wellian Investment Solutions Limited and Hawksmoor Investment Management Limited are wholly owned subsidiary of Hurst Point Group Limited. The consideration was £98,254, representing the net book value of the business in the accounting records of Wellian Investment Solutions Limited.

### 20 Controlling party

The immediate parent company of Wellian Investment Solutions Limited is Hurst Point Group Limited. The smallest group of undertakings for which consolidated accounts incorporating Wellian Investment Solutions Limited are prepared is Hurst Point Midco Ltd (registered in Jersey) and the largest group of undertakings for which group consolidated accounts are drawn up is Hurst Point Topco Ltd (registered in Jersey). These financial statements are not available for public use and there are no other entities which prepared consolidated accounts available for public use. The registered office of the immediate parent is 44 Esplanade, St Helier, Jersey, JE4 9WG.

The company's ultimate parent undertaking is Carlyle Global Financial Services Partners III, L.P (a Cayman Islands registered partnership).