

BARWOOD CAPITAL LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**



BARWOOD CAPITAL LIMITED

COMPANY INFORMATION

Directors

A Barlow
G L Brogden
S J Chambers
H M Elrington
J A Greenslade
E G Henson
A J Rudge
G Wood

Company secretary

EMW Secretaries Limited

Registered number

06884336

Registered office

Grafton House
Pury Hill Business Park
Towcester
Northamptonshire
NN12 7LS

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Victoria House
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Milton Keynes
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Bankers

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BARWOOD CAPITAL LIMITED

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BARWOOD CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

The Company is principally engaged in UK regional property investment and development management.

Business review

In the year ended 31 March 2023, Barwood Capital Limited (the Company) generated a net operating profit of £3,395,470 (2022: £3,971,661).

The Company continues to build on its outstanding track record of delivering above average returns to its investors. Since 2009, the Company has created over £1 billion of value in regional real estate and delivered an average Net Investor IRR of 12.3% per annum to date on its fully realised commercial Funds and an average 1.3x investor equity multiple on its fully realised residential Funds.

The Company is authorised by the Financial Conduct Authority (FCA) to establish, operate or wind up unregulated collective investment schemes (Funds) whose main purpose is to invest in permitted immovable property in the UK or abroad.

Russia's invasion of Ukraine in February 2022 caused a global shock with equities declining, commercial property prices falling and bond yields rising. Central banks started to raise interest rates to contain rampant inflation caused by global supply chain disruption and soaring commodity prices, particularly oil, gas and wheat. The ill-fated Autumn mini-budget compounded these risks and created more uncertainty within the financial markets, negatively impacting the Company's fund raising activities as well as deployment of capital. Despite these challenges, the Company's operational cashflow remains healthy and it continues to deliver double digit returns for each of its actively managed Funds. The Company continues to promote good mental health and wellbeing initiatives within the business to ensure staff feel fully engaged and valued. The Company recently subscribed to "Investors In People" with staff scoring the business highly, confirming that they are proud to work for Barwood Capital.

Commercial Funds

The Company's three prior 5-year closed-ended commercial funds, being the 2009 Income Fund, the 2012 Growth Fund and the 2015 Growth Fund were wound up in 2016, 2018 and 2022 delivering net investor returns of 12% per annum (1.6x equity multiple), 16% per annum (1.9x equity multiple) and 13% per annum (1.4x equity multiple) respectively.

Barwood Property 2017 LP (Growth Fund III), the Company's third Fund in its Growth Fund series, is a 5-year closed-ended fund investing in regional commercial and alternative opportunities in the UK and was closed in February 2018. Around 75% of its equity is committed to the industrial sector which included five speculative industrial warehouse projects, the multi-let industrial (MLI) programme and a mixed-use scheme comprising an industrial warehouse, a hotel, petrol filling station and three drive-thrus. The Growth Fund III also had an allocation to the alternative property sector with around 25% committed to care homes and a single residential development. A further £30m of co-investment was raised to support four of the speculative industrial warehouse projects and Growth Fund III was fully committed by the end of the investment period in May 2019. By May 2022, Growth Fund III had sold its consented residential care home site at Ashbourne to Avante Care, leaving just the MLI portfolio including Hastingwood, that was under offer to a UK listed REIT, although the sale subsequently fell through in June 2022, partly driven by the uncertainty in the property market. The portfolio is under offer once again to a US recap specialist which will allow existing investors to either exit or remain invested in the recapitalised Fund. The transaction completed on 16th June 2023 and delivered a healthy return to both the exiting and remaining Fund's investors.

BARWOOD CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Business review (continued)

Barwood Regional Property Growth Fund IV LP (Growth Fund IV), the Company's fourth Fund in its Growth Fund series, completed its final close on 8 January 2021 raising £60.5m from its direct investor base and a further £46m through co-investment. The principal objective of Growth Fund IV is to provide its investors with returns through capital appreciation by acquiring either development sites and/or underperforming or obsolete property assets across the UK regional market, which have the potential for significant value to be added through planning, development, major capex initiatives and active asset management. Growth Fund IV secured ten projects which include four speculative industrial warehouse sites, a re-purposing opportunity from retail to industrial, an office refurbishment, an asset management led initiative and three sites allocated for care home use. In 2022, Growth Fund IV sold two completed speculative warehouse development schemes at Sittingbourne and Bardon, having received unsolicited offers above market value. In the same year, it also sold one of its care home sites at Guildford to Barchester Healthcare following the receipt of planning consent to build a 60-bed care home. During the year, Growth Fund IV commenced development at Maple Cross, Nottingham and Richmond following successful planning consents. The multi-unit site at Sheffield achieved practical completion in the year with occupational interest remaining strong, and planning consent was achieved at West Malling for a 75-bed care home.

BCCIM was formed at the start of 2021 offering a unique joint venture between the Company and Caisson Investment Management Limited, an experienced MLI and urban logistics specialist. BCCIM's principal objective is to acquire UK regional MLI and urban industrial property with asset management potential and strong rental and capital growth prospects on behalf of the Urban Industrial Income LP (UII). UII has raised £29.2m and secured five assets to date.

Barwood Regional Property Growth Fund V LP (Growth Fund V), the Company's fifth Fund in its Growth Fund series, completed its first close on 30 June 2022 and three subsequent closes, raising just over £42m from its direct investor base to date. The principal objective of Growth Fund V is to provide its investors with returns by taking advantage of opportunities to achieve growth through sustainable development, major capex, repositioning, and repurposing strategies in UK regional real estate, driven by continued economic trends, consumer behaviour and technology advances that have been accelerated by the Covid-19 pandemic. Growth Fund V has already secured three assets which includes one speculative industrial warehouse site in Bristol and two care home sites in Greenwich and Bracknell respectively.

Residential Funds

The Barwood Residential Investment Platform (BRIP), the Company's platform dedicated to residential property development, was launched approximately four and a half years ago. BRIP partners with established developers to acquire and develop small to medium residential sites in good locations with proven demand. The first BRIP Package closed in September 2018 raising £4.9m and was fully invested in five sites at New Malden, Sutton, Benenden and Tongham, together with a site in Deanshanger which it invested in jointly with the second BRIP Package. The BRIP Package divested its final asset in 2021 returning a total of £6.23m to investors including £1.38m of profit, delivering a 1.28x investor equity multiple.

The second BRIP Package (BRIP 2) closed in March 2019 raising £4.4m and was fully invested in five sites at Wimbledon, Send, Royston, Tonbridge, together with a share in Deanshanger. BRIP 2 divested its final asset in February 2023 returning a total of £5.52m to investors including £1.16m of profit, delivering a 1.27x investor equity multiple.

The third BRIP Package (BRIP 3) closed in September 2020 raising £4m and was fully invested in six sites at Blakeney, Hunsingore, Highcliffe, Long Buckby together with a share in Tonbridge and Paddock Wood. BRIP 3 returned the proceeds at Tonbridge, Blakeney, Hunsingore and Highcliffe totalling £4.76m (inc. £1.68m of profit) and equating to 1.19x investor equity multiple to date. BRIP 3 is on track to exceed its target minimum equity multiple of 1.25x.

BARWOOD CAPITAL LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Business review (continued)

The fourth BRIP Package (BRIP 4) closed in February 2021 raising £4.8m and was fully invested in five sites at Hallow, Bethersden, Wimbledon, Maidenhead and a share in Paddock Wood. BRIP 4 returned the proceeds at Bethersden totalling £0.82m (inc. £0.22m of profit) and equating to circa 20% of the original investment. BRIP 4 is on track to exceed its target minimum equity multiple of 1.25x.

The fifth BRIP Package (BRIP 5) closed in August 2021 raising £5.4m, exceeding the target raise of £4m and was fully invested in six sites at Ashford Hill, Whyteleafe, Weybridge, Woking, Wood Burcote and a share in Maidenhead. The sixth BRIP Package (BRIP 6) closed in March 2022 and reached the maximum commitment level of £5.5m within 24 hours of opening the Package for investment, significantly exceeding the target raise of £4m. BRIP 6 was fully invested in five sites at Nailsea, Ramsden Heath, Poole and a share in both Worcester Park and Salcombe. The seventh BRIP Package (BRIP 7) was raised in October 2022 with total commitments of £4.9m. To date, BRIP 7 has invested in five sites at Greet and also shares in both Worcester Park, Salcombe, Kingston Hill and Fressingfield. The eighth BRIP Package (BRIP 8) was raised in March 2023 with total commitments of £4.1m. To date, BRIP 8 has co-invested in two sites at Fressingfield and Kingston Hill. The BRIP platform continues to have a healthy pipeline and the Company remains confident of delivering strong returns to its investors.

The Company earns fees from the management and operation of its Funds and is entitled to a share of the overall profits that each Fund achieves above a minimum return to its investors. The timing of these profit share receipts has a material impact on the financial results of the Company. The promote earned on the BRIP platform along with the planning fee earned on the Maple Cross project in Growth Fund IV would have contributed positively to the Company's financial results this year.

The Company recognises its responsibility to the environment and to society as a whole and recognises that it has a duty to minimise the impact on global warming as far as is possible while trying to have a positive impact to society. All investment decisions have to adhere to the Responsible Investment Policy which is being adopted in 2023. In addition to this, all projects and all investment decisions taken at Investment Committee have to be signed off by the Head of Sustainability or a Board Director taking responsibility for Sustainability. As the environmental impact of real estate is of critical importance Barwood have developed a bespoke Sustainability Index which allow each project to be given a score based on our four pillars of sustainability, plan zero; creating desirable places; investing in people and ethical business. This ensures that a project can be judged on its impact to society and the environment.

The Company's directors believe that its investment strategies are strong and resilient, notwithstanding the current global economic challenges, and the property fundamentals underpinning them remain compelling. The Company has a very healthy pipeline of opportunities that significantly exceed current funds available. The Company intends to continue to launch new product offerings to meet an increasing level of investor appetite. The Company's directors are confident that it will continue to deliver strong returns from its existing property Funds, whilst continually exploring new opportunities for business growth.

Key performance indicators

The directors assess the Company's performance using the following key performance indicators:

- Operating Profit was £3,395,470 (2022: £3,971,661) for the period ending 31 March 2023. This provides a measure of the returns from the Company's activities after operating costs have been accounted for.
- Current assets under management plus available cash were £515m at 31 March 2023 (2022: £462m). This provides a measure of the investment and management of funds raised by the Company.
- Value created from property assets invested in since inception (2009) is £1,101m (2022: £1,001m).
- Average Investor IRR achieved from Commercial Funds realised to date is 12.3% (2022: 13.7%).
- Average Equity Multiple achieved from Residential Packages to date is 1.28x (2022: 1.27x).

BARWOOD CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Results and dividends

The profit for the year, after taxation, amounted to £2,720,120 (2022: £3,188,133).

The net current assets for the year amounted to £6,487,030 (2022: £4,038,398).

A dividend of £Nil was paid in the year (2022: £1,219,891).

Directors

The directors who served during year and after year end were:

A Barlow
G L Brogden
S J Chambers
H M Elrington
J A Greenslade
E G Henson
A J Rudge
G Wood

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- 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.

Future developments

There is currently no plan to materially change the operations of the Company during the coming year.

Qualifying third-party indemnity provisions

The Company has granted an indemnity to all of its directors against liability in respect of proceedings brought by third-parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

BARWOOD CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Post balance sheet events

The Company provided £550,000 as part of a working capital facility for one of its investment undertakings.

Small companies exemption

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption.

This report was approved by the board and signed on its behalf.

Hugh Elrington

H M Elrington
Director

Date: 21/7/2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWOOD CAPITAL LIMITED

Opinion

We have audited the financial statements of Barwood Capital Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, 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 company's affairs as at 31 March 2023 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.

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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as inflation of interest rates due to the Russia/Ukraine war and cost of living increases, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWOOD CAPITAL LIMITED
(CONTINUED)**

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 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 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 the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWOOD CAPITAL LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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 Directors' report.

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 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; or
- the directors were not entitled to prepare financial statements in accordance with the small companies' and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWOOD CAPITAL LIMITED (CONTINUED)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We enquired of management and those charged with governance, concerning the company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations; and
 - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquires to relevant supporting documentation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions;
 - the Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the company's compliance with regulatory requirements
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWOOD CAPITAL LIMITED
(CONTINUED)**

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates;
 - understanding of the legal and regulatory requirements specific to the Company including;
 - the provisions of the applicable legislation;
 - the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions

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 Auditor's report.

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.

Grant Thornton UK LLP

Taras Kulyk, ACCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date: 21/7/2023

BARWOOD CAPITAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	3,646,727	2,750,554
Gross profit		3,646,727	2,750,554
Administrative expenses		(4,697,037)	(4,036,900)
Exceptional administrative expenses	13	-	(615,238)
Other operating income	5	4,445,780	5,873,245
Operating profit	6	3,395,470	3,971,661
Interest receivable and similar income	10	2,805	20,061
Interest payable and similar charges	11	(34,548)	(40,728)
Profit before tax		3,363,727	3,950,994
Tax on profit	12	(643,607)	(762,861)
Profit for the financial year		2,720,120	3,188,133

There was no other comprehensive income for 2023 (2022: £Nil).

All results are derived from continuing operations.

The notes on pages 14 to 34 form part of these financial statements.

BARWOOD CAPITAL LIMITED
REGISTERED NUMBER:06884336

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	14	33,537	113,850
Investments	15	333,728	8
		<u>367,265</u>	<u>113,858</u>
Current assets			
Debtors: amounts falling due within one year	16	6,647,469	2,824,776
Cash at bank and in hand	17	1,817,866	2,720,235
		<u>8,465,335</u>	<u>5,545,011</u>
Creditors: amounts falling due within one year	18	(1,978,305)	(1,506,613)
Net current assets		<u>6,487,030</u>	<u>4,038,398</u>
Total assets less current liabilities		<u>6,854,295</u>	<u>4,152,256</u>
Provisions for liabilities			
Deferred tax	19	(4,199)	(22,280)
Net assets		<u><u>6,850,096</u></u>	<u><u>4,129,976</u></u>
Capital and reserves			
Called up share capital	20	5,000	5,000
Profit and loss account	21	6,845,096	4,124,976
Total shareholders' funds		<u><u>6,850,096</u></u>	<u><u>4,129,976</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21/7/2023

Hugh Elrington

H M Elrington
Director

The notes on pages 14 to 34 form part of these financial statements.

BARWOOD CAPITAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	5,000	4,124,976	4,129,976
Comprehensive income for the year			
Profit for the year	-	2,720,120	2,720,120
Total comprehensive income for the year	-	2,720,120	2,720,120
At 31 March 2023	5,000	6,845,096	6,850,096

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	5,000	2,156,734	2,161,734
Comprehensive income for the year			
Profit for the year	-	3,188,133	3,188,133
Total comprehensive income for the year	-	3,188,133	3,188,133
Dividends: Equity capital	-	(1,219,891)	(1,219,891)
Total transactions with owners	-	(1,219,891)	(1,219,891)
At 31 March 2022	5,000	4,124,976	4,129,976

The notes on pages 14 to 34 form part of these financial statements.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Barwood Capital Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Grafton House, Pury Hill Business Park, Towcester, Northamptonshire, NN12 7LS.

The principal activity of the Company is detailed in the Directors' report.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 s3.1B "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

2.3 Going concern

Russia's invasion of Ukraine in February 2022 caused a global shock with equities declining, commercial property prices falling and bond yields rising. Central banks started to raise interest rates to contain rampant inflation caused by global supply chain disruption and soaring commodity prices, particularly oil, gas and wheat. The ill-fated Autumn mini-budget compounded these risks and created more uncertainty within the financial markets, negatively impacting the Company's fund raising activities as well as deployment of capital. Despite these challenges, the Company's operational cashflow remains healthy and it continues to deliver double digit returns for each of its actively managed Funds.

The directors therefore consider that the Company will continue in operational existence for the foreseeable future and accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised as the services are performed and overall it is on a straight-line basis over the terms of the agreements.

2.5 Other operating income

Other operating income comprises a share of fund profits and fees received for asset and development management services. The Company is entitled to a share of the overall profits that each Fund achieves above a minimum return to its investors. Other operating income is recognised when the following conditions are satisfied:

- the amount of income can be measured reliably;
- it is probable that the Company will receive the consideration due.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.6 Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Motor vehicles	- 6 years straight-line
Fixtures & fittings	- 5 years straight-line
Office equipment	- 1 - 2 years straight-line
Computer equipment	- 1 - 2 years straight-line

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

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

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in, but not to control or jointly control, the financial and operating policy decisions of the investee. The Company has investments in an associate. The Company measures investments in associates at cost less impairment.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.10 Financial instruments**

The Company only enters into basic financial instrument 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 ordinary shares.

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 Statement of comprehensive income.

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 Company would receive for the asset if it were to be sold at the reporting date.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or are settled; or substantially all of the risks and rewards of ownership of the financial asset have been transferred to another party; or when despite having retained some, but not substantially all, risks and rewards of ownership, control of the asset has been transferred to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.14 Pensions****Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of comprehensive income, when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of comprehensive income or loss using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.18 Joint venture

The entity accounts for all its interest in joint ventures using the cost model. It will subsequently account for the share in profit or loss in the joint venture through the Statement of comprehensive income in the period the profit or loss becomes due and payable.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

Preparation of the financial statements requires the directors to make judgements, estimates and assumptions concerning the future. These are made based on all knowledge, available information and through consultation with professional advisers where necessary. There are not considered to be any such estimates which may give rise to a material adjustment to the carrying amount of assets or liabilities where the actual result is not the same as that predicted.

Impairment of amounts owed by related parties

The assessment of impairment of amounts owed by related parties involves management estimates regarding the future recoverability of these balances and estimation of any provisions for future losses. Management base these estimations on their review and knowledge of each individual related party, taking into account any post year-end events. Actual outcomes may vary to those initially anticipated and this could lead to a material variation in the assets, liabilities and profits reported. Management estimates the recoverable amount of the loan to be nil based on estimated discounted cash flows taking into consideration uncertainties around them and existing shareholder deficit of the associate.

4. Turnover

The whole of the turnover is attributable to the principal activity of the business as detailed in the Directors' report.

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Profit share income	<u>4,445,780</u>	<u>5,873,245</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	54,598	52,450
Operating lease amount	72,566	102,801
(Profit)/loss on disposal of tangible fixed assets	<u>(32,271)</u>	<u>34,323</u>

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Company and subsidiaries' auditor and its associates for the audit of the Company's annual financial statements	34,380	34,000
	<hr/>	<hr/>
Fees payable to the Company's auditor and its associates in respect of:		
Audit-related assurance services	6,600	6,000
Taxation compliance services	3,850	3,500
Other accounting services	2,200	-
	<hr/>	<hr/>
	12,650	9,500
	<hr/>	<hr/>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	3,203,634	2,381,997
Social security costs	417,005	304,541
Cost of defined contribution scheme	127,088	99,292
	<hr/>	<hr/>
	3,747,727	2,785,830
	<hr/>	<hr/>

The average monthly number of employees, including directors, during the year was as follows:

	2023	2022
	No.	No.
Administration	26	23
	<hr/>	<hr/>

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	1,702,830	1,371,536
Company contribution to defined contribution plan	54,469	51,225
	<u>1,757,299</u>	<u>1,422,761</u>

During the year retirement benefits were accruing to 5 directors (2022: 5) in respect of defined contribution pension schemes. Remuneration in respect of the highest paid director was as follows:

	2023	2022
	£	£
Directors' emoluments	410,000	309,232
Company contribution to defined contribution plan	15,500	13,640
	<u>425,500</u>	<u>322,872</u>

10. Interest receivable and similar income

	2023	2022
	£	£
Other interest receivable	2,805	20,061
	<u>2,805</u>	<u>20,061</u>

11. Interest payable and similar charges

	2023	2022
	£	£
Other loan interest payable	33,713	39,043
Finance leases interest	835	1,685
	<u>34,548</u>	<u>40,728</u>

The other loan interest payables includes interest incurred on investments deposited up to the point of investment in BRIP which is payable by the Company of £33,713 (2022: £39,043).

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	663,453	758,004
Adjustments in respect of previous periods	(1,765)	-
Total current tax	<u>661,688</u>	<u>758,004</u>
Deferred tax		
Origination and reversal of timing differences	(20,446)	(645)
Effect of tax rate change on opening balance	2,365	5,502
Total deferred tax	<u>(18,081)</u>	<u>4,857</u>
Taxation on profit on ordinary activities	<u>643,607</u>	<u>762,861</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: *higher than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>3,363,727</u>	<u>3,950,994</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	639,108	750,689
Effects of:		
Fixed asset differences	83	(3,767)
Expenses not deductible for tax purposes	8,723	10,592
Remeasurement of deferred tax for changes in tax rates	(4,907)	5,347
Adjustments to tax charge in respect of prior periods	(1,765)	-
Adjustment to tax charge in respect of prior periods - deferred tax	2,365	-
Total tax charge for the year	<u>643,607</u>	<u>762,861</u>

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation (continued)

Factors that may affect future tax charges

In the Spring budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining 19% as previously enacted). This new law was substantively enacted on 24 May 2023. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13. Exceptional items

	2023	2022
	£	£
Exceptional items	-	615,238

The exceptional charge is made up of the below:

Provision for doubtful debt for Perseus Land and Developments Ltd	515,000
Interest on Perseus Land and Developments Ltd write off	<u>100,238</u>
Total	615,238

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2022	105,000	47,369	32,277	164,665	349,311
Additions	-	419	2,115	4,022	6,556
Disposals	(105,000)	-	-	-	(105,000)
At 31 March 2023	-	47,788	34,392	168,687	250,867
Depreciation					
At 1 April 2022	62,708	7,797	10,432	154,524	235,461
Charge for the year on owned assets	10,021	22,405	14,216	7,956	54,598
Disposals	(72,729)	-	-	-	(72,729)
At 31 March 2023	-	30,202	24,648	162,480	217,330
Net book value					
At 31 March 2023	-	17,586	9,744	6,207	33,537
At 31 March 2022	42,292	39,572	21,845	10,141	113,850

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	-	42,292

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Fixed asset investments

	Investments in subsidiary companies £	Investments in associate £	Other investments £	Total £
Cost				
At 1 April 2022	8	-	-	8
Additions	9,285	50	324,386	333,721
Disposals	(1)	-	-	(1)
At 31 March 2023	<u>9,292</u>	<u>50</u>	<u>324,386</u>	<u>333,728</u>
Net book value				
At 31 March 2023	<u>9,292</u>	<u>50</u>	<u>324,386</u>	<u>333,728</u>
At 31 March 2022	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Barwood Capital (CPF2015) Limited	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
Barwood General Partner 2017 Limited	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
Barwood Capital (CPF2017) Limited	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
Barwood Capital (RIPDM1) Limited	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
Barwood Capital (RIPDM2) Limited	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Barwood General Partner 2017 (Nominee) Limited*	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
Barwood General Partner Growth Fund (IV) Limited	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
BGF4 (Nominee) Limited*	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
BCL Bracknell Limited	Grafton House Pury Hill Business Park Towcester Northamptonshire NN12 7LS	Ordinary	100%
Barwood General Partner Growth Fund V Limited	Grafton House, Pury Hill Business Park, Towcester, Northamptonshire, United Kingdom, NN12 7LS	Ordinary	100%
Barwood Growth Fund V Founder Partner LP	C/O BRODIES LLP, Capital Square 58 Morrison Street, Edinburgh, United Kingdom, EH3 8BP	Ordinary	92.84%

* Indirect subsidiary undertakings of the Company

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit
	£	£
Barwood Capital (CPF2015) Limited	1	-
BCCIM UKRI General Partner Limited	5	1
Barwood General Partner 2017 (Nominee) Limited*	1	-
Barwood Capital (CPF2017) Limited	1	-
Barwood Capital (RIPDM1) Limited	4	1
Barwood Capital (RIPDM2) Limited	4	1
Barwood General Partner Growth Fund (IV) Limited	2	1
BGF4 (Nominee) Limited*	1	-
Barwood General Partner Growth Fund V Limited	1	-
BGF5 (Nominee) Limited*	1	-
Barwood Growth Fund V Founder Partner LP	1	-
BCL Bracknell Limited	1	-

Joint venture

Barwood Capital Limited (BCL) entered into a joint venture agreement with Caisson Investments Management Limited to form BCCIM LLP. The agreement was entered into on 14 September 2020. BCL made an initial commitment of £150,000, however this was not paid to the entity as BCCIM had initial fee income from its operations that covered the fund set up costs. The commitment is a non-basic financial instrument that is measured at fair value. The fair value of this commitment is £Nil as at 31 March 2023.

	2023 £	2022 £
Investment in joint venture	-	-
Share of profits in joint venture	126,062	124,219
Amounts receivable from joint venture	15,111	103,630

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Fixed asset investments (continued)**Associate**

Barwood Capital Limited (BCL) entered into a shareholders agreement with Dunford Holdings and Duncan Ford to have a 50% interest in Perseus Land and Developments Limited for £50. The agreement was entered into on 22 February 2023. BCL recognises the investment at cost.

The following was an associate undertaking of the Company:

Name	Registered office	Class of shares	Holding
Perseus Land and Developments Limited	Grafton House, Pury Hill Business Park, Towcester, Northamptonshire, United Kingdom, NN12 7LS	Ordinary	50%

Other investments without significant influence or control

The following were other undertakings of the Company:

Name	Registered office	Class of shares	Holding
Vennre Ventures Holdings Limited	Nova North, 11 Bressenden Place, London, United Kingdom, SW1E 5BY	Ordinary	- %
BGF4 Eton House ColInvest	Grafton House, Pury Hill Business Park, Towcester, Northamptonshire, United Kingdom, NN12 7LS	Ordinary	0.93%

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Debtors

	2023 £	2022 £
Trade debtors	25,629	-
Amounts owed by related parties	6,143,354	1,069,145
Amounts owed by joint venture	15,111	103,630
Other debtors	456,472	1,646,017
Prepayments	6,903	5,984
	<u>6,647,469</u>	<u>2,824,776</u>

Amounts owed by related parties and joint ventures are unsecured, interest-free and repayable on demand.

17. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>1,817,866</u>	<u>2,720,235</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	102,513	140,686
Amounts owed to group undertakings	184,694	20,358
Amounts owed to related parties	-	357,374
Corporation tax	660,437	758,032
Other taxation and social security	937,079	72,949
Obligations under finance lease and hire purchase contracts	-	52,822
Other creditors	93,582	104,392
	<u>1,978,305</u>	<u>1,506,613</u>

Amounts owed to group undertakings and related parties are unsecured, interest-free and repayable on demand.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Deferred taxation

	2023 £	2022 £
At beginning of year	(22,280)	(17,423)
Credited to profit or loss	18,081	(4,857)
At 31 March	(4,199)	(22,280)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(8,427)	(26,369)
Short-term timing differences	4,228	4,089
	(4,199)	(22,280)

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
5,000 (2022: 5,000) Ordinary shares of £1 each	5,000	5,000

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

21. Reserves**Profit & loss account**

Includes all current and prior period retained profits and losses.

22. Contingent liabilities

The Company had no contingent liabilities at 31 March 2023 or at 31 March 2022.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Not later than 1 year	-	53,656
	<u> </u>	<u> </u>

24. Capital commitments

The Company had no capital commitments at 31 March 2023 or at 31 March 2022.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £127,088 (2022: £99,292). Contributions totalling £16,912 (2022: £16,355) were payable to the fund at the balance sheet date and are included in other creditors and accruals.

26. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	50,690	34,040
Later than 1 year and not later than 5 years	129,105	132,538
	<u> </u>	<u> </u>
	179,795	166,578
	<u> </u>	<u> </u>

27. Commitments

During the year, the Company has made available additional working capital facility of £1,050,000 for one of its investment undertakings. After the year end, £550,000 was drawn against this facility.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

28. Analysis of net debt

	At 1 April 2022 £	Movement in year £	At 31 March 2023 £
Cash at bank and in hand	2,720,235	(902,369)	1,817,866
Finance leases	(52,822)	52,822	-
	<u>2,667,413</u>	<u>(849,547)</u>	<u>1,817,866</u>

29. Related party transactions

The Company has taken the exemption available from disclosing transactions and balances with all wholly owned subsidiary companies forming part of the group of which Barwood Capital Holdings Limited is the ultimate parent undertaking.

During the year the Company provided services (consultancy and promotion) to limited partnerships and their subsidiary undertakings with common members to a value of £6,167,765 (2022: £6,024,736), of which £5,142,242 (2022: £815,401) were outstanding at the end of the year.

During the year the Company also provided services in exchange for management fees to companies under common control totalling £1,749,551 (2022: £1,038,791) of which £4,900 (2022: £Nil) were outstanding at the end of the year.

During the prior years the Company provided a 15% interest bearing unsecured loan to an entity under common control repayable on 31 December 2021. As at 31 March 2023, the principal balance of £515,000 (2022: £515,000) was outstanding interest receivable was £100,238 (2022: £100,238). The principal balance and outstanding interest balance amounting to £615,238 (2022: £615,238) has been fully provided as noted in note 13.

During the year directors provided loans amounting to £Nil (2022: £Nil) to the Company. Fees of £Nil (2022: £Nil) and interest charged at a rate of 3% of £Nil (2022: £2,117) were paid in the year. The loans were fully settled in the prior year.

During the year, the entity had an interest payable on amounts received from BRIP investments. The amount payable amounted to £33,713 (2022: £39,043). Under the terms for investing in BRIP, investors are entitled to receive 1% interest when depositing their equity commitment in full from the date of deposit to the date of investment in BRIP. The interest payable was based on amounts invested in BRIP 6 of £5.5m and BRIP 7 of £4.9m (2022: BRIP 3 of £4.01m, BRIP 4 of £4.862m and BRIP 5 of £5.4m). In the current year there were £2.1m undrawn balances (2022: £Nil).

30. Immediate and ultimate controlling party

The Company's immediate parent undertaking is Barwood Capital Holdings Limited, by virtue of its 100% shareholding. The Company's ultimate parent undertaking is Barwood Holdings Limited. On 16th June 2023, Barwood Capital Holdings Limited re-purchased 65% of the shares from its shareholders and transferred the remaining shareholding into a newly incorporated parent company called Barwood Holdings Limited. The directors consider that there is no ultimate controlling party as there are no individual shareholders with a majority shareholding sufficient to exercise ultimate control.

BARWOOD CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

31. Post balance sheet events

The Company provided £550,000 as part of a working capital facility for one of its investment undertakings.