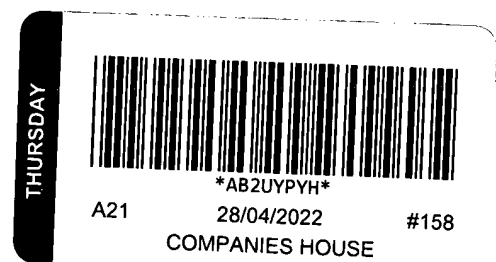


Registered number: OC306661

HEADWAY CAPITAL PARTNERS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



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INFORMATION

Designated Members

HCP Service Company Ltd

Sebastian Junoy

Christiaan de Lint

Laura Shen

Non Designated Members

Zoe Yeo

Ulrich Hardt

Jason Howard

LLP registered number

OC306661

Registered office

(Prior to 19 October 2021)

2nd Floor
250 Tottenham Court Road
London
W1T 4QZ

(From 19 October 2021)

1st Floor
90 Whitfield Street
London
W1T 4EZ

Auditors

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

MEMBERS' REPORT**For The Year Ended 31 December 2021**

The Members submit their Annual Report and the audited financial statements of Headway Capital Partners LLP (the "LLP") for the year ended 31 December 2021. The Members confirm that the Annual Report and financial statements of the LLP comply with current statutory requirements and the requirements of the LLP's governing document.

The LLP is a limited liability partnership registered in England and Wales, registration number OC306661.

Principal activity

The principal activities of the LLP during the year were that of acting as an adviser and arranger to the Headway Capital Private Equity funds (the "Headway Funds"). The LLP is authorised and regulated by the Financial Conduct Authority (the "FCA").

Review of activities and future developments

The Members are satisfied with the performance of the LLP during the year and anticipate a similar performance in the forthcoming year.

Designated Members

HCP Service Company Ltd, Sebastian Junoy, Christiaan de Lint and Laura Shen were Designated Members of the LLP throughout the year.

Non Designated Members

Zoe Yeo, Ulrich Hardt and Jason Howard were Non Designated Members of the LLP throughout the year.

Policy on Members' drawings and the subscription and repayment of capital

The Management Board, a committee of the Managing Members, shall have the discretion to allow Members to take drawings in advance of an accounting period end in anticipation of their profit share for such accounting period.

New Members shall contribute upon admission to the LLP such sum to the capital of the LLP as shall be determined by the Management Board. Any Members may contribute further capital to the LLP by agreement of the Management Board.

No member can withdraw or receive back any part of their principal capital contribution account except for in specific circumstances as detailed in the LLP deed and approved by the Board. Members' principal capital is therefore classified as equity.

Subsequent capital is repaid to members shortly after ceasing to be a member of the LLP, or at such other time as is determined by the Board. Members' subsequent capital is therefore classified as a liability due within one year. There is no opportunity for the appreciation of capital subscribed.

Provision of information to auditors

All of the Members as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Members are not aware of any relevant information of which the LLP's auditors are aware.

COVID-19 and Impact of Ukraine War

The LLP has continued to review the effect of the coronavirus (COVID-19) pandemic as it continues to impact businesses and economic activities globally. The risk remains that new strains can cause material business disruption in the future. However, as COVID-19 becomes endemic, these risks are mitigated. The LLP is also closely monitoring its (and the wider Headway group's) exposure to geopolitical events, such as the war in Ukraine. The LLP is conscious that there could be material impact on the Limited Partner base of the Headway Funds, and also on the Fund's investments that have dealings in Russia.

Having assessed this, the exposure the LLP has to the above is minimal and it will continue to receive revenue streams, borne by the advisory agreements in place with Headway Funds and thus, liabilities will continue to be met for the foreseeable future. Furthermore, the Headway Funds continue to have reasonable safeguards in place to ensure that there are liquid funds available to meet any demands from the LLP. The LLP will continue to monitor the impact of COVID-19 and geopolitical events and its impact on the funds that the LLP advises.

This Members' report was approved by the Members on 25 April 2022 and signed on their behalf by:



Laura Shen
Designated Member

MEMBERS' REPONSIBILITIES
For The Year Ended 31 December 2021

Members' responsibilities

The Members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulations:

The Limited Liability Partnership (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practise, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Accounting Standards and applicable law).

Under the 2008 Regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit and loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the Members are required to:

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

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. These responsibilities are exercised by the designated members on behalf of the members.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEADWAY CAPITAL PARTNERS LLP
For The Year Ended 31 December 2021**

Opinion

We have audited the financial statements of Headway Capital Partners LLP (the 'limited liability partnership') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, reconciliation of members' interests, statement of cashflows 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 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 limited liability partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 members' 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 limited liability partnership'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 members 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 members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEADWAY CAPITAL PARTNERS LLP (continued)

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 applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the limited liability partnership operates in and how the limited liability partnership is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEADWAY CAPITAL PARTNERS LLP
(continued)**

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 as applied to Limited Liability Partnerships, the Limited Liability Partnership Agreement and the LLP SORP 2018. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK. We performed audit procedures to inquire of the members and those charged with governance whether the limited liability partnership is in compliance with these laws and regulations. We inspected compliance documentation and correspondence with the FCA as well as considering compliance with the conditions for authorisation, including with any restrictions or requirements placed on the firm, and other regulatory obligations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

ALAN SUMMERFIELD (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
25 Farringdon Street
London
EC4A 4AB

25 April 2022

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2021

		2021	2020
	Note	£	£
Turnover	3	4,224,372	4,927,241
Administrative expenses		<u>(3,047,515)</u>	<u>(2,965,928)</u>
Operating Profit	4	1,176,857	1,961,313
Gain/(Loss) on forward currency contracts	9	454,626	(239,161)
Interest receivable and similar income		54	358
Profit For The Financial Year Available For Discretionary Division Among Members		<u>1,631,537</u>	<u>1,722,510</u>
Other comprehensive income		-	-
Total Comprehensive Income For Year Available For Discretionary Division Among Members		<u>1,631,537</u>	<u>1,722,510</u>

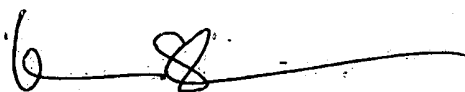
All amounts relate to continuing operations.

The notes on pages 11 to 17 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As At 31 December 2021

		2021		2020	
	Note	£	£	£	£
Non-Current Assets					
Investments	6		1,780		1,780
Debtors: amounts falling due after more than one year	7		-		112,948
Forward currency contracts	9		320,686		56,008
			<u>322,466</u>		<u>170,736</u>
Current Assets					
Debtors: amounts falling due within one year	7	2,144,841		2,005,891	
Forward currency contracts	9	210,326		20,378	
Cash at bank		159,768		840,996	
		<u>2,514,935</u>		<u>2,867,265</u>	
Current Liabilities					
Creditors: amounts falling due within one year	8	(905,493)		(1,015,120)	
Net Current Assets			1,609,442		1,852,145
Net Assets Attributable To Members			<u>1,931,908</u>		<u>2,022,881</u>
Represented By:					
Members' Other Interests					
Members' capital classified as equity			300,371		300,371
Other reserves			1,631,537		1,722,510
			<u>1,931,908</u>		<u>2,022,881</u>
Total Members' Interests					
Amounts due from Members (included in debtors)			(1,796,660)		(1,888,414)
Members' other interests	10		1,931,908		2,022,881
			<u>135,248</u>		<u>134,467</u>

The financial statements were approved by the Members and authorised for issue on 25 April 2022 and signed on their behalf by:-



Laura Shen
Designated Member

The notes on pages 11 to 17 form part of these financial statements.

RECONCILIATION OF MEMBERS' INTERESTS
For The Year Ended 31 December 2021

	Members' capital (classified as equity)	Other reserves	Total	Loans & debts due to/ (from) Members	Total
	£	£	£	£	£
Amounts due from Members				<u>(1,338,928)</u>	
Members' interests:					
1 January 2020	300,371	1,172,950	1,473,321	(1,338,928)	134,393
Profit for the year available for discretionary division among Members	-	1,722,510	1,722,510	-	1,722,510
Members' interests after profit for the year	300,371	2,895,460	3,195,831	(1,338,928)	1,856,903
Allocated profit for year	-	(1,172,950)	(1,172,950)	1,172,950	-
Introduction by Members'	-	-	-	-	-
Drawings	-	-	-	<u>(1,722,436)</u>	(1,722,436)
Amounts due from Members				<u>(1,888,414)</u>	
Members' interests:					
1 January 2021	300,371	1,722,510	2,022,881	(1,888,414)	134,467
Profit for the year available for discretionary division among Members	-	1,631,537	1,631,537	-	1,631,537
Members' interests after profit for the year	300,371	3,354,047	3,654,418	(1,888,414)	1,766,004
Allocated profit for year	-	(1,722,510)	(1,722,510)	1,722,510	-
Drawings	-	-	-	<u>(1,630,756)</u>	(1,630,756)
Members' interests:					
31 December 2021	300,371	1,631,537	1,931,908	(1,796,660)	135,248
Amounts due from Members				<u>(1,796,660)</u>	

STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2021

	Note	2021 £	2020 £
Profit for the financial year before members remuneration and profit share		1,631,537	1,722,510
Net Interest receivable		(54)	(358)
(Increase)/Decrease in trade and other debtors	7	(117,756)	2,041,428
(Decrease)/Increase in trade and other creditors	8	(110,677)	91,147
Increase)Decrease in accruals	8	1,050	(1,553,847)
Cash from operations		1,404,100	2,300,880
Members drawings in relation to remuneration		(1,630,756)	(1,722,436)
Net cash (used)/generated from operations activities		(226,656)	578,444
Cash flows from investing activities			
(Gain)/Loss on forward currency contracts		(454,626)	239,161
Interest received		54	358
Net cash (generated)/used from investing activities		(454,572)	239,519
Cash flows from financing activities			
		-	-
Net cash generated from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(681,228)	817,963
Cash and cash equivalents at beginning of year		840,996	23,033
Cash and cash at end of year		159,768	840,996

Cash and cash equivalents comprise of cash at bank only

The notes on pages 11 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2021

1. Accounting Policies

1.1 Basis of preparation of financial statements:

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the statement of Recommended Practice (2018), "Accounting by Limited Liability Partnerships".

The LLP is exempt from the requirement to prepare group accounts by virtue of section 399 of the Companies Act 2006. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

Going Concern

On the basis of their assessment of the LLP financial position and resources, the Members believe that the LLP is well placed to manage its business risks, including the ongoing outbreak of Covid-19. After making enquiries, the Members have a reasonable expectation that operating cash flows will continue to be positive due to the income generated from the advisory agreements to the Headway Funds, managed by the LLP, that are expected to be sufficient to meet costs. Therefore, the LLP is expected to have adequate resources to continue in operational existence for the foreseeable future which is a period of at least twelve months from the date of approval of these financial statements. Therefore, the members adopt the going concern basis of accounting in preparing the Financial Statements.

1.2 Revenue Recognition:

Revenue is recognised once the LLP's entitlement to the revenue has been established in accordance with the relevant advisory agreements.

1.3 Valuation of Investments:

Investments held as fixed assets are shown at cost less provision for impairment.

1.4 Cash at Bank:

Cash at bank included in the Statement of Financial Position comprise bank account balances which are measured at the cleared balance in the account at the end of the reporting period, which reflects fair value.

1.5 Creditors:

Creditors are classified as financial liabilities, and are initially recognised at fair value, and subsequently stated amortised cost using the effective interest method.

1.6 Debtors:

Debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

1.7 Financial Instruments:

In accordance with Section 11 and 12 of Financial Reporting Standard 102.

Financial assets

Financial assets measured at amortised cost, using the effective interest rate, comprise cash, other debtors, amounts due from members and amounts owed by associated undertakings.

Financial liabilities

Financial liabilities measured at amortised cost, using the effective interest rate, comprise of trade creditors, other creditors, accruals and amounts due to associated undertakings.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2021

Financial derivatives

Financial derivatives are measured initially at fair value and subsequently re-measured to their fair value at each reporting date. Fair values are obtained from quoted prices prevailing in active markets, including recent market transactions. All derivatives are included as assets when their fair value is positive and liabilities when their value is negative. Changes in the fair value of financial derivatives are recognised in the statement of comprehensive income as appropriate. The LLP does not apply hedge accounting for foreign currency derivatives.

1.8 Foreign currencies:**(a) Functional and Presentation Currency**

Items included in the financial statements of the LLP are measured using the currency of the primary economic environment in which the LLP operates (the functional currency). The financial statements are presented in Pound Sterling which is the LLP's functional currency.

(b) Transaction and balances

Foreign currency transactions are translated into the LLP's functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

1.9 Professional Indemnity Insurance:

Insurance premiums are expensed to the Statement of Comprehensive Income over the period of the insurance cover.

1.10 Taxation:

Taxation on a members' share of the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

1.11 Member's capital and remuneration:

Initial capital contributions ('principal capital') of each of the members are amounts as set out in the LLP agreement. Further members shall contribute upon admission to the LLP such capital as determined by the Board.

No member can withdraw or receive back any part of their principal capital contribution account except for in specific circumstances as detailed in the LLP deed and approved by the Board. Members' principal capital is therefore classified as equity.

Subsequent capital is repaid to members shortly after ceasing to be a member of the LLP, or at such other time as is determined by the Board. Members' subsequent capital is therefore classified as a liability due within one year. There is no opportunity for the appreciation of capital subscribed.

1.12 Drawings:

Drawings represent payments on account of profits which may be allocated to members. The amounts of such drawings are set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from members until profits have been allocated to them. Unallocated profits are included within 'Amounts due from members' in debtors and allocated profits in excess of drawings are included with 'Amounts due to members' as a liability.

1.13 Profit Allocation:

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 December 2021

2. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In the application of the LLP's accounting policies as described in note 1, the Members are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that not readily apparent from other sources. The estimates and underlying 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 effects on that period, or in the period of revision and future periods if the revision affects both current and future periods.

The valuation of derivative financial instruments represents a key estimate applied by the Members of the LLP. The estimate is supported by independent third party documentation of the valuation of the derivate financial instruments. The members do not believe there are any other estimates or judgements that have been applied to the LLP.

3. Turnover

The turnover for the year was derived from the LLP's principal continuing activity, advisory related services, which was carried out wholly in the United Kingdom and is stated net of value added tax.

4. Operating Profit

The operating profit is stated after charging:

	2021	2020
	£	£
Fee payable to the auditors:		
Fees in respect of audit services	19,425	16,500
Fees in respect of non-audit services	2,625	4,500
Difference on foreign exchange	129,227	213,258

5. Members' Share of Profits and average number of members

Profits are shared among the members in accordance with agreed profit-sharing arrangements. Members are required to make their own provision for pensions from their profit shares. In addition the LLP has no employees.

During the year, no Member received any emoluments (2020: £nil).

	2021	2020
	Number	Number
Average number of members	6	6
	£	£
Profits attributable to the members with the largest entitlement	360,000	403,592
	£	£
Profit for the financial year available for division among members	1,631,538	1,722,510

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 December 2021

6. Investments

Shares in group undertakings
£

Cost

At 1 January 2021 and 31 December 2021

1,780

Subsidiary undertaking

Investments in subsidiaries are held as fixed assets and are shown at cost less provision for impairment. The following were subsidiaries undertakings of the LLP:

	Holding
Maddox Partners LLP	Members Capital
90 Whitfield Street, London, W1T 4EZ	96%

Maddox Partners LLP is incorporated in the United Kingdom. The principal activity of Maddox Partners LLP is that of holding a property lease and providing office facilities.

Maddox Partners LLP of which the LLP is a designated member, has had its lease expire on 15th February 2022.. It is the intention that Maddox Partners LLP will be wound down over the next twelve months

Name	Holding
HCP US Inc	Common Stock
30 Monument Square, Suite 302, Concord, MA 01742, USA	Share Capital 100%

HCP US Inc is incorporated in the United States of America. The principal activity of HCP US Inc is that of Investment advisory services.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 December 2021

7. Debtors:

Amounts falling due after more than one year:

	2021	2020
	£	£
Amounts due from group undertaking	-	112,948

Amounts falling due within one year:

	2021	2020
	£	£
Other debtors	289,858	82,055
Amounts due from Members	1,796,660	1,888,414
Prepayments and accrued income	30,336	18,200
VAT recovery	27,987	17,222
	2,144,841	2,005,891

8. Creditors

Amounts falling due within one year:

	2021	2020
	£	£
Trade creditors	883,443	994,120
Accruals and deferred income	22,050	21,000
	905,493	1,015,120

NOTES TO THE FINANCIAL STATEMENTS (continued)
For The Year Ended 31 December 2021

9. Forward Currency Contracts

The LLP holds forward currency contracts which involve an obligation to purchase a specific currency at a set price, on a specific future date.

The fair value of the forward currency contracts at the balance sheet date is determined using the mark to market rate at which a forward contract of the same size and maturity could be undertaken at the valuation date. This rate is determined with reference to the valuation provided by the bank. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contracted rate and the mark to market price, with the difference recognised in the statement of comprehensive income. This amount is currently being shown on the face of the balance sheet.

	2021	2020
	£	£
Unrealised gains on forward currency contracts due within one year	210,326	20,378
Unrealised gains on forward currency contracts due after more than one year but no later than five years	<u>320,686</u>	<u>56,008</u>
	<u>531,012</u>	<u>76,386</u>

10. Total Members' Interests

Upon a winding up of the LLP all remaining assets after the satisfaction of all creditors of the LLP shall be distributed to the Designated Members in the proportions in which they were entitled to LLP profits immediately prior to the winding up and no Member or former Member shall be liable to contribute further to the assets of the LLP.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For The Year Ended 31 December 2021

11. Related Party Transactions

HCP Service Company Limited, a Designated Member of the LLP is owned 100% by HCH Lux-C SCSp, a Luxembourg company ("Lux-C"). The ultimate beneficial owners of Lux-C, by virtue of voting power, are the three designated members Laura Shen, Sebastian Junoy and Christiaan de Lint.

During the year in respect of advisory fees received by the LLP, income of £842,984 (2020: £1,602,823) was received from HIP III Management Limited and a further £3,381,389 (2020: £3,324,418) from HIP IV Management Sarl, of which £105,200 (2020: £nil) remains due and is included in debtors within one year.

Debtors due within one year include fund recharges of £1,763 (2020: £1,305) from HIP IV Management Sarl, £13,444 (2020: £13,072) due from HIP IV SCSp and £1,626 (2020: £1,204) due from HIP IV Cortex SCSp. Also included in debtors due within one year are fund recharges of £3,656 (2020: £nil) from Headway Investment Partners L.P., £6,966 (2020: £nil) from Headway Investment Partners II L.P., £7,810 (2020: £nil) from Headway Investment Partners III L.P., £2,939 (2020: £nil) from Headway Co Investment Partners III-C LP Inc, £2,679 (2020: £nil) from Headway Investment Partners II-A L.P., £1,695 (2020: £nil) from HIP Management Ltd, £1,695 (2020: £nil) from HIP II Management Ltd, £1,695 (2020: £nil) from HIP III Management Ltd, £1,695 (2020: £nil) from HCP III Management Ltd, £1,302 (2020: £nil) from HCP III Flash LP Inc, £1,300 (2020: £nil) from Headway Co-Investment Partners III-B L.P. and £1,248 (2020: £nil) from Headway Co-Investment Partners III-A L.P.

During the year, professional fees of £1,876,965 (2020: £1,357,833) were incurred by the LLP from HCP Service Company Ltd in respect of services provided to the LLP by HCP Service Company Ltd as agreed between both parties in a services agreement. Also included in creditors due within one year is an amount of £719,680 (2020: £609,523) due to HCP Service Company Ltd.

The LLP is a Designated Member of Maddox Partners LLP and during the year, incurred professional fees of £405,521 (2020: £339,524) from Maddox Partners LLP in respect of services provided to the LLP by Maddox Partners LLP, as agreed between both parties in a facilities agreement. Also included in other debtors due after more than one year is an amount of £nil (2020: £112,948) and in debtors due within one year is an amount of £112,948 (2020: £66,475) is owed by Maddox Partners LLP to the LLP for the return of a working capital deposit upon lease expiry. In addition, in creditors due within one year is £77,992 (2020: £nil) owed to Maddox Partners LLP.

The LLP is the sole shareholder of HCP US Inc and during the year, incurred professional fees of £530,508 (2020: £577,479) in respect of advisory services provided to the LLP, as agreed between both parties in an advisory agreement. Included in creditors due within one year is an amount of £65,686 (2020: £4,249) owed to HCP US Inc. Also, included within debtors due within one year is an amount of £565 (2020: £nil).

12. Ultimate Controlling Parties

As at 31 December 2021 and 31 December 2020, the ultimate controlling parties of the LLP are the Designated Members.

13. Post Balance Sheet Event(s)

As detailed in note 1 on page 11 the Members of the LLP are actively monitoring the continued effects of the COVID-19 pandemic and geopolitical events, such as the war in Ukraine, post year end. The LLP is conscious that there could be a material impact on the Limited Partner base of the Headway Funds, and also on the Funds' investments that have dealings in Russia. Having assessed this, the exposure the LLP has to the above is minimal and it will continue to receive revenue streams, borne by the advisory agreements in place with Headway Funds and thus, liabilities will continue to be met for the foreseeable future. Furthermore, the Headway Funds continue to have reasonable safeguards in place to ensure that there are liquid funds available to meet any demands from the LLP.

The LLP will continue to monitor the changing impact of COVID-19 and geopolitical events and its impact on the funds that the LLP advises.