

**Limited Liability Partnership Registration No. OC312456 (England and Wales)**

**HAWKWOOD CAPITAL LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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## **HAWKWOOD CAPITAL LLP**

### **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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**Designated members** Mr Russell Duckworth

**Limited liability partnership number** OC312456

**Registered office** 35 Catherine Place  
London  
SW1E 6DY

**Auditor** UHY Hacker Young  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

**Bankers** Coutts & Co.  
440 Strand  
London  
WC2R 0QS

**Solicitors** Duthie & Co. LLP  
120 Pall Mall  
London  
SW1Y 5EA

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# **HAWKWOOD CAPITAL LLP**

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## **HAWKWOOD CAPITAL LLP**

### **MEMBERS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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The members present their annual report and financial statements for the year ended 31 March 2022.

##### **Principal activities and review of the business**

Hawkwood Capital LLP ("LLP") manages investments on behalf of a fund. It also has a corporate advisory business advising companies on raising finance. This business was started in October 2011.

The one equity fund generated returns of £37,015 compared with £40,345 in the prior year. Administration expenditure decreased to £107,981 from £108,935.

The finances of the LLP are monitored closely by the designated member and any movement of cash can only be authorised by the designated member.

All authorities within the business are with the designated member and all operational risk is controlled in this way.

The business is FCA regulated and compliance risk, being a key issue, is managed by the designated member. There were no complaints received during the year.

The company is vigilant of the risks that may impact the business and is working hard to mitigate their effects. Both the impact of the Russian invasion in the Ukraine and the resulting sanctions and the COVID-19 pandemic continue to represent a challenge to the global economy, however the company anticipates that the market will continue to recover and grow.

##### **Designated member**

The designated member who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Russell Duckworth

## **HAWKWOOD CAPITAL LLP**

### **MEMBERS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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##### **Risk management**

The members are responsible for:

- determining the firm's strategy;
- identifying the risks relating to the firm's activities, processes and systems;
- setting the levels of tolerable risk;
- establishing policies and procedures for assessing and managing risk.

The principal risks identified by the members are:

- Operational risk, which is the risk of loss resulting from inadequate or failed internal processes, or from external events;
- Credit risk, which is the risk of loss arising from a debtor failing to pay an amount due to the firm;
- Market risk, which is the risk of losses that arise from fluctuations in interest rates, exchange rates, asset values, or income from assets;
- Liquidity risk, which is the risk that the firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost;
- Business risk, which covers losses arising from events such as loss of key customers, departure of key personnel, reputational damage or economic downturn.

The members have adopted risk management policies and procedures which are proportionate to the nature, scale and complexity of the firm's business. The identification and mitigation of operational and business risks are part of the day to day responsibilities of the firm's management, and these risks are also reviewed at formal meetings of the members. Credit, market and liquidity risks are all mitigated by authorisation limits and standard approval procedures, and monitored by means of the firm's normal budgeting and financial reporting processes.

##### **Auditor**

The designated member proposes to reappoint UHY Hacker Young as auditors of the limited liability partnership subsequent to the approval of these financial statements.

## **HAWKWOOD CAPITAL LLP**

### **MEMBERS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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##### **Statement of members' responsibilities**

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

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 Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). 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.

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

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

## **HAWKWOOD CAPITAL LLP**

### **MEMBERS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**Policy with respect to member's drawings and the subscription and repayments of members' capital**

A capital contribution account for each member is maintained in accordance with the Partnership agreement dated 31 October 2015.

Profits shall be allocated to those Members who are Members at that time in such amount and in such manner as shall be decided by the Board and shall be credited to their respective Distribution Accounts.

**Going concern**

The Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements. The LLP recorded a loss in the year ended 31st March 2022 during which time the Global economy has suffered as a result of the Covid-19 pandemic coupled with various Government strategies to manage it. Should losses continue to be made without additional capital being provided, the Company may breach the regulatory capital resources requirement which in turn may lead to supervisory action by the Financial Conduct Authority.

Additional capital has been injected into the business post year end, please see note 1.2 for details. The members will provide more capital if needed in order to maintain the capital resources requirement and meet its commitments for the foreseeable future and continue as a going concern.

On behalf of the members



Mr Russell Duckworth  
**Designated Member**

21/12/2022

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWKWOOD CAPITAL LLP**

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### **Opinion**

We have audited the financial statements of Hawkwood Capital LLP (the 'limited liability partnership') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the reconciliation of members' interests, the statement of cash flows 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 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 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 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.

### **Material uncertainty related to Going concern**

We draw attention to note 1.2 in the LLP financial statements, which state that The LLP has generated a loss for the year ended 31 March 2022. Subsequent to the year-end, further capital amounting to £20k has been injected into the business, however if losses continue further capital injections will be required from members in order to meet the LLP's commitments and ensure it does not breach its capital resources requirement as set out by the Financial Conduct Authority.

Whilst the Members believe sufficient profits will be generated or additional capital provided by the members, as stated in note 1.2 these events or conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the LLP's ability to continue as a going concern.

Our opinion is not modified in respect of this matter. In auditing the financial statements, we have concluded that the member's use of the going concern basis of accounting in the preparation of the financial statement is appropriate. Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.



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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF HAWKWOOD CAPITAL LLP**

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**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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

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

**Responsibilities of members**

As explained more fully in the members' responsibilities statement, 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 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.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF HAWKWOOD CAPITAL LLP**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the limited liability partnership and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the limited liability partnership, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as FCA regulations and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including with the financial conduct authority, review of correspondence with legal advisors, and enquiries of management in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the members that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

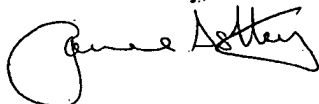
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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF HAWKWOOD CAPITAL LLP**

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**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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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.



**James Astley (Senior Statutory Auditor)**  
**For and on behalf of UHY Hacker Young**

21/12/2022

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

**HAWKWOOD CAPITAL LLP****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2022**

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		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	139,795	156,232
Cost of sales		575	(2,209)
		<hr/>	<hr/>
<b>Gross profit</b>		140,370	154,023
Administrative expenses		(107,981)	(108,935)
Other operating income	<b>3</b>	13,372	34,501
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	45,761	79,589
Interest receivable and similar income	<b>7</b>	3	1
Amounts written off investments	<b>8</b>	(69,193)	(19,046)
		<hr/>	<hr/>
<b>(Loss)/profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b>(23,429)</b>	<b>60,544</b>
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**HAWKWOOD CAPITAL LLP**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

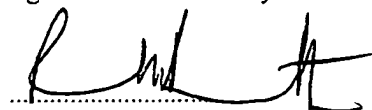
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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>(Loss)/profit for the financial year available for discretionary division among members</b>	<b>(23,429)</b>	<b>60,544</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<b>(23,429)</b>	<b>60,544</b>
	<hr/> <hr/>	<hr/> <hr/>

**HAWKWOOD CAPITAL LLP****BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		311		936
<b>Current assets</b>					
Debtors	11	205,052		280,246	
Investments	12	6,761		5,954	
Cash at bank and in hand		23,199		10,324	
		235,012		296,524	
<b>Creditors: amounts falling due within one year</b>	13	(25,323)		(26,916)	
<b>Net current assets</b>			209,689		269,608
<b>Total assets less current liabilities and net assets attributable to members</b>			210,000		270,544
<b>Represented by:</b>					
<b>Members' other interests</b>					
Members' capital classified as equity			210,000		210,000
Other reserves classified as equity			-		60,544
			210,000		270,544
<b>Total members' interests</b>					
Amounts due from members			(164,693)		(235,554)
Members' other interests			210,000		270,544
			45,307		34,990

The financial statements were approved by the members and authorised for issue on 21/12/2022 and are signed on their behalf by:



Mr Russell Duckworth  
Designated member

Limited Liability Partnership Registration No. OC312456

# **HAWKWOOD CAPITAL LLP**

## **RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2022**

### *Current financial year*

	<b>EQUITY</b> <small>Members' other interests</small>			<b>DEBT</b> <small>Loans and other debts due to members less any amounts due from members in debtors</small>		<b>TOTAL</b> <b>MEMBERS'</b>
	<b>Members' capital</b>	<b>Other reserves</b>	<b>Total</b>	<b>Other amounts</b>	<b>Total</b>	<b>INTERESTS Total 2022</b>
	£	£	£	£	£	£
Members' interests at 1 April 2021	210,000	60,544	270,544	(235,554)	(235,554)	34,990
Loss for the financial year available for discretionary division among members	-	(23,429)	(23,429)	-	-	(23,429)
Members' interests after loss for the year	210,000	37,115	247,115	(235,554)	(235,554)	11,561
Allocation of loss for the financial year	-	23,429	23,429	37,115	37,115	60,544
Other divisions of profits	-	(60,544)	(60,544)	-	-	(60,544)
Introduced by members	-	-	-	200,000	200,000	200,000
Drawings	-	-	-	(166,254)	(166,254)	(166,254)
Members' interests at 31 March 2022	<u>210,000</u>	<u>-</u>	<u>210,000</u>	<u>(164,693)</u>	<u>(164,693)</u>	<u>45,307</u>
Amounts due to members				-		
Amounts due from members, included in debtors				(164,693)		
				<u>(164,693)</u>		

**HAWKWOOD CAPITAL LLP**

**RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<i>Prior financial year</i>	<b>EQUITY</b> Members' other interests			<b>DEBT</b> Loans and other debts due to members less any amounts due from members in debtors		<b>TOTAL</b> <b>MEMBERS'</b>
	<b>Members'</b> <b>capital</b>	<b>Other</b> <b>reserves</b>	<b>Total</b>	<b>Other</b> <b>amounts</b>	<b>Total</b>	<b>INTERESTS</b> <b>Total</b> <b>2021</b>
	£	£	£	£	£	£
Members' interests at 1 April 2020	210,000	69,843	279,843	(171,410)	(171,410)	108,433
Profit for the financial year available for discretionary division among members	-	60,544	60,544	-	-	60,544
Members' interests after profit for the year	210,000	130,387	340,387	(171,410)	(171,410)	168,977
Allocation of profit for the financial year	-	-	-	69,843	69,843	69,843
Other divisions of profits	-	(69,843)	(69,843)	-	-	(69,843)
Drawings	-	-	-	(143,987)	(143,987)	(143,987)
Other movements	-	-	-	10,000	10,000	10,000
Members' interests at 31 March 2021	<u>210,000</u>	<u>60,544</u>	<u>270,544</u>	<u>(235,554)</u>	<u>(235,554)</u>	<u>34,990</u>
Amounts due to members				-		
Amounts due from members, included in debtors				(235,554)		
				<u>(235,554)</u>		



**HAWKWOOD CAPITAL LLP****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	17		49,126		135,932
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(280)	
Purchase of investments		(70,000)		-	
Proceeds on disposal of investments		-		(25,000)	
Receipts/payments arising from loans made		-		16,500	
Interest received		3		1	
<b>Net cash used in investing activities</b>			(69,997)		(8,779)
<b>Financing activities</b>					
Capital introduced by members (classified as debt or equity)		200,000		10,000	
Payments to members		(166,254)		(143,987)	
<b>Net cash generated from/(used in) financing activities</b>			33,746		(133,987)
<b>Net increase/(decrease) in cash and cash equivalents</b>			12,875		(6,834)
Cash and cash equivalents at beginning of year			10,324		17,158
<b>Cash and cash equivalents at end of year</b>			23,199		10,324

# **HAWKWOOD CAPITAL LLP**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **1 Accounting policies**

##### **Limited liability partnership information**

Hawkwood Capital LLP is a limited liability partnership incorporated in England and Wales. The registered office is 35 Catherine Place, London, SW1E 6DY.

The limited liability partnership's principal activities are disclosed in the Members' Report.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

##### **1.2 Going concern**

The Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements. The LLP has recorded a loss for the year ended 31 March 2022 during which time the Global economy has suffered as a result of the Covid-19 pandemic coupled with various Government strategies to manage it. The Company is required to maintain a minimum level of capital in order to continue to meet its regulatory capital resources requirement as set out by the Financial Conduct Authority. Should losses continue to be made without additional capital being provided, the Company may breach the regulatory capital resources requirement which in turn may lead to supervisory action by the Financial Conduct Authority.

The directors believe that the LLP will generate sufficient profits or if needed that the shareholders will provide sufficient capital in order to maintain the capital resources requirement and meet its commitments for the foreseeable future and continue as a going concern. Post year end, £20,000 was invested by partners in order to ensure the company continues to meet the capital resources requirement.

##### **1.3 Turnover**

Turnover represents management, performance and advisory fees earned by the LLP during the year. Management fees are recognised on a time-apportioned basis and performance and advisory fees are recognised when the services have been provided.

##### **1.4 Other Operating Income**

Other operating income received through the Coronavirus Job Retention Scheme relates to amounts received under Coronavirus Job Retention Scheme for furloughed employees during the year. The income recognised during the year was in line with rules and eligibility of the government scheme.

# **HAWKWOOD CAPITAL LLP**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

### **1 Accounting policies**

**(Continued)**

#### **1.5 Members' participating interests**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

#### **1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures, fittings & equipment	Straight line over three years
Computer equipment	Straight line over three years

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

#### **1.7 Impairment of fixed assets**

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## HAWKWOOD CAPITAL LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

##### 1.9 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### *Impairment of financial assets*

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# HAWKWOOD CAPITAL LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments, including members' capital, are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities. A financial liability exists where there is a contractual obligations to deliver either cash or another financial asset to members.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

## **HAWKWOOD CAPITAL LLP**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

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#### **1 Accounting policies**

**(Continued)**

##### **1.10 Equity instruments**

Members' participation rights are classified between financial liabilities and equity instruments. Capital introduced is accounted for as an equity interest.

##### **1.11 Employee benefits**

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

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

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

##### **1.12 Retirement benefits and post retirement payments to members**

The LLP does not provide post retirement benefits to its members.

##### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### **2 Judgements and key sources of estimation uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no estimates and assumptions which are considered to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

## HAWKWOOD CAPITAL LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 3 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Advisory fees	12,280	32,000
Fund management and performance fees	37,015	40,345
Other income	90,500	83,887
	<u>139,795</u>	<u>156,232</u>
	2022	2021
	£	£
<b>Other significant revenue</b>		
Coronavirus job retention scheme	<u>13,372</u>	<u>34,501</u>

The income received relating to the Coronavirus Job Retention Scheme was for furloughed employees during the year.

#### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	134
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	12,200	8,500
Depreciation of owned tangible fixed assets	<u>625</u>	<u>793</u>

#### 5 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2022	2021
	Number	Number
Fund management and administration	<u>2</u>	<u>2</u>

**HAWKWOOD CAPITAL LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022****5 Employees****(Continued)**

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	66,250	68,991
Social security costs	1,617	2,559
Pension costs	1,526	1,229
	<u>69,393</u>	<u>72,779</u>

**6 Information in relation to members**

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Average number of members during the year was	<u>2</u>	<u>2</u>

**7 Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	<u>3</u>	<u>1</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>3</u>	<u>1</u>
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**8 Amounts written off investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Losses on investments	<u>(69,193)</u>	<u>(19,046)</u>



**HAWKWOOD CAPITAL LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022****9 Tangible fixed assets**

	<b>Fixtures, fittings &amp; equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2021 and 31 March 2022	1,029	5,375	6,404
<b>Depreciation and impairment</b>			
At 1 April 2021	1,028	4,440	5,468
Depreciation charged in the year	1	624	625
At 31 March 2022	1,029	5,064	6,093
<b>Carrying amount</b>			
At 31 March 2022	-	311	311
At 31 March 2021	1	935	936

**10 Financial instruments**

	<b>2022 £</b>	<b>2021 £</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	166,542	240,345
Instruments measured at fair value through profit or loss	6,761	5,954
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	25,008	26,620

**11 Debtors**

	<b>2022 £</b>	<b>2021 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,849	4,791
Amounts owed by members	164,693	235,554
Prepayments and accrued income	38,510	39,901
	205,052	280,246

## HAWKWOOD CAPITAL LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 12 Current asset investments

	2022	2021
	£	£
Unlisted investments	6,761	5,954

#### 13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,498	361
Other taxation and social security	315	296
Other creditors	1,743	5,818
Accruals and deferred income	19,767	20,441
	25,323	26,916

#### 14 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,526	1,229

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

#### 15 Related party transactions

During the year the LLP received fees of £10,417 (2021: £25,000) from Occam Underwriting Limited, related by virtue of the fact that Russell Duckworth is a Non-executive Director.

During the year the LLP received fees of £33,000 (2021: £28,000) from Plan with Grace Limited, related by virtue of the fact that Russell Duckworth is a Director.

During the year the LLP received £1,030 (2021: £945) relating to shared office supplies from Gazeal Limited, a related party by virtue of the fact that Russell Duckworth is a Non-executive Director.

#### 16 Ultimate controlling party

Hawkwood Capital Partners LLP, is controlled by Mr Russell Duckworth, a designated member.

**HAWKWOOD CAPITAL LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022**

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<b>17 Cash generated from operations</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year	(23,429)	60,544
<b>Adjustments for:</b>		
Investment income recognised in profit or loss	(3)	(1)
Depreciation and impairment of tangible fixed assets	625	793
Other gains and losses	69,193	19,046
<b>Movements in working capital:</b>		
Decrease in debtors	4,333	52,118
(Decrease)/increase in creditors	(1,593)	3,432
<b>Cash generated from operations</b>	<b>49,126</b>	<b>135,932</b>

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