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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

OMB APPROVAL
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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 07/01/2020 AND ENDING 06/30/2021
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Windward Capital, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

325 North Saint Paul Street, Suite 3100

(No. and Street)

Dallas

TX

75201-0279

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Moss Adams, LLP

(Name - if individual, state last, first, middle name)

14555 Dallas Parkway, Ste 300

Dallas

TX

75254

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Sean F. Lawton, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Windward Capital, Inc. of June 30, 2021, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature of Sean F. Lawton, President

Signature of Notary Public

John F Bullock, Notary Public, New Jersey

My Commission Expires 12-30-2021, No. 2415893

- This report ** contains (check all applicable boxes):
(a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss) or, if there is other comprehensive income in the period(s) presented, a Statement of Comprehensive Income...
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder
Windward Capital, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Windward Capital, Inc. (the "Company") as of June 30, 2021, the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Uncertainty

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion on the Information

The information in Schedule I has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The information in Schedule I is the responsibility of the Company's management. Our audit procedures include determining whether the information in Schedule I reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in Schedule I. In forming our opinion on the information in Schedule I, we evaluated whether the information in Schedule I, including its form and content is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the information in Schedule I is fairly stated in all material respects in relation to the financial statements as a whole.

Moss Adams LLP

Dallas, Texas
August 20, 2021

We have served as the Company's auditor since 2016.

WINDWARD CAPITAL, INC.
Statement of Financial Condition
June 30, 2021

ASSETS

Cash	\$ 10,269
Other assets	<u>787</u>
Total Assets	<u>\$ 11,056</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Accounts payable	\$ 2,600
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Stockholder's Equity

Common Stock, \$1 par value, 5,000 shares Authorized, issued and outstanding	5,000
Additional paid-in capital	378,458
Accumulated deficit	<u>(375,002)</u>
Total Stockholder's Equity	<u>8,456</u>
Total Liabilities and Stockholder's Equity	<u>\$ 11,056</u>

The accompanying notes are an integral part of these financial statements.

WINDWARD CAPITAL, INC.
Statement of Operations
For the Year Ended June 30, 2021

REVENUE	\$ -
EXPENSES	
Professional fees	33,537
Regulatory fees	4,925
Other expenses	<u>11,105</u>
Total expenses	<u>49,567</u>
NET LOSS	<u>\$ (49,567)</u>

The accompanying notes are an integral part of these financial statements.

WINDWARD CAPITAL, INC.
Statement of Changes in Stockholder's Equity
For the Year ended June 30, 2021

	Common Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Balances at June 30, 2020	5,000	\$5,000	\$328,958	\$(325,435)	\$ 8,523
Additional capital contributed			49,500		49,500
Net loss				(49,567)	(49,567)
Balances at June 30, 2021	5,000	\$5,000	\$378,458	\$(375,002)	\$ 8,456

The accompanying notes are an integral part of these financial statements.

WINDWARD CAPITAL, INC.
Statement of Cash Flows
For the Year ended June 30, 2021

Cash flows from operating activities	
Net loss	\$ (49,567)
Adjustments to reconcile net loss to net cash used in operating activities:	
Change in assets and liabilities:	
Change in other assets	200
Change in liabilities	<u>2,600</u>
Net cash used in operating activities	<u>(46,767)</u>
Cash flows from investing activities	
Net cash provided (used) by investing activities	<u>-0-</u>
Cash flows from financing activities	
Additional capital contributed	<u>49,500</u>
Net cash provided (used) by financing activities	<u>49,500</u>
Net increase (decrease) in cash	2,733
Cash at beginning of the year	<u>7,536</u>
Cash at end of the year	<u>\$ 10,269</u>

Supplemental schedule of cash flow information

Cash paid during the year for:	
Interest	<u>\$ -0-</u>
Income taxes	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements.

WINDWARD CAPITAL, INC.
Notes to Financial Statements
June 30, 2021

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Windward Capital, Inc. (the "Company") was organized in July 2006 as a Texas corporation. The Company is located in Dallas, Texas.

The Company is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer in securities and is a member of the Financial Industry Regulatory Authority ("FINRA").

The Company operates as a non-covered firm consistent with Footnote 74 of SEC Release No. 34-70073 and associated SEC Staff Guidance, and accordingly limits its business activities to effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company, and receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients. The Company (1) does not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers; (2) does not carry accounts of or for customers; and (3) does not carry proprietary accounts of broker-dealers (as defined in Rule 15c3-3). Therefore, the Company has no obligations related to the reserve computation or possession and control requirements under Rule 15c3-3 for these business activities.

The Company has not had any customer security transactions.

The Company provides investment banking services related to the corporate finance needs of middle-market companies including the private placement of equity, mezzanine and debt securities as well as advisory services related to mergers and acquisitions, divestitures, and business strategy.

Revenue Recognition

The Company has two primary lines of business: (i) private placements and (ii) mergers and acquisitions ("M&A") advisory services. Revenue subject to the guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606 – *Revenue from contracts with customers* is included in the private placement or M&A fees line items within the statement of operations.

Private Placement Fees: The company acts as an agent for business entities that want to raise funds through a sale of securities. Revenues are earned from fees arising from private placements in which the Company acts as an agent. Revenue is recognized on the closing date (the date on which the issuing entity receives cash from the lender or investor). The Company believes that the closing date is the appropriate point in time to recognize revenue for private placement transactions as there are no significant actions which the Company needs to take subsequent to this date and the issuer obtains the control and benefit of the private placement at that point. In the event that transactions are not completed, the Company immediately expenses those costs.

M&A Advisory Fees: The Company provides advisory services on M&A transactions. Revenue for advisory arrangements is generally recognized at the point in time that performance under the arrangement is completed (the closing date of the transaction) or the contract is cancelled. However, for certain contracts, revenue is recognized over time for advisory arrangements in which the performance obligations are simultaneously provided

Note 1 - Nature of Business and Summary of Significant Accounting Policies (continued)

by the Company and consumed by the customer. In some circumstances, significant judgment is needed to determine the timing and measure of progress appropriate for revenue recognition under a specific contract. The Company's timing of revenue recognition may differ from the timing of customer payments. When there is an unconditional right to payment, according to the terms of the contract, the Company records a receivable. For receivables with unsatisfied performance obligations, the Company records deferred revenue until the performance obligations are satisfied. Retainers and other fees received from customers prior to recognizing revenue are reflected as contract liabilities. The Company has not recorded an allowance for credit losses due to no history of losses and there were no receivables as of June 30, 2021. There was no opening balance of receivables.

The economic conditions which affect the Company's operations are related to overall trends in the economy and capital markets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company has elected S Corporation status for income tax purposes; whereby, the Company's taxable income or loss pass through to its shareholder; therefore, there is no provision for federal income taxes. As of June 30, 2021, open Federal tax years subject to examination include the tax years ended December 31, 2014 through June 30, 2019.

Note 2 - Net Capital Requirements

The Company is subject to the SEC uniform net capital rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At June 30, 2021, the Company had net capital of \$7,669, which was \$2,669 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.34 to 1.

Note 3 - Related Party Transactions

During the year ended June 30, 2021, the Company had no related party transactions.

Note 4 - Going Concern

Continued operating losses could directly impact the Company's regulatory capital. It is management's intention to control costs and increase revenue. It is management's understanding that it will continue to receive capital infusions as necessary. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not contain any adjustments that might result from the outcome of these uncertainties.

Supplementary Information
Pursuant to Rule 17a-5
of the Securities Exchange Act of 1934
as of
June 30, 2021

Schedule I

WINDWARD CAPITAL, INC.
Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
As of June 30, 2021

COMPUTATION OF NET CAPITAL

Total stockholder's equity qualified for net capital	\$ 8,456
Deductions and/or charges	
Other assets	<u>(787)</u>
Net capital before haircuts on securities positions	7,669
Haircuts on securities	<u>—</u>
Net Capital	<u>\$ 7,669</u>

AGGREGATE INDEBTEDNESS

Computation of basic net capital requirement:	
Minimum dollar net capital required (greater of \$5,000 or 6 2/3% of aggregate indebtedness)	<u>\$ 5,000</u>
Net capital in excess of minimum requirement	<u>\$ 2,669</u>
Net capital less greater of 10% of aggregate indebtedness or 120% capital requirement	<u>\$ 1,669</u>
Ratio of aggregate indebtedness to net capital	<u>0.34 to 1</u>

There are no material differences between the preceding computation and the Company's corresponding unaudited Part II of Form X-17A-5 as of June 30, 2021.



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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of
Windward Capital, Inc.

We have reviewed management's statements, included in the accompanying Windward Capital, Inc.'s Exemption Report (the exemption report), in which:

- 1) Windward Capital, Inc. does not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3; and
- 2) Windward Capital, Inc. (the Company) states the Company is filing the exemption report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 (Footnote 74) because, throughout the most recent fiscal year, without exception:
 - The Company limits its business activities exclusively (1) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients, referring securities transactions to other broker-dealers, or providing technology or platform services, and
 - The Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3).

The Company's management is responsible for compliance with the provisions of Footnote 74 and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the provisions of Footnote 74. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions of Footnote 74 of SEC Release No. 34-70073.

Moss Adams LLP

Dallas, Texas
August 20, 2021

Windward Capital, Inc.'s Exemption Report

Windward Capital, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company does not claim an exemption under paragraph (k) of 17 C.F.R. § 240.15c3-3, and
- (2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to: (1) effecting securities transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) receiving transaction-based compensation for identifying potential merger and acquisition opportunities for clients, referring securities transactions to other broker-dealers, or providing technology or platform services, and the Company (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

Windward Capital, Inc.

I, Sean Lawton, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: 

Title: President
August 20, 2021