

Company Registration No. 03311531 (England and Wales)

WINTON CAPITAL MANAGEMENT LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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WINTON CAPITAL MANAGEMENT LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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WINTON CAPITAL MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The purpose of this Strategic Report is to inform shareholders and help them assess how the directors have performed their duties to promote the success of Winton Capital Management Limited (the "Company").

Throughout 2021, the Company has continued to act as the main operating entity within the Winton group of companies (the "Winton Group" or "Winton"). It employs all the UK-based staff, is the contractual counterparty to the majority of the Group's service providers in the UK, and acts as the portfolio manager or investment adviser to most of the Group's clients. This Strategic Report should therefore be read in conjunction with the Group Strategic Report included in the Annual Report of the parent entity, Winton Group Limited ("WGL").

Business description and model

Winton is a research-led investment management company with a singular focus on statistical and mathematical inference in financial markets. The firm researches and trades quantitative investment strategies, which are implemented systematically via thousands of securities, spanning the world's major liquid asset classes. Founded in 1997 by CEO David Harding, Winton today manages assets for some of the world's largest institutional investors.

The Winton Group comprises a number of entities, including the Company which carries on the portfolio management activities of the Group and is the Alternative Investment Fund Manager ("AIFM") for the Winton-titled Alternative Investment Funds ("AIFs").

The Company is incorporated in England and Wales. It is authorised and regulated by the UK Financial Conduct Authority as an AIFM, is registered with the US Commodity Futures Trading Commission as a commodity pool operator and commodity trading adviser and with the US Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940. The Company is also a Member of the US National Futures Association.

Review of business in 2021

Key financial highlights

The key financial highlights, as set out in the audited financial statements, are as follows:

	2021 £'000	2020 £'000
Revenue	23,918	65,769
Operating (loss)/profit	(19,658)	151
Taxation	378	(2,055)
Loss after tax	(22,826)	(8,049)
Total dividends paid	-	14,212
Shareholders' funds at year end	56,684	79,510
Average number of employees	151	218

The Company's average Assets under Advisement ("AuA") decreased during 2021, which resulted in lower levels of management fees over the year. Performance fees were higher in 2021, reflecting the positive investment performance by Winton's range of systematic strategies and net client subscriptions.

Administrative expenses decreased from £71m to £53m in the year. This was driven by a reduction in both staff and non-staff costs.

WINTON CAPITAL MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Developments in the business

The Company employs all the Winton Group's UK-based staff and the average number of employees is shown in note 18. The Company has maintained its long-term strategy of investing for growth and is continuing to invest in its research, data and technology capabilities to improve the results of its investment strategies and to develop new products.

Year-end resources

The Company entered 2022 with shareholders' funds of £56.7m and a cash balance of £38.7m.

Strategy and future developments

As the major operating entity within the Winton Group, the Company's strategy is to continue to implement the strategy of the Winton Group in so far as it applies to Winton's operations in the UK, including acting as the portfolio manager of the Winton-titled AIFs and the investment adviser to other clients of Winton.

Further information about the strategy of the Winton Group is given in the Group Strategic Report included in the Annual Report of WGL.

Social and environmental responsibility

Winton is committed to engaging with the communities it is a part of and with wider society through charitable and sponsorship activities by the Group and its employees. Employees are able to make their own personal contributions to charities of their choice through the Group's charity policy which matches individual contributions generally up to £10,000 per employee per year. During the year, the Company made total charitable donations of £39k (2020: £108k).

WINTON CAPITAL MANAGEMENT LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2021

Corporate Governance and s172 Statement

Winton's corporate governance structure primarily comprises the Winton Group Board (the Board) and the Executive Management Committee. The governance bodies oversee the management of the relevant business areas to ensure that Winton conducts its business appropriately, with integrity, and with due regard for the interests of all stakeholders. These stakeholders include the Group's clients, regulators, third-party suppliers, shareholders and employees.

The Board includes both executive and non-executive directors, including the Group's majority shareholder as well as other shareholders. The Executive Management Committee is chaired by the CEO and comprises members of the senior leadership team.

The Board is responsible for the governance of Winton and its subsidiaries, and for setting the purpose and values of the Group. It is collectively responsible for the long-term success of the Group and for approving the Group's strategic aims.

Through written reports and presentations, the Board receives, reviews and discusses information from across the Group on topics including the Group's strategy, financial performance, operational matters, key risks, and legal and regulatory compliance.

During 2021, the Board has acted in a way that it considers, in good faith, to be most likely to promote the success of the Company for the benefit of its member as a whole, and in doing so has had regard, amongst other matters, to: (i) the likely consequences of any decision in the long term; (ii) the interests of the Company's employees; (iii) the need to foster the Company's business relationships with suppliers, customers and others; (iv) the impact of the Company's operations on the community and the environment; (v) the desirability of the Company maintaining a reputation for high standards of business conduct; and (vi) the need to act fairly as between members of the Company.

The Board's relevant responsibilities to the Group's stakeholders include:

- transparent reporting to, and active engagement with, clients, shareholders, regulators, employees and other stakeholders;
- supporting a high-level of employee engagement and interaction between managers and their teams;
- ensuring that the Group has remuneration policies in place and setting an appropriate remuneration strategy that both incentivises employees and promotes high standards of professional and ethical conduct by ensuring that employees are fairly and responsibly rewarded in a manner that is appropriately linked to their performance;
- ensuring compliance by the Group with its articles of association and relevant legal, regulatory and governance requirements, including the shareholders' agreement; and
- overseeing the Group's annual statutory audit and financial statements.

The Board's decisions factor in the requirements of the Group's stakeholders, for example:

- the Board works together with the Executive Management Committee in making promotion and remuneration decisions to ensure that these key organisational decisions pertaining to employees are based on contribution and merit;
- the Board is responsible for ensuring that risk management measures and internal controls put in place by management are appropriate and effective for the Group as a whole, including Winton's client base;

WINTON CAPITAL MANAGEMENT LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2021

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- due to the nature of its business, Winton has a limited supply chain, particularly in relation to its core business. Winton has a vendor management process in place to ensure that there is appropriate oversight of suppliers. In relation to the annual approval of the Transparency Statement on Modern Slavery, the Board considers the nature of Winton's engagement with its suppliers; and
 - as set out in Winton's Corporate Social Responsibility Statement, Winton is mindful of its environmental impact and interaction with the wider community and the Board is supportive of such initiatives and, where it is required to do so, will make decisions in accordance with such statement.

Conducting business in a responsible and ethical manner, and making decisions accordingly, is core to Winton's values. Underpinning this is a desire by the Board to maintain a reputation for high standards of business conduct, acting in accordance with applicable regulation and guidance issued by the relevant regulatory bodies.

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FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties, including use of financial instruments

The Group has identified the key business risks set out below, each of which, if not appropriately mitigated, could lead to a substantial decline in AuA due to significant redemptions or sustained poor performance, which in turn would lead to a decline in fee income for the Group, or could result in a direct risk to the assets and liabilities on the Group's balance sheet. The business risks facing the Group are considered to apply equally to the Company.

Investment risk

The overriding objective of the Group's investment risk management is to avoid a permanent impairment of investor capital. This objective informs both the design and operation of Winton's investment strategies.

The Group considers investment risk to comprise both market event risk, which is the possibility that an unforeseen event such as a war, terrorist strike or natural disaster, including pandemics or any other serious public health concern, could cause sudden and extreme trading losses; and systemic risk, the risk of overcrowding in particular markets or trades which could lead to temporary market distortions that prove unprofitable for the investment portfolios.

Key strategies to mitigate these risks include operating the investment portfolios with low levels of leverage, diversifying holdings across many liquid markets, and designing the investment systems such that they do not require rapid portfolio rebalancing in extreme market conditions.

Non-investment risks

Mis-selling and misrepresentation risk

This is the risk of Winton's employees mis-selling to, or misleading, an investor about the characteristics of a product or service, and also includes the risk of being misrepresented by a third-party distributor. Winton's vulnerability is centred on the material Winton provides for the promotion of the funds it advises. Winton is not liable for the way in which third-party funds have been promoted beyond its provision of such materials. Mitigants include controls over the production, review and dissemination of marketing materials; clear policies on client interactions and meetings; and regular communication with investors.

Regulatory and conduct risk

This is the risk that a change in laws and regulations will directly affect Winton's trading, or that the retrospective reinterpretation of existing regulations or inappropriate employee behaviour leads to regulatory fines. Examples of regulatory interventions that could have a negative impact on Winton's business include transaction taxes, short sale restrictions, restrictions on commodity futures trading, and foreign exchange controls.

While it is not possible to mitigate all such risks, Winton's Compliance function monitors proposed and actual regulatory changes. A strong governance culture exists throughout the Group with the highest priority placed on understanding new regulations to assess their applicability and act accordingly.

Conduct risk is mitigated by a rigorous employee vetting process; a culture of ethical and thoughtful behaviours throughout all of Winton's activities; ongoing compliance training and appropriate regulatory registrations; and compliance policies applicable to all employees.

Key person risk

This is the risk of key individuals relevant to Winton's business becoming incapacitated, poor incentive structures or ineffective management. This risk is mitigated by a strong senior management team with identified alternates in the event of incapacity, appropriate incentive structures and compensation of senior managers and periodic training.

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Technology and cyber security risk

This is the risk relating to the unauthorised use of Winton's IT systems, either maliciously or accidentally, by internal or external parties. This might result in the loss of Winton's ability to access markets, funds or information from third parties; personal customer or employee information; intellectual property; and ultimately a disruption of Winton's ability to operate. Risk mitigants include a dedicated information security team; user access controls; ongoing cyber security training for all staff; and the enforcement of information security and acceptable use policies. It also includes the risks relating to the failure or loss of corporate or public IT infrastructure, such as the destruction of a data centre or communication links; destruction or inaccessibility of premises; or a cyber-attack. Risk mitigants include multiple data centres with ability to switch IT operations between them; and a business continuity and disaster recovery plan.

Fraud risk

In a financial services business involving large sums of money, the risk of a fraud costing a few basis points of AuA but amounting to millions of pounds must be borne in mind. It is reduced in Winton's case by the fact that Winton does not, and is not permitted to, hold money for its clients. Nevertheless, Winton advises on and initiates billions of dollars of transactions which must introduce risk. Another type of fraud risk relates to external counterparties, for example fraud committed by a third party service provider or counterparty in relation to assets held that belong to Winton or Winton's investors (e.g. custodians, clearing brokers). Fraud risk is mitigated by a robust control framework including daily reconciliations of holdings and valuations between Winton's records and those of the institutions holding the accounts; strict signatory controls and regular reconciliation procedures over Winton's own cash resources; appropriate segregation of duties; thorough review of contractual agreements; and ongoing third-party oversight processes and due diligence.

On behalf of the Board



B Rentoul
Director

22 April 2022

WINTON CAPITAL MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors

The following directors have held office since 1 January 2021 unless otherwise stated:

Executive:

D W Harding
B Rentoul

Review of business and future developments

A review of the business is covered in the Strategic Report.

Results and dividends

The profit and loss account for the year is set out on page 14. During the year, the Company paid no interim dividends.

Post balance sheet events

Post balance sheet events are set out in note 20.

Employee engagement

Equal opportunities

Winton is committed to providing equal opportunities in employment and to avoiding unlawful discrimination. Winton's policy is to treat everyone fairly regardless of their age, gender, race, sexual orientation, disability, educational background, religion or beliefs.

Winton gives full and fair consideration to all applications for employment, including applications from disabled persons, having regard to particular aptitudes and abilities. If employees become disabled, appropriate support is provided and employment continues wherever possible, with retraining given if necessary. For the purposes of training, career development and progression, all employees are treated equally.

Employee involvement

Employees receive regular updates on developments in Winton's business via company meetings, which are attended by all employees globally, either in person or via video-link, and via regular postings on Winton's intranet. Each employee also has a formal annual review during which they discuss their own personal performance, and that of their team as well as developments in the business that affect them.

Where local regulations permit, all employees are eligible to participate in the Group's share purchase scheme, whereby employees and shareholders can apply to purchase or sell shares in the Group on a quarterly basis at a market price determined by an independent valuer. All shares rank for receipt of dividends when, taking into account regulatory and Group investment statutory requirements, the directors decide that profits are available for distribution.

WINTON CAPITAL MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Employee training, health and safety

Education and training are provided to employees to seek to ensure regulatory requirements are met and the Company encourages employees to recognise and value its corporate social responsibilities. High standards of health and safety at work are promoted and there is a health and safety policy incorporated into the staff handbook that highlights the commitment to ensuring employees are provided with a safe and healthy working environment.

Fostering business relationships with suppliers, customers and others

This is covered in the Strategic Report.

Pillar III disclosure

The qualitative disclosures to comply with Pillar III of the FCA Capital Requirements Directive can be found on the Group's web site at www.winton.com

Research and development

The success of Winton's business is rooted in its singular focus on scientific research and the proficient application of the scientific method. The requires significant and sustained investment in technology, data and personnel.

Principal risks and uncertainties, including use of financial instruments

This is covered in the Strategic Report.

Auditor

The Company's auditor, KPMG LLP, has indicated its willingness to continue in office.

WINTON CAPITAL MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



B Rentoul
Director

22 April 2022

Registered address:
20 Old Bailey
London
EC4M 7AN

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINTON CAPITAL MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Winton Capital Management Limited ("the company") for the year ended 31 December 2021 which comprise the Profit and loss account, the Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINTON CAPITAL MANAGEMENT LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all material post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINTON CAPITAL MANAGEMENT LIMITED

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINTON CAPITAL MANAGEMENT LIMITED

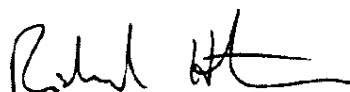
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

22 April 2022

WINTON CAPITAL MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£'000	*Restated £'000
Revenue	2	23,918	65,769
Distribution costs		(92)	(771)
Net revenue		23,826	64,998
Administrative expenses		(52,995)	(70,826)
Other operating income		9,511	5,979
Operating (loss)/profit	3	(19,658)	151
Profit on disposal of fixed assets	4	37	-
Interest receivable and similar income	5	24	206
Investment and foreign exchange gains and (losses)	6	(3,607)	(6,351)
(Loss)/Profit on ordinary activities before taxation		(23,204)	(5,994)
Tax on profit on ordinary activities	7	378	(2,055)
(Loss)/Profit on ordinary activities after taxation		(22,826)	(8,049)

*See note 1.1 for restatement

No other comprehensive income was recognised during the year.

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

The notes on pages 17 - 26 are an integral part of the financial statements

WINTON CAPITAL MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2021

		2021	2020
	Notes	£'000	£'000
Fixed assets			
Tangible assets	9	1,568	2,065
Investments	10	8,320	11,408
		<u>9,888</u>	<u>13,473</u>
Current assets			
Debtors	11	31,075	18,610
Cash at bank and in hand		<u>38,746</u>	<u>69,365</u>
		69,821	87,975
Creditors: amounts falling due within one year	12	<u>(22,122)</u>	<u>(21,924)</u>
Net current assets		<u>47,699</u>	<u>66,051</u>
Total assets less current liabilities		<u>57,587</u>	<u>79,524</u>
Creditors: amounts falling due after more than one year	13	<u>(903)</u>	<u>(14)</u>
Net assets		<u>56,684</u>	<u>79,510</u>
Share Capital and reserves			
Called up share capital	15	2,391	2,391
Share premium account		9,816	9,816
Other reserves	15	21,186	21,186
Profit and loss account		<u>23,291</u>	<u>46,117</u>
Shareholders' funds		<u>56,684</u>	<u>79,510</u>

Approved by the Board of Directors and signed on its behalf by:



B Rentoul
Director

22 April 2022

Company Registration No. 03311531

The notes on pages 17 - 26 are an integral part of the financial statements.

WINTON CAPITAL MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

2020	Called up share capital £'000	Share Premium account £'000	Other reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2020	2,391	9,816	21,056	68,378	101,641
Profit for the period	-	-	-	(8,049)	(8,049)
Total comprehensive income for the period	-	-	-	(8,049)	(8,049)
Share awards expensed	-	-	130	-	130
Dividends	-	-	-	(14,212)	(14,212)
Total contributions by and distributions to owners	-	-	130	(14,212)	(14,082)
Balance at 31 December 2020	2,391	9,816	21,186	46,117	79,510
2021	Called up share capital £'000	Share Premium account £'000	Other reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2021	2,391	9,816	21,186	46,117	79,510
Profit for the period	-	-	-	(22,826)	(22,826)
Total comprehensive income for the period	-	-	-	(22,826)	(22,826)
Share awards expensed	-	-	-	-	-
Dividends	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 December 2021	2,391	9,816	21,186	23,291	56,684

The notes on pages 17 - 26 are an integral part of the financial statements.

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

The Company is a private company, limited by shares and incorporated and domiciled in the UK. Set out below is a summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year.

1.1 Basis of preparation

These financial statements have been prepared in accordance with applicable UK accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Companies Act 2006.

These financial statements are prepared under the historical cost convention except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. The financial statements are denominated in pounds sterling as this is the principal currency in which the Company's activities are conducted. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Winton Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Winton Group Limited are prepared in accordance with FRS 102. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Going Concern

The Company has performed a cash flow forecast to consider its ability to continue as a going concern. In preparing the forecasts, severe, but plausible downside assumptions were considered, of which the following were key; the impact of continued reduction in revenue with no performance fees earned and a significant decrease in AuA for the next twelve-month period, settlement of all opening liabilities and no reductions in the level of expenditure. The cash flow forecast under such a scenario demonstrates that the Company will be able to continue to operate for a forecast period of at least twelve months from the approval date of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Prior year restatement

In the current year, other operating income represents income from recharges to fellow subsidiary companies. In the prior year, equivalent income was offset against administrative expenses in the profit and loss account. The restatement to the comparatives in the profit and loss account is to appropriately show income of £5,979,000 separately, consistent with the current year presentation.

1.2 Critical accounting estimates

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or the net asset position. The Directors consider that certain accounting estimates and assumptions relating to the valuation of shares in group undertakings are critical accounting estimates.

1.3 Revenue

Revenue represents fees receivable (excluding value added tax) during the period for discretionary investment management and advisory services. Management fees and performance fees are recognised in the period earned. Performance fees, which are based on the investment performance achieved for certain client portfolios relative to predefined benchmarks, are recognised as revenue at the end of the period over which the performance is measured or upon early redemption by a client.

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.6 Deferred discretionary retention awards

Staff costs include amounts in respect of deferred discretionary retention awards which have been granted to certain senior staff. Amounts payable under such awards are recognised in staff costs over the vesting period.

1.7 Pensions

The Company contributes to individual employees' personal pension plans. Contributions payable are charged to the profit and loss account when they fall due.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings - improvements	3 years straight line
Plant and machinery	3-5 years straight line
Fixtures, fittings & equipment	3 years straight line

1.9 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes at the rate expected to be in force at the time of the reversal. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.12 Dividends

Dividends are accounted for when declared and legally payable.

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1.13 Employee Share Ownership Plans

The Company operates ESOP trusts over which it has de facto control of the assets held by the trusts and bears their benefits and risk. It therefore records the assets and liabilities, the results and the cash flows of the trusts as its own. Any profit or loss realised from the sale and purchase of shares in the Company's holding company, WGL, through the ESOP is recorded as a movement in the income statement. The cost of the WGL shares held by the trusts is shown as an investment on the balance sheet.

1.14 Basic financial instruments

Trade and other debtors; Trade and other creditors

These items are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in funds

Investments in funds are classified as current asset investments and are held at fair value, being the market price at the reporting date at net asset value per share. Changes to fair value and realised gains and losses on disposal are taken to the profit and loss account.

Other unlisted investments

Fixed asset unlisted investments are held at fair value where a reliable measure of fair value is available, otherwise held at cost less impairment. Changes to fair value and realised gains and losses on disposal are taken to the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.15 Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value which is normally the transaction price. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

1.16 Share based payments

The Company reflects the economic cost of awarding share options to employees by recording an expense in the profit and loss account equal to the fair value of the benefit awarded less consideration payable. The expense is recognised in the profit and loss account over the vesting period of the award.

2 Revenue

The total revenue of the Company for the year has been derived from its principal activity undertaken in the United Kingdom, and provided to investors and investment vehicles located primarily outside the UK. Disclosure of revenue by geographic location below is based on the registered domicile of the fund or managed account entity paying the Company fees.

	2021 £'000	2020 £'000
Cayman Islands	11,357	36,577
Ireland	3,858	7,244
United States of America	3,122	10,350
Australia	1,868	6,039
Other Countries	3,713	5,559
	<u>23,918</u>	<u>65,769</u>

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3 Operating profit

	2021 £'000	2020 £'000
Operating profit is stated after charging:		
Depreciation of tangible assets	613	1,270
Operating lease rentals	2,739	2,869
Auditor's remuneration		
Fees payable to the Company's auditor:		
-for the audit of these financial statements	46	37
-for other assurance services	13	12
	<u>59</u>	<u>49</u>

4 Profit on disposal of fixed assets

	2021 £'000	2020 £'000
Profit on disposal of fixed assets	<u>37</u>	<u>-</u>
	<u>37</u>	<u>-</u>

5 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest on bank deposits	<u>24</u>	<u>206</u>
	<u>24</u>	<u>206</u>

6 Investment and foreign exchange gains and losses

	2021 £'000	2020 £'000
Realised (losses)/gains on investments measured at fair value through profit and loss	1	(817)
Unrealised losses on investments measured at fair value through profit and loss	(3,091)	(7,086)
Other net foreign exchange gains/(losses)	61	974
Net foreign exchange hedging gains	(578)	578
	<u>(3,607)</u>	<u>(6,351)</u>

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7 Taxation

	2021 £'000	2020 £'000
Domestic current year tax		
UK corporation tax	-	-
Adjustment for prior years	(389)	362
	(389)	362
Foreign current year tax		
Foreign corporation tax	12	-
	12	-
Current tax charge for the year	(378)	362
Deferred tax		
Deferred tax charge current year	-	1,881
Adjustment for prior years	-	(188)
Total tax charge for the year	(378)	2,055

The effective tax rate for the year differs from the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The reasons for the difference are explained below:

Factors affecting the tax charge for the year

Profit on ordinary activities before taxation	(23,204)	(5,994)
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19.00% (2020 – 19.00%)	(4,409)	(1,139)
Effects of:		
Prior year adjustments	(9)	174
Non-deductible expenses	-	5
Non-taxable loss	609	1,586
Group relief	608	1,001
Derecognition of deferred tax	2,865	-
Other permanent differences	(47)	428
Deferred tax rate differences	5	-
	4,031	3,194
Total tax charge for the year	(378)	2,055

Under legislation enacted at the balance sheet date, an increase in the rate of UK corporation tax from 19% to 25% is scheduled to occur from 1 April 2023. The Company expects that, in line with the rate increase enacted, there will be an increase to the effective tax rate for periods from 2023 onwards.

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8 Dividends

	2021 £'000	2020 £'000
Ordinary interim dividends paid	-	14,212

9 Tangible fixed assets

	Leasehold land & buildings - improvements £'000	Plant & machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 1 January 2021	6,288	12,816	2,622	21,726
Additions	1	61	2	64
Assets written off	-	(3,994)	(1,536)	(5,530)
At 31 December 2021	6,289	8,883	1,088	16,260
Depreciation				
At 1 January 2021	5,972	11,878	1,811	19,661
Charge for the year	206	381	26	613
Depreciation written off	(1)	(4,826)	(755)	(5,582)
At 31 December 2021	6,177	7,433	1,082	14,692
Net book value				
At 31 December 2021	112	1,450	6	1,568
At 31 December 2020	317	1,712	36	2,065

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10 Fixed asset investments

	2021			2020		
	Shares in group undertakings £'000	Other unlisted investments £'000	Total £'000	Shares in group undertakings £'000	Other unlisted investments £'000	Total £'000
At 1 January	11,174	234	11,408	15,729	340	16,069
Additions in the year	-	-	-	10,663	-	10,663
Disposals in the year	-	-	-	(8,211)	-	(8,211)
Change in fair value	-	76	76	-	(106)	(106)
Impairment	(3,164)	-	(3,164)	(7,007)	-	(7,007)
At 31 December	8,010	310	8,320	11,174	234	11,408

The shares in group undertakings are measured at cost less impairment. As at 31 December 2021, the valuation of the shares in group undertakings was reviewed to determine whether there was any indication of impairment. The valuation was assessed using a combination of a price-to-earnings ratio, dividend yield and a net asset value model. The results of this exercise indicated that an impairment of £3.2m (2020: £7.0m) was necessary to the value of the shares.

11 Debtors

	2021 £'000	2020 £'000
Trade debtors	387	103
Other assets held by ESOP trusts	1,934	1,977
Other debtors	4,664	3,526
Amounts owed by group undertakings	16,884	5,337
Prepayments and accrued income	7,206	7,667
	31,075	18,610

All debtors are due within one year.

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	897	321
Amounts owed to group undertakings	11,293	10,694
Taxes and social security costs	581	926
Other creditors	1,231	694
Accruals and deferred income	8,120	9,289
	<u>22,122</u>	<u>21,924</u>

13 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Accruals and deferred income	903	14
	<u>903</u>	<u>14</u>

14 Financial instruments

The carrying amounts of the financial assets and liabilities include:

	2021 £000	2020 £000
Assets measured at fair value through profit or loss	310	234
Assets measured at cost less impairment	33,405	24,383
Assets measured at amortised cost	38,746	69,365
Liabilities measured at cost less impairment	(21,086)	(19,513)

15 Share Capital and Reserves

Share Capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid		
2,391,169 Ordinary A shares of £1 each (2020: 2,391,169)	2,391	2,391
	<u>2,391</u>	<u>2,391</u>

No shares were issued during the year.

Other reserves is comprised of:

	2021 £'000	2020 £'000
Reserves in ESOP	21,186	21,186
	<u>21,186</u>	<u>21,186</u>

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16 Financial commitments

At 31 December 2021 the Company had total commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	2,789	2,827	2,320	2,336
Later than one year and no later than five years	1,582	3,981	781	631
	<u>4,371</u>	<u>6,808</u>	<u>3,101</u>	<u>2,967</u>

17 Directors' remuneration

	2021 £'000	2020 £'000
Directors' emoluments	<u>1,289</u>	<u>1,571</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>1,062</u>	<u>1,345</u>
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No other benefits were paid to the Directors disclosed above.

18 Employees

Number of employees

The average monthly number of employees (including WCM and WGL directors) during the year was:

	2021 Number	2020 Number
Average number of employees	<u>151</u>	<u>218</u>

Employment costs	2021 £'000	2020 £'000
Wages and salaries	31,187	38,069
Social security costs	4,001	4,756
Other pension costs	<u>1,671</u>	<u>2,212</u>
	<u>36,859</u>	<u>45,037</u>

Personal pension plans

The Company contributes to individual employees' personal pension plans. The assets of the plans are held separately from those of the Company in independently administered funds.

WINTON CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

19 Related party transactions

Hivemind Technologies Limited

During the year, Hivemind Technologies Limited (HTL), a subsidiary of WGL, provided services to the Company totalling £56,319 (2020: £181,181). At year-end, there was no outstanding balance (2020: nil).

During the year, the Company provided HTL with staff and infrastructure support for which HTL pays the Company a service charge. Service charge expenses of £30,000 (2020: £30,000) were incurred by HTL during the year of which £27,500 remains payable at year end (2020: £7,500).

Mr D W Harding

During the year, the Company managed assets for Mr D W Harding on which management fees were earned of £547,636 (2020: £353,033). At year-end, there was an outstanding balance of £118,512 (2020: £102,800).

20 Post balance sheet events

Dividends

Dividends totalling £4.9m were paid in January 2022.

Loan

In February 2022, WGL advanced a loan totalling £3.0m to the Winton ESOP Trust (described in note 1.13).

21 Ultimate parent company and controlling party

The ultimate parent company is Winton Group Limited, a company registered in England & Wales. The ultimate controlling party is Mr D W Harding.

Winton Group Limited prepares group financial statements and copies can be obtained from 20 Old Bailey, London, EC4M 7AN.