Company registered no: 03517613

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RWC Partners Limited
Annual Report and Financial Statements

Year ended 31 December 2021

RWC Partners Limited

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INFORMATION

Directors and professional advisors

Directors

S Brennan
P Clarke
J Innes
H Ke (appointed 10 January 2022)
A Leness
D Mannix (resigned 31 July 2021)
N Richards
T Stallvik
C Williams

Registered office

Verde 4th Floor
10 Bressenden Place
London
SW1E 5DH

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Bankers

HSBC Bank plc	Brown Brothers Harriman	JPMorgan Chase Bank
6 Commercial Way	(Lux.) S.C.A	25 Bank Street
Woking	80, Route D'Esch	Canary Wharf
Surrey	L-1470 Luxembourg	London
GU21 6EZ		E14 5JP

Registered number

03517613

Group Strategic Report for the year ended 31 December 2021

The directors present their Group Strategic Report and the Annual Report and Financial Statements in respect of RWC Partners Limited (the "company") and its subsidiaries (the "Group" or "RWC") for the year ended 31 December 2021. The Strategic Report is formed of two sections, the first being a report from the Chief Executive Officer followed by Other Strategic Reporting Matters.

Report from the CEO

At the time of writing our thoughts are first and foremost with the people of Ukraine. We hope the current negotiations come to a successful conclusion so the senseless loss of life comes to an end. Ukrainian people are not the only ones suffering, with numerous conflicts around the world continuing to deprive large numbers of people of the security that we in Western democracies have come to expect. Even within our own borders those freedoms are not freely extended to all members of society. The climate crisis is already affecting communities around the world and Covid 19 has disproportionately impacted those already less fortunate. There is much work to be done to make a more equitable planet.

Against this very challenging macro environment our own challenges can perhaps seem trivial, but several of our team members have friends or family in Ukraine – or indeed in other conflict zones. Covid 19 has also continued to be a challenge for everyone. With this backdrop I am very grateful both that our business has proven itself to be resilient and to our people for the hard work they continue putting in. Fostering a supportive environment where people enjoy working together has been proven to be more important than ever and must be a clear priority in the continued development of our culture.

As I transitioned to the role of Chief Executive during the year it afforded me an opportunity to look at the organisation from a new perspective. While we always have to evolve to meet new challenges, our distinctive attributes remain the pillars of our strategy of considered long-term growth. The need to focus on sustainability was already clear, and an exciting project was underway to look at our brand.

Our focus on sustainability is aligned with being a good long-term partner to our clients, with the brand evolution designed to better enable us to communicate that goal. It extends to all aspects of our business, including our commitment to become net zero for our own organisation's operations by the end of 2022. While the launch of the new brand - Redwheel – happened in January of 2022, the work leading up to it was all completed during the year. Redwheel gives us a platform to share our story, with the red wheel itself having been a feature in our old London office but more importantly serving as a visual representation of our organisation. The original wheel is a sturdy and functional object, representing resilience and professionalism, while also being an open and connected design. A critical aspect of our long-term success will be fostering an open, accessible and collaborative culture. Our goal was for our new name and identity to more effectively capture the essence of the principles upon which our organisation was originally founded. They also better reflect who we are today, as a collection of dynamic, dedicated and thoughtful individuals. While our individual investment propositions remain critical in forming long term relationships with our clients it is also increasingly clear that we need to communicate with internal and external stakeholders to share the key attributes of our organisation and why they are important in delivering good long-term outcomes.

Our people, our beliefs and our behaviours form the foundation of our organisation. Investing in ourselves is critical to delivering good outcomes for our clients. In this regard we were particularly pleased to welcome Roxy Kennedy as our new head of HR this year. Roxy's experience will help us build tools and approaches that support the continued development of our people, while also ensuring that diversity, equity and inclusion is central to the further development of our team. With our focus on culture, having experienced leadership of the HR function is also critical. Sharing and enforcing our beliefs with all stakeholders is aligned with the new brand and in this regard we have also strengthened our team with the hire of Sunita Patel as Head of Marketing. The key attributes that drive our organisation are the autonomy afforded to our investment teams, the balance provided by having an independent, professional management team with strong central governance and lastly the benefits of being an employee owned private business. Taken together these attributes support our goal of being a long-term partner to our clients. Focusing on sustainability is aligned with this goal. This focus must include all aspects of our own organisation, not just our approach to investments. 2021 was a year that saw further developments in this regard.

Over the course of the year we continued deepening our resources dedicated to supporting sustainability initiatives. The creation of a new centralised sustainability function led by Chris Anker, independent of our investment teams, has helped to enhance the discourse within the business on sustainability matters, both in relation to investment activity and the business overall. The central sustainability function was subsequently expanded further, with two additional hires to help take forward our work in relation to data and analytics, as well as training and communications.

The creation of a Sustainability Forum now provides a monthly opportunity for all investment teams to come together in order to debate and discuss the rapidly evolving expectations of clients and regulators from an investment perspective, helping to enhance awareness and understanding of emerging requirements. Sessions during the year involved experts both from within the business and from outside and focussed on a range of different issues including materiality, the art of engagement, as well as issues relating to the EU's Sustainable Finance Disclosure Regulation. New sustainability oversight arrangements have also been introduced. The Redwheel Sustainability Committee has been set up to monitor and challenge our investment teams on their individual approaches to integrating sustainability considerations in their investment and stewardship activities, while taking into account evolution in regulatory and client expectations.

A significant piece of work was undertaken to comprehensively review all proxy voting arrangements, as well as to review and enhance formal policies and internal processes designed to support the delivery of responsible investment in practice. As well as a new policy approach to the identification of companies involved in the production of controversial weapons, the turn of the year saw the publication of the revised Redwheel Stewardship Policy. This policy reflects the output of numerous conversations to agree and articulate how we as a business, and as a group of investors, are committed to acting as good stewards of clients' capital. We have also expanded the number of organisations we are actively supporting in relation to responsible investment. The relevance of initiatives to the delivery of our clients' best interests remains the key factor when evaluating whether or not to join further similar organisations.

At the corporate level, we have continued to build our programmes on social enterprise, environment, and diversity which together we refer to as SEED. A SEED Steering Committee now has formal oversight of activities, with work in each area being driven by employee volunteers from right across our business. We have as mentioned also committed to becoming net zero for our business operations by the end of 2022. In parallel, in order to further increase our impact, we have committed also to working with our investment teams and clients on the issue of investment portfolio "net zero" alignment. This is a complex topic, especially as we have significant investment in countries with later net zero targets than countries in the EU.

2021 was a successful year in terms of our financial performance. Turnover increased from £104.5 million to £108.1 million and profits before tax also increased from £18.4 million to £19.6 million. The profit before tax margin increased from 17.6% to 18.1% paired with continued investment in the business. Assets under management ended the year at £17.7 billion, up slightly from £17.3 billion the year before. Our average

AUM increased more materially leading to a 26% higher contribution to revenues from management fees and giving us a stronger foundation for the future.

Our largest and longer standing investment teams of UK Value, Global Horizon, Emerging and Frontier Markets and Convertible Bonds all contributed to our financial success and each individually built on their established strengths. We did close two investment teams, with Graham Clapp's retirement leading to the closure of the European Equity team and later in the year Clark Fenton and the Diversified Return team leaving as well. Our newest team is the Global Income team led by Nick Clay which made very positive progress. Assets increased from less than £300 million to over £700 million and have since grown further.

Looking ahead it seems most likely that macro factors will continue to dominate for the time being, with challenging financial market conditions weighing on our short term financial performance. Our organisation is built to last and we see opportunities to further strengthen our investment capabilities regardless of short term pressures. The long-term partnerships we have with our clients and the strong calibre and dedication of our people give me confidence in the future.

Tord Stallvik
Chief Executive Officer
22 April 2022

Other Strategic Reporting Matters

Principle Risks and Uncertainties

The Group remains focused on identification and mitigation, where possible, of risks to the business. This section reiterates and re-emphasises the key risks and uncertainties facing the organisation covered in the CEO report above:

- Fund performance not meeting investor expectations – This risk to the organisation is mitigated through the diversification of the revenues, funds and strategies managed by the Group. We are also clear and realistic as to what our clients can expect from our strategies and we maintain the highest levels of client service. Ultimately, we believe these characteristics bring longer-term benefits enabling the organisation to have an exciting future as a global, specialist investment manager.
- Foreign Exchange – Foreign exchange risk is mitigated through continuous monitoring of currency balances with surplus balances translated into operating currency. The Group also regularly reviews cash flow forecasting and considers the impact of foreign exchange risk.
- COVID-19 – Our infrastructure has allowed us to continue operations without disruption and our ability to service our clients has been maintained largely at pre-crisis levels. From a financial risk perspective, given our revenues are derived from investment management and related services to clients which are typically calculated as a percentage of the market value of AUM, RWC's revenues are subject to the negative impacts of market uncertainty created by COVID-19. The organisation remains profitable and the balance sheet is strong and resilient.
- Russian/Ukraine conflict - In early 2022 events in Ukraine, as a result of military action being undertaken by Russia, have resulted in further volatility across global markets with impacts on global economic conditions, asset valuations, interest rate expectations and exchange rates. Given the Group's revenues are derived from investment management services to clients which are calculated as a percentage of the market value of assets under management, these revenues are sensitive to market uncertainty. Management has performed an assessment of the direct impact of the conflict on the Group and do not consider there to be any significant impact outside of the broader economic uncertainty caused by the conflict.

Key Performance Indicator

The key performance indicator (KPI) for the business is profit margin (based on PBT against Total Income less Cost of Sales). This KPI reflects the underlying generation of value for shareholders. For the year to 31 December 2021, the Group's profit before tax (PBT) margin was 18.1% (2020 – 17.6%).

Statement by the Directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

The Directors consider, both individually and together, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021.

Section 172 requires a Director to have regard, amongst other matters to the:

- likely consequences of any decisions in the long term;
- interests of the Group's employees;
- need to foster the Group's business relationships with suppliers, customers and others;
- impact of the Group's operations on the community and environment;
- desirability of the Group maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the Group.

Statement by the Directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006 (continued)

In discharging its section 172 duties, the Board has had regard to the factors set out above; the relative importance of each factor will vary depending on the decision being taken. In addition, the Board recognises that certain decisions will require the Board to consider additional factors, as appropriate.

The Board fulfils its duties in collaboration with the senior management team, to which day to day management is delegated. The Board meets quarterly throughout the year, at a minimum. At each Board meeting, the Board considers updates on matters such as fund performance, risk, compliance, financial reporting, operations and regulatory matters. Over the year, matters such as the Group's strategy are also considered.

Our stakeholders are our people, our clients, our communities and our shareholders. We also think carefully about the impact of our activities on our environment; this creates a focus for our responsible activities that ensure we look over the horizon and think about the future for the people and entities that will rely on our organisation for many years to come.

The following items are material decisions or transactions for the Group during the financial year under review.

Impact of Covid-19

The outbreak of the Covid-19 in early 2020 and national lockdowns in 2020 and 2021 created an unforeseen impact on the work-life of our people and clients. In formulating responses to these new developments, the Board's responsibilities were to protect and support staff, the clients and the partners with whom RWC work, as well as ensuring the uninterrupted operation of our activities. 2021 began with the continued government guidance to work from home during which time RWCs remote working arrangements continued to operate effectively. With the lifting of restrictions during 2021 there was a gradual return to the office with hybrid working arrangements established for staff.

The Directors continue to take necessary action to maintain the safety and wellbeing of staff and to ensure appropriate infrastructure is in place to maintain the level of service our clients expect and need.

Capital Adequacy

The group is subject to regulatory requirements as set out by the FCA. As part of this on an annual basis we perform an Internal Capital Adequacy Assessment Process (ICAAP) in order to determine whether additional capital is required over and above the regulatory minimum capital determined by the rules of the FCA. From 1 January 2022 these rules changed and were replaced by IFPR. This regulation expanded the scope of the regulations. The annual capital adequacy process will now be known as the Internal Capital Adequacy and Risk Assessment review and evaluation process (ICARA). Primary responsibility for the ICAAP/ICARA rests with the Board who review and approve it on an annual basis. The Board recognises the need to consider the implications for the ICAAP/ICARA of any changes to business plans or of any events that may arise that suggest the risk assessment in the ICAAP/ICARA may no longer be appropriate.

Board Change

On 31 July 2021 Tord Stallvik was appointed CEO of the RWC Group in a transition of the role from Dan Mannix.

RWC Partners Limited

Streamlined energy and carbon reporting (SECR)

The Companies and Limited Liability Partnerships Regulations 2018 implement the government's policy on Streamlined Energy and Carbon Reporting.

Under the 2018 Regulations, large unquoted companies are required to report on UK energy use, and the associated GHG emissions, that relate to:

- Activities for which you are responsible involving the combustion of gas, or consumption of fuel for the purposes of transport; and
- The purchase of electricity by the company for its own use, including for the purposes of transport.

In response to these requirements, and in accordance with the guidance set out in the 2019 HM Government Environmental Reporting Guidelines, the table below sets out RWC's UK emissions and energy use data for the period 1 January 2021 to 31 December 2021.

	UK energy use, current reporting year - 2021
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1)/ tCO_2e	1.4
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2 – locations based)/ tCO_2e	15.6
Total gross Scope 1 & 2 emissions/ tCO_2e	17.0
Energy consumption used to calculate above emissions/ kWh	80,424
Intensity ratio: tCO_2e (gross Scope 1 & 2)/ full time equivalent	0.13
Methodology	GHG Reporting Protocol – Corporate Standard
Measures taken to improve energy efficiency	Switch to green electricity supplier in London office.

This report was approved by the Board on 22 April 2022 and signed on its behalf by

CCW

Cressida Williams
Chief Financial Officer

Directors' Report for the year ended 31 December 2021

The directors present their Annual Report and the consolidated audited financial statements of RWC Partners Limited and its subsidiaries for the year ended 31 December 2021.

Results and dividends

The profit for the year of the group, after taxation, amounted to £15,807,043 (2020: £14,613,260).

During the year the group paid dividends of £11,998,755 (2020: £15,010,683).

Directors

The directors who served during the year and up to the date of signing the financial statements were:
S Brennan
P Clarke
J Innes
H Ke (appointed 10 January 2022)
A Leness
D Mannix (resigned 31 July 2021)
N Richards
T Stallvik
C Williams

Pillar III disclosure

In accordance with the disclosures required by the Financial Conduct Authority (FCA) under BIPRU 11, the company's Pillar III disclosure is available via its website www.redwheel.com.

Future Developments

Details of the intended future developments for the group are included in the Strategic Report.

Indemnity

As permitted by the Articles of Association, the Directors have an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. This indemnity covers liabilities in connection with any negligence, default, breach of duty or breach of trust in relation to the Company which may attach to them in execution of their duties.

The Company maintains Directors' and Officers' liability insurance in respect of itself and its Directors. This is reviewed annually by the Board to ensure that cover is held at an appropriate level.

No Company Directors were indemnified during the year.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Statement of directors' responsibilities (continued)

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 Group and Company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and

- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution will be proposed concerning their reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 22 April 2022 and signed on its behalf by:

CCW

Cressida Williams
Director

Independent auditors' report to the members of RWC Partners Limited

Report on the audit of the financial statements

Opinion

In our opinion, RWC Partners Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet and Company Balance Sheet as at 31 December 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority and non-compliance with the Companies Act 2006, 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 financial statements such as 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 manipulation of financial data to present more favourable financial results. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Reviewing the Board of Directors' meeting minutes;
- Reviewing financial statement disclosures and testing to supporting documentation;
- Identifying and testing journal entries, in particular any journal entries posted with unusual words or account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Saira Choudhry

Saira Choudhry (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 April 2022

Consolidated Statement of Comprehensive Income for the year ended 31 December 2021

	Note	2021	2020
		£'000	£'000
Turnover	2	108,107	104,477
Cost of sales		(1,511)	(4,120)
Net income		106,596	100,357
Administrative expenses		(73,383)	(72,314)
Fair value movements	13	720	475
Expenses to non-controlling interests		(14,341)	(10,364)
Profit on ordinary activities before interest and taxation	3	19,592	18,154
Interest receivable and similar income		6	282
Profit on ordinary activities before taxation		19,598	18,436
Tax on profit	6	(3,791)	(3,823)
Profit for the financial year		15,807	14,613
Exchange difference on translation of subsidiaries		88	(1,116)
Other comprehensive income / expense for the year		88	(1,116)
Total comprehensive income for the year		15,895	13,497

All amounts relate to continuing operations. The company has taken section 408 exemption with respect to company profit and loss statement. The company reported a profit of £18.5m for the year (2020: £9.8m).

The notes to the financial statements on pages 20 to 42 form part of these financial statements.

RWC Partners Limited

Consolidated Balance Sheet as at 31 December 2021

	Note		2021		2020
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8		942		1,217
Tangible assets	9		1,228		1,361
			2,170		2,578
Current assets					
Debtors	11	46,587		50,520	
Money market deposits	12	5,000		10,000	
Investments	13	9,837		12,731	
Cash at bank and in hand	14	39,946		30,719	
		101,370		103,970	
Creditors: *amounts falling due within one year*	15	(46,790)		(52,834)	
Net current assets			54,580		51,136
Total assets less current liabilities			56,750		53,714
Creditors: amounts falling due after more than one year			-		-
Net assets			56,750		53,714
Capital and reserves					
Called up share capital	18		188		188
Share premium account			16,698		16,698
Other reserves			(25)		(364)
Profit and loss account			39,889		37,192
Total shareholders' funds			56,750		53,714

The financial statements on pages 14 to 42 were approved by the Board of directors on 22 April 2022 and were signed on its behalf by:

Cressida Williams
Director

The notes to the financial statements on pages 20 to 42 form part of these financial statements.

Registered number: 03517613

RWC Partners Limited

Company Balance Sheet as at 31 December 2021

	Note		2021		2020
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8		936		1,210
Tangible assets	9		976		1,161
Investments in subsidiary undertakings	10		4,856		4,533
			6,768		6,904
Current assets					
Debtors	11	46,175		32,042	
Money market deposit	12	5,000		10,000	
Investments	13	9,606		12,564	
Cash at bank and in hand	14	6,869		8,076	
		67,650		62,682	
Creditors: amounts falling due within one year	15	(23,166)		(23,882)	
Net current assets			44,484		38,800
Total assets less current liabilities			51,252		45,704
Creditors: amounts falling due after more than one year			-		-
Net assets			51,252		45,704
Capital and reserves					
Called up share capital	18		188		188
Share premium account			16,698		16,698
Other reserves			(25)		(366)
Profit and loss account			34,391		29,184
Total shareholders' funds			51,252		45,704

The financial statements on pages 14 to 42 were approved by the Board of Directors on 22 April 2022 and were signed on its behalf by:

Cressida Williams
Director

The notes to the financial statements on pages 20 to 42 form part of these financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 December 2021

	Note	Called-up share capital	Share premium account	Other reserves	Profit and loss account	**Total**
		£'000	£'000	£'000	£'000	£'000
At 1 January 2020		188	16,698	(7,498)	38,829	48,217
Profit for the financial year		-	-	-	14,613	14,613
Other comprehensive expense movement		-	-	-	(1,116)	(1,116)
Total comprehensive income		-	-	-	**13,497**	**13,497**
Transfer Employee Benefit Trust to RWC Partners Holdings Limited		-	-	3,489	-	3,489
Dividends paid	7	-	-	-	(15,011)	(15,011)
Other movements		-	-	(331)	749	418
Settlement of Employee Benefit Trust		-	-	-	(2,730)	(2,730)
Share based payment expense		-	-	-	1,858	1,858
Sale of own shares		-	-	3,976	-	3,976
At 31 December 2020		**188**	**16,698**	**(364)**	**37,192**	**53,714**
Profit for the financial year		-	-	-	15,807	15,807
Other comprehensive income movement		-	-	-	88	88
Total comprehensive income		-	-	-	**15,895**	**15,895**
Dividends paid	7	-	-	-	(11,999)	(11,999)
Other movements		-	-	339	-	339
Settlement of Employee Benefit Trust		-	-	-	(2,368)	(2,368)
Share based payment expense		-	-	-	1,062	1,062
Capital contribution		-	-	-	107	107
At 31 December 2021		**188**	**16,698**	**(25)**	**39,889**	**56,750**

The notes to the financial statements on pages 20 to 42 form part of these financial statements.

Company Statement of Changes in Equity for the year ended 31 December 2021

	Note	Called-up share capital	Share premium account	Other reserves	Profit and loss account	**Total**
		£'000	£'000	£'000	£'000	£'000
At 1 January 2020		188	16,698	(7,498)	34,514	43,902
Profit for the financial year		-	-	-	9,824	9,824
Transfer Employee Benefit Trust to RWC Partners Holdings Limited		-	-	3,489	-	3,489
Dividends paid	7	-	-	-	(15,011)	(15,011)
Other movements		-	-	(333)	768	435
Settlement of Employee Benefit Trust		-	-	-	(2,189)	(2,189)
Share based payment expense		-	-	-	1,278	1,278
Sale of own shares		-	-	3,976	-	3,976
At 31 December 2020		**188**	**16,698**	**(366)**	**29,184**	**45,704**
Profit for the financial year		-	-	-	18,466	18,466
Dividends paid	7	-	-	-	(11,999)	(11,999)
Share based payment expense		-	-	-	1,062	1,062
Settlement of Employee Benefit Trust		-	-	-	(2,368)	(2,368)
Other movements		-	-	341	46	387
At 31 December 2021		**188**	**16,698**	**(25)**	**34,391**	**51,252**

The notes to the financial statements on pages 20 to 42 form part of these financial statements.

RWC Partners Limited

Consolidated Cash Flow Statement for the year ended 31 December 2021

	Note	2021	2020
		£'000	£'000
Operating activities			
Net cash generated from operating activities	19	20,042	12,486
Taxation payments		(7,281)	(4,187)
Net cash inflows from operating activities		12,761	8,299
Investing activities			
Interest received		6	282
Payments to acquire fixed assets		(167)	(373)
Sale of money market deposit		5,000	15,000
Purchase of investment in equity instruments		(3,628)	(4,489)
Sale of investment in equity instruments		6,915	891
Net cash inflow from investing activities		8,126	11,311
Financing activities			
Equity dividends paid		(11,999)	(15,011)
Sale of own shares		371	615
Purchase of own shares		(32)	-
Net cash inflow/ (outflow) from financing activities		(11,660)	(14,396)
Increase/ in cash and cash equivalents		9,227	5,214
Cash and cash equivalents at 1 January		30,719	25,505
Cash and cash equivalents at 31 December		39,946	30,719

The notes on pages 20 to 42 form part of these financial statements.

RWC Partners Limited

Notes to the financial statements for the year ended 31 December 2021

1. Accounting Policies

1.1 Basis of preparation of financial statements

RWC Partners Limited is a private limited company, limited by shares, incorporated and registered in England in the United Kingdom under the Companies Act.

The company's registered address is Verde 4th floor, 10 Bressenden Place, London SW1E 5DH.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of current asset investments and in accordance with Financial Reporting Standard 102 (FRS 102), *the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Except where specifically noted (in notes 1.8, 1.18) Management do not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.
Management are also required to exercise judgement in applying the company's accounting policies. Due to the straight forward nature of the business, except in regard to notes 1.8 and 17, management consider that no critical judgements have been made in applying the company's accounting policies.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of the following exemptions in its individual financial statements:

- from presenting its individual profit and loss account per section 408 of the Companies Act
- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows

RWC Partners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.2 Going Concern

The Group meets its day-to-day working capital requirements through revenues from its investment management services. The outbreak of the COVID-19 in 2020 and continuation in 2021 saw the implementation of a series of precautionary and control measures across the world which resulted in general market uncertainty. Measures implemented by governments around the world have reduced volatility across global financial markets which in turn reduced the potential negative impact on the Groups performance and results. RWCs financial results for 2021 were reflective of the recovery following the challenges faced from the impacts of COVID-19, with improved performance and stable AUM leading to run-rate revenues surpassing 2020 levels. Events in Ukraine since February 2022, as a result of military action being undertaken by Russia, have resulted in volatility across global markets with impacts on global economic conditions, asset valuations, interest rate expectations and exchange rates. The Group's revenues are sensitive to market uncertainly given the nature of investment management services. Management has performed an assessment of the direct impact of the conflict on the Group and do not consider there to be any significant impact outside of the broader economic uncertainty caused by the conflict and therefore continues to adopt the going concern basis in preparing its financial statements.

The Group's forecasts, including stress test scenarios performed as part of the annual ICAAP process, and balance sheet position, taking into account reasonably possible changes in operating performance, show that the Group should be able to operate within the level of its forecast revenue and resources for the foreseeable future and for a least 12 months from the date of authorisation of these financial statements. The group therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Basis of consolidation

The financial statements consolidate the financial statements of RWC Partners Limited (the "Company") and its subsidiary undertakings; RWC Asset Management LLP (the "LLP"), (93% controlling interest), RWC Asset Advisors (US) LLC, RWC (US) LLC, RWC Singapore (Pte) Limited (the Group or RWC).

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. All entities have co-terminus financial accounting year ends.

As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.4 Turnover

The turnover shown in the Statement of Comprehensive Income represents fees receivable for investment management services provided during the year and arising from continuing activities in the UK, net of rebates offered and exclusive of value added tax. Fees received are for investment management or administrative services and are accrued on a monthly basis and performance fees are recognised on crystallisation.

1.5 Cost of Sales

Cost of Sales is recognised in the Statement of Comprehensive Income as costs directly attributable to Turnover.

1.6 Administrative Expenses

Administrative expenses shown in the Statement of Comprehensive Income represents expenses related to the operation of the business. Expenses relating to the net zero commitment will be recognised within administrative expenses but are not material in 2021 or 2020.

1.7 Interest Income and Expense

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.8 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives of 5 years.

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

1.9 Tangible fixed assets and depreciation

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

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

The Group and Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The depreciation expense is charged to administrative expenses in the Statement of Comprehensive Income. The estimated useful lives range as follows:

Equipment	- 3 years straight line
Leasehold improvements	- 10 years straight line
Software	- 3 years straight line
Fixtures and fittings	- 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last balance sheet date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.10 Operating leases

Rentals under operating leases are charged to Administrative Expenses in the Statement of Comprehensive Income on a straight-line basis over the lease term.

1.11 Current and deferred taxation

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

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

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

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

RWC Partners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.11 Current and deferred taxation (continued)

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

1.12 Foreign currencies

(a) Functional and presentation currency

The functional and presentation currency of the company and the group is Great British Pound (GBP). The group includes three overseas subsidiaries, of which for two the functional currency is United States Dollar (USD) and the third is Singapore Dollar (SGD).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the current market closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

1.13 Fixed asset investments

Investments in subsidiary undertakings are valued at cost less accumulated impairment.

1.14 Investment in equity instruments

Investments in equity instruments are held as current asset investments due to their highly liquid nature. They are initially valued at transaction value and revalued to fair value on a monthly basis. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

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

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.16 Money market deposits

Money market deposits comprises cash placed on fixed term deposit for a period of between six and nine months on acquisition with no option to withdraw prior to maturity. The value on maturity is fixed with no risk of change in value.

1.17 Employee share ownership & employee benefit trust (the "EBT")

Prior to 31 January 2020 the EBT was recognised as a branch of the Company and as such the equity held by the EBT was been recognised within the reserves of the Company (since the EBT loan balance netted off with the amount owed by the EBT). After 31 January 2020the loan arrangement between the EBT and the Company remained in place however since the EBT now held shares in RWC Partners Holdings Limited (RWC Holdco), it became a branch of RWC Holdco. This results in the EBT loan balance (the amount owed to the Company) no longer being netted off within the Company standalone accounts and hence being visible as an asset within the Company balance sheet.

1.18 Share based payments

Shares awarded to employees and Directors through the Company's equity schemes are settled with equity in RWC Holdco, the Company's ultimate parent.

The Group issues the following equity settled share based payments to certain employees (including Directors) and non-executive directors. These payments are through:

- Deferred Compensation Equity (vesting periods up to 40 months);
- Enterprise Management Incentives (EMI) options (no longer issued) (vesting periods of 24 months);
- Non-EMI options (vesting periods of up to 60 months);
- Long Term Service Awards (LTSA) shares (immediately vesting);
- HMRC recognised Share Incentive Plan (SIP) (no longer issued) (vesting period of 36 months); and
- Long Term Incentive Plan (LTIP) shares (vesting of up to 52 months).

Each scheme requires the employee to remain employed within the group throughout the vesting period.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.18 Share based payments (continued)

For Deferred Compensation Equity and LTIP shares, the fair value of the award at the point of grant is recognised through the Statement of Comprehensive Income (for the subsidiary which employs the individual who has been awarded the equity) on a straight-line basis over the vesting period (including the year of service to which the award relates). The fair value is measured by the current market share price (at the point of grant) of shares in RWC Partners Holdings Limited as determined by the Board of Directors. Upon vesting (and automatic exercising), the equity in RWC Holdco is transferred to the recipient from the holdings of the EBT. The reduction in the value of the EBT is reflected by the movement of the EBT loan balance by the holding value of the awarded shares.

For EMI and non-EMI options, the fair value is measured using the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. This value is recognised through the Statement of Comprehensive Income (of the subsidiary to which the option holder is employed or is a partner of) over the vesting period of the options.

SIP shares are held within an onshore trust on behalf of the employees. SIP shareholders benefit from dividend rights to the shares but no other rights of ownership for a period of three years from date of issuance. The fair value of the shares is measured by the market share price of shares in RWC Partners Holdings Limited as determined by the Board of Directors at the point of grant/purchase. The fair value is recognised fully at the point of grant/purchase within the Statement of Comprehensive Income. Upon the third anniversary, SIP shareholders gain ownership rights over their SIP shares. All SIP shares in issuance have been held for a period greater than 3 years.

1.19 Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

The group only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at transaction cost and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.19 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. 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 the Statement of Comprehensive Income.

1.20 Debtors

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

1.21 Creditors

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

1.22 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.23 Pension

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

1.24 Expenses to Non-controlling Interests

Expenses to non-controlling interests represent the proportion of members' remuneration charged as an expense in the underlying subsidiary entity RWC Asset Management LLP which is attributable to non-controlling interests.

RWC Partners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

2. Turnover

The turnover shown in the Statement of Comprehensive Income represents the value of services provided during the year, stated net of rebates offered and value added tax.

Group turnover by revenue stream is as follows:

	2021	2020
	£'000	£'000
Management and Service fee revenue	94,491	74,812
Performance fee revenue	13,616	29,665
	108,107	104,477

A geographical analysis of the group's turnover is as follows:

	2021	2020
	£'000	£'000
United Kingdom	13,301	9,418
Luxembourg	30,067	29,417
Rest of Europe	15,060	15,314
Cayman Islands	31,390	30,574
Rest of the World	18,289	19,754
	108,107	104,477

RWC Partners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Operating Profit

The operating profit is stated after charging:	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets:		
- owned	300	348
Amortisation of intangible assets	275	159
Auditors' remuneration		
- Audit of company & group consolidated financial statements	93	120
- Audit of subsidiaries	114	109
- Audit related assurance services	8	8
- Tax compliance services	272	273
- Tax advisory services	59	52
- Other non-audit services	144	236
Operating lease rentals:		
- other operating leases	1,203	1,185
Foreign exchange (gains)/losses	199	1,091

4. Staff Costs

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

	2021	2020
	£'000	£'000
Wages and salaries	51,283	50,401
Social security costs	2,087	1,771
Other pension costs	878	777
	54,248	52,949

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

	2021	2020
	Number	Number
Management staff	6	6
Fund management staff	38	43
Administrative staff	92	79
	136	128

Notes to the financial statements for the year ended 31 December 2021 (continued)

5. Directors' remuneration

	2021	2020
	£'000	£'000
Emoluments	6,233	7,581
Company pension contributions to defined contribution pension schemes	Nil	26

During the year retirement benefits were accruing to three directors (2020: four) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,882,774 (2020: £3,867,869).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,308 (2020: £5,000).

	2021	2020
	Number	Number
Directors who exercised share options during the year	-	1

During the year, directors exercised nil (2020: 8,500) share options. All options exercised were following the transaction detailed in note 21 and therefore were exercised over shares in the Company's ultimate parent RWC Partners Holdings Limited.

6. Tax on profit

	2021	2020
	£'000	£'000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	654	(264)
Foreign tax	3,349	5,592
Adjustments in respect of prior years	(425)	(1,505)
Total current tax	3,578	3,823
Deferred tax		
Origination and reversal of timing differences	213	-
Total deferred tax	213	-
Tax on profit	3,791	3,823

Deferred taxation is disclosed in Note 16.

Notes to the financial statements for the year ended 31 December 2021 (continued)

6. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020: differs from 19%). The differences are explained below:

	2021	2020
	£'000	£'000
Profit on ordinary activities before tax	19,598	18,436
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	3,724	3,503
Effects of:		
Expenses not deductible for tax purposes	96	(9)
R&D relief	-	-
Adjustments in respect of prior years	(426)	(1,505)
Tax charge arising from share based payments	(40)	136
Foreign tax	280	1,887
Timing differences on investment valuations	(3)	(6)
Other timing differences	(53)	(183)
Deferred taxation	213	-
Total tax charge for the year (see note above)	3,791	3,823

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 23% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7. Dividends Paid

	2021	2020
	£'000	£'000
Dividends paid on equity capital	11,999	15,010

Notes to the financial statements for the year ended 31 December 2021 (continued)

8. Intangible assets

	Software
	£'000
Group	
Cost	
At 1 January 2021	4,201
Additions	-
At 31 December 2021	4,201
Accumulated amortisation	
At 1 January 2021	2,984
Charge for the year	275
At 31 December 2021	3,259
Net book value	
At 31 December 2021	942
At 31 December 2020	1,217

The intangible asset at 31 December 2021 is fund management software developed for use by the Group. Development commenced in 2019 and the asset was brought into use in July 2020.

Company	Software
	£'000
Cost	
At 1 January 2021	4,189
Additions	-
At 31 December 2021	4,189
Accumulated amortisation	
At 1 January 2021	2,979
Charge for the year	274
At 31 December 2021	3,253
Net book value	
At 31 December 2021	936
At 31 December 2020	1,210

Notes to the financial statements for the year ended 31 December 2021 (continued)

9. Tangible assets

	Leasehold	Software	Fixtures & fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Group					
Cost					
At 1 January 2021	1,308	1,473	1,664	1,260	5,705
Additions	51	3	96	17	167
At 31 December 2021	1,359	1,476	1,760	1,277	5,872
Accumulated depreciation					
At 1 January 2021	374	1,473	1,300	1,197	4,344
Charge for the year	131	1	126	42	300
At 31 December 2021	505	1,474	1,426	1,239	4,644
Net book value					
At 31 December 2021	854	2	334	38	1,228
At 31 December 2020	934	-	364	63	1,361

	Leasehold	Software	Fixtures & fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Company					
Cost					
At 1 January 2021	1,311	1,460	1,154	946	4,871
Additions	-	3	47	17	67
At 31 December 2021	1,311	1,463	1,201	963	4,938
Accumulated depreciation					
At 1 January 2021	374	1,460	987	889	3,710
Charge for the year	131	1	83	37	252
At 31 December 2021	505	1,461	1,070	926	3,962
Net book value					
At 31 December 2021	806	2	131	37	976
At 31 December 2020	937	-	167	57	1,161

RWC Partners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10. Investment in Subsidiary Undertakings

	Investments in subsidiary entities £'000
Company	
Cost or valuation	
At 1 January 2021	4,533
Currency movement	(4)
Capital contribution in relation to equity in the Group (settled by the EBT) issued to employees of subsidiary undertakings	327
At 31 December 2021	4,856
Net book value	
At 31 December 2021	4,856
At 31 December 2020	4,533

Included in fixed asset investments of the Company is £1,200,000 (2020: £1,200,000) representing the Company's contribution of 32% (2020: 23%) to the Member's Capital of RWC Asset Management LLP, an investment management firm incorporated in England and Wales. Total Member's Capital of RWC Asset Management LLP amounts to £3,757,414 (2020: £5,322,179). The Company is the managing member of the LLP and holds the majority voting rights.

£1 (2020: £1) represents the entire share capital of RWC (US) LLC, an investment management firm incorporated in the United States of America.

£283,230 (2020: £286,504) represents the entire share capital (SGD 500,000) of RWC Singapore (Pte) Limited, an investment management firm incorporated in Singapore. This investment is held in SGD and revalued to GBP on a monthly basis.

£3,372,796 (2020: £3,045,000) represents capital contribution in relation to equity in the ultimate parent of the Group issued to employees of subsidiary undertakings.

The value of investments in subsidiary undertakings has been assessed at 31 December 2021 with no impairment required.

Notes to the financial statements for the year ended 31 December 2021 (continued)

11. Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade debtors	24,303	40,125	-	-
Amounts owed by group undertakings	-	-	24,512	21,675
VAT recoverable	455	683	1,824	2,008
Other debtors	1,126	1,044	994	756
Loan to EBT	10,959	1,694	10,959	1,694
Staff loans	4,701	5,650	4,248	4,796
Corporation tax	3,096	-	1,895	-
Deferred tax asset	74	287	73	287
Prepayments and accrued income	1,873	1,037	1,670	826
	46,587	50,520	46,175	32,042

Deferred taxation is disclosed in Note 16.

Staff loans relate to non-beneficial interest bearing full-recourse loans to employees and members solely for the purchase of equity in RWC. Staff loans balance includes £3,372,682 (2020: £4,402,607) falling due after more than one year. All loans are repayable in fixed instalments over a maximum period of 5 years with the loan being fully repayable in the event of the individual leaving the group. £251,076 (2020: £375,352) of the Group staff loans balance relates to staff loans for directors who entered into loan agreements with the Group prior to becoming directors. No further loans are extended to directors.

Transactions between Group companies are treated as inter-company loans, interest free and repayable on demand.

12. Money market deposits

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Money market deposits	5,000	10,000	5,000	10,000
	5,000	10,000	5,000	10,000

Notes to the financial statements for the year ended 31 December 2021 (continued)

13. Investments in Equity Instruments

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Other investments	9,837	12,731	9,606	12,564

Other investments represent RWC Partners Limited and RWC Asset Advisors (US) LLC investments in RWC Funds and products. Investments are revalued on a monthly basis to fair value.

The movement in other investments balance is as follows:

	Investments in Equity Instruments Group £'000	Investments in Equity Instruments Company £'000
Investments		
At 1 January 2020	8,172	8,012
Purchase of investment in equity instruments	4,489	4,489
Sale of investment in equity instruments	(891)	(891)
Marked to market movement on equity instruments	961	954
At 31 December 2020	12,731	12,564
At 1 January 2021	12,731	12,564
Purchase of investment in equity instruments	3,410	3,410
Sale of investment in equity instruments	(6,915)	(6,915)
Marked to market movement on equity instruments	611	547
At 31 December 2021	9,837	9,606

14. Cash at bank and in hand

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Cash at bank and in hand	39,946	30,719	6,869	8,076
	39,946	30,719	6,869	8,076

Notes to the financial statements for the year ended 31 December 2021 (continued)

15. Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade creditors	886	196	802	185
Amounts owed to group undertakings	373	-	373	-
Amounts owed to non-controlling interests	8,538	9,376	-	-
Corporation tax	-	608	-	(2,198)
Other taxation and social security	1,188	1,061	1,155	1,025
Other creditors	2,491	1,094	2,491	1,093
Derivative financial liability	67	112	67	112
Provision for uncertain tax matter	1,320	1,320	1,320	1,320
Accruals and deferred income	31,927	39,067	16,958	22,345
	46,790	52,834	23,166	23,882

Transactions between Group companies are treated as inter-company loans, interest free and repayable on demand. These net down to zero on consolidation.

Notes to the financial statements for the year ended 31 December 2021 (continued):

16. Deferred taxation

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
At 1 January	287	287	287	287
Recognised during the year	(213)	-	(214)	-
At 31 December	74	287	73	287

The deferred taxation balance is made up as follows:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Timing differences on fixed assets	(60)	(60)	(60)	(60)
Other timing differences	134	347	133	347
	74	287	73	287

17. Operating lease commitments

At 31 December 2021 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Group and Company		
Between 0 and 1 year	1,196	1,120
Between 1 and 2 years	1,206	1,061
Between 2 and 5 years	3,165	3,248
Greater than 5 years	572	1,347

18. Company called up share capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid		
1,111,545 (2020: 1,111,545) A Ordinary shares of £0.10 each	111	111
772,090 (2020: 772,090) B Ordinary shares of £0.10 each	77	77

Notes to the financial statements for the year ended 31 December 2021 (continued)

18. Company called up share capital (continued)

On 31 January 2020 all options to subscribe for shares in the Company transferred (with no change to value or vesting periods) to options over shares in RWC Holdco. Since this date no options over shares in the Company have been exercised (since all options were transferred to RWC Holdco resulting in no options remaining over shares in the Company).

	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		£		£
Outstanding at 1 January	-	-	187,846	40
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Transferred to Ultimate Parent (RWC Holdco)	-	-	(187,846)	40
Outstanding at 31 December	-	-	-	-
Exercisable at 31 December	-	-	-	-

As detailed in Note 1.18, the Group issues various equity settled schemes to its employees and partners. The weighted average exercise price for both the Long Term Incentive Plan (LTIP) and Deferred Compensation scheme is nil (2020: nil). Both schemes require the individual to remain employed or a member of the Group. Both schemes are settled by equity in the Company's ultimate parent company RWC Holdco.

For all equity settled share based arrangements, the equity is valued at fair market value ('FMV') at a price set by the Board. FMV is determined by the board on the basis of a transaction between a willing buyer and willing seller, taking account of any indebtedness in the company, and in a manner consistent with past practice. The FMV range for all equity settled share based payments granted within the year was from £51 to £65.

The total expense recognised in the profit and loss for the period in respect of the share-based payments for the Group was £1,148,774 (2020: £1,858,144) and £769,898 (2020: £1,278,227) for the Company. The carrying amount at the end of the year for future charges for share-based payment transactions for the Group was £1,248,261 (2020: £1,686,356).

Notes to the financial statements for the year ended 31 December 2021 (continued)

19. Net cash generated from operating activities

	2021	2020
	£'000	£'000
Profit for the financial year	15,807	14,613
Adjustments for:		
Depreciation of tangible fixed assets	300	348
Amortisation of intangible assets	275	159
Interest receivable	(6)	(282)
Taxation charge	3,791	3,823
Decrease/(increase) in debtors	5,529	(22,821)
(Decrease)/increase in creditors	(5,354)	10,695
Change in market value of investments	(611)	(961)
Share option expense	1,149	1,858
Expenses to non-controlling interests	14,341	10,364
Payments to non-controlling interests	(15,179)	(5,310)
Net cash inflow from operating activities	20,042	12,486

20. Controlling party

For the accounting year and as at 31 December 2021 RWC Partners Midco Limited is the immediate parent company. RWC Partners Holdings Limited, with registered office of Roseneath, The Grange, St Peter Port, Guernsey, GY1 2QJ, is the ultimate controlling party and heads the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. RWC Partners Limited is the parent company of the smallest group of undertakings for which group financial statements are drawn up.

Notes to the financial statements for the year ended 31 December 2021 (continued)

21. Related Party Transactions

Transactions between Group companies are treated as inter-company loans, repayable on demand. These net down to zero on consolidation.

The Group is formed of the following entities (all wholly owned unless stated):

- RWC Partners Limited (Verde 4th Floor, 10 Bressenden Place, London, SW1E 5DH, UK)
- RWC Asset Management LLP (32% capital contribution) (Verde 4th Floor, 10 Bressenden Place, London, SW1E 5DH, UK)
- RWC (US) LLC (incorporated in the USA) (Suite 201, 2640 South Bayshore Drive, Miami, Florida, 33133, USA)
- RWC Asset Advisors (US) LLC (incorporated in the USA) (Suite 201, 2640 South Bayshore Drive, Miami, Florida, 33133, USA)
- RWC Singapore (Pte) Limited (incorporated in Singapore) (#22-23, 80 Raffles Place, UOB Plaza 2, Singapore 048624)
- RWC GP Limited (incorporated in the Cayman Islands) (Verde 4th Floor, 10 Bressenden Place, London, SW1E 5DH, UK) (dissolved as of 7 June 2021)
- RWC US Feeders (GP) Limited (incorporated in the Cayman Islands) (PO Box 309, Ugland House, Grand Cayman, KY1-1104) (acquired 17 November 2021)
- RWC European Focus (General Partner) Inc. (incorporated in the Cayman Islands) (PO Box 309, Ugland House, Grand Cayman, KY1-1104) (acquired 17 November 2021)

The outstanding balance between the Company and the subsidiary entity RWC Asset Management LLP was £21.0m (2020: £21.5m). Transactions between the Company and RWC Asset Management LLP include profit allocation due to the Company; administrative costs borne by the Company; and cash movements between the Company and RWC Asset Management LLP. The net of the transactions within the period was £0.5m (2020: £(8.5)m).

As disclosed in Note 20 the ultimate parent company of the Group is RWC Partners Holdings Limited, the outstanding balance between the Company and RWC Partners Holdings Limited was £10.6m (2020: £1.2m).

22. Subsequent Events

On 20 January 2022 the Group announced that it would be operating under the new brand name Redwheel going forward. The Group entity legal names remain unchanged.

There were no other significant events occurring after 31 December 2021 which would require revision of the figures or disclosure in the annual report.