

Company registered no: 03517613



RWC Partners Limited
Annual Report and Financial Statements

Year ended 31 December 2022

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RWC Partners Limited

INFORMATION

Directors and professional advisors

Directors

S Brennan
P Clarke
J Innes
H Ke (appointed 10 January 2022)
A Leness
J Nicholls (appointed 28 February 2023)
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

JPMorgan Chase Bank	Brown Brothers Harriman
25 Bank Street	(Lux.) S.C.A
Canary Wharf	80, Route D'Esch
London	L-1470 Luxembourg
E14 5JP	

Registered number

03517613

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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", "Redwheel" or "RW") for the year ended 31 December 2022. 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

The past year has been dominated by macro events and developments, from the Russian invasion in Ukraine to central banks' moves to increase interest rates. While the inflationary effects from Covid lock downs, Russian sanctions and export disruptions for Ukrainian goods may all be temporary, it is not surprising that years of ever cheaper money would eventually lead to a reversal. In markets the biggest impact was felt in previously hot growth sectors, but almost all financial assets suffered significant losses. When money is free hope is discounted at zero, leading to excess valuations across a wide spectrum of speculative investments. We believe we are now in the early stages of a multi-year change in market leadership and are excited about the prospects for our investment strategies.

In order to fully capitalise on our opportunities, it is critical that we continue to invest in our organisation and our people. Building an engaging, supportive and collaborative work environment will allow us to reach our collective and individual ambitions. In this regard it was gratifying to see from our first firm wide culture survey that our people felt by an overwhelming margin that we offer that environment. We will always have to strive to be better in all aspects of what we do, but this gives us a positive starting point. During the past year we strengthened our Exco, with Roxy Kennedy, Head of HR, and our new Head of Business Development, Jane Nicholls, both joining. This gives our people central representation as we continue to build our strategy. Making sure all our people feel connected to our goals and ambitions will be a focus going forward, involving both how we communicate and ongoing investment in leadership and development. We believe a focus on diversity, equity and inclusion is critical to the development of our culture. Ongoing education and leadership on these topics, both at board level and throughout the organisation, will help us make better collective decisions and attract the talent we require to execute our strategy of considered long term growth.

Our culture must be aligned with our role as a long term partner to our clients. A focus on sustainability creates further alignment, with the past year seeing significant advancements in both how we run our organisation and how we invest. Through the use of carbon offsets, Redwheel have achieved better than net zero emissions on 2,000 tCO₂ (scope 1,2 and 3) for internal business operations in 2022. In order to ensure we can maintain this position in the long term we have partnered with The Woodland Trust to commence a multi-year UK tree planting programme which will grow to be a longer term carbon capture capability. In support of our investment strategies we expanded our central sustainability team and early in 2023 announced the formation of Greenwheel, a framework for sustainable, transition, and responsible investment strategies. Greenwheel is headed by Stephanie Kelly, who joined us in 2022, and is supported by a team of experts across sustainability functions. We also introduced dedicated technology platforms to support investment company engagement and to provide ESG analytics and reporting utilising independent third party data. Further climate scenario modelling tools have also been implemented. While we are broadly supportive of a regulatory focus on climate reporting, we are concerned about the quality of data available and the difficulty investors face in understanding the true impact of their investments. We have already seen a retreat from Article 9 reporting status under SFDR by many firms, which shows an unfortunate tendency by our industry to see new developments through a marketing lens. We believe that sustainability must be fundamentally integrated in how we help our clients meet their long term investment needs regardless of what regulatory category that puts us in. Engaging with companies that are successful

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over the long term is equally important to the support we can give those that are creating new solutions for the future.

Data costs and cyber risks are ever increasing concerns for our operations. In addition to the proliferation of data requirements in support of sustainability reporting, we are seeing oligopolistic behaviour by data vendors more broadly. We believe this, and the misuse of data, should be a regulatory focus. Data security is a concern for companies across all industries with reports of data loss and ransomware attacks becoming increasingly common. We are focused on cyber risk prevention in terms of both investment in technology tools and training. On an annual basis, we complete an independent controls report with assurance provided by BDO. This is a comprehensive assessment of our operations, governance and internal controls for the 12-month period to the end of March. The report is prepared in accordance with the International Standard on Assurance Engagements 3402 ("ISAE 3402"), issued by the International Auditing and Assurance Standards Board. The latest ISAE 3402 controls report, covering the 12 month period to 31 March 2022, was unqualified. Also on an annual basis, the firm completes an Operational Risk Assessment with Mercer (Australia) to provide existing and potential clients in Australia with an overview of our operational framework and controls environment. The latest report was completed at the end of November 2022 and received the highest 'retain' rating with all areas of the report meeting the standards. ESG was also considered Integrated. In October 2022, Redwheel's US and UK investment management entities were notified of a routine examination by the SEC pursuant to Section 204 of the Investment Advisers Act of 1940, to assess Redwheel's compliance with securities laws and rules. On 12 January 2023, the SEC notified Redwheel that it had completed its examination of both legal entities and issued a "no action letter". In addition, the examination staff had no written comments or findings to provide.

As a specialist investment organisation, the operating environment we provide for our experienced, autonomous investment teams is critical to our success. It is also important that they continue to invest in developing their own teams and investment processes. In the past year the teams made several senior hires in support of both existing and new investment strategies, ranging from sustainability expertise to developed market growth investing and the deepening of resources in established value focused strategies. The teams have also invested in the training and development of current team members. In a challenging market environment, the teams demonstrated our strengths in value focused strategies, emerging and frontier markets investments and convertible bonds. Our newest team, focused on global income investing, reached an important milestone in client support when assets under management reached \$1 billion, which has subsequently grown further in line with continued strong investment performance. To complement these existing areas of focus we undertook a strategic initiative to add a sustainable growth capability. As of this writing we have identified several key individuals that will help us launch this initiative later this year. Our investment in building Greenwheel was a significant contributor to our ability to attract a group of experienced, in demand, investment professionals. They, along with our existing investment teams, will allow us to launch a series of Greenwheel supported strategies in the coming months.

We are grateful for the ongoing support of our clients. In a challenging year they stayed committed to their partnership with us, resulting in a historically low level of redemptions. Our investment teams made a dedicated effort to communicate their views throughout the ongoing market swings, which is a critical component of the long term partnership we offer. It is often during more turbulent periods that we can truly evidence our commitment to being a strong and consistent partner to our clients. Getting the support of our clients in return further builds our conviction in the structure we have built. Our clients also showed their commitment in turning up for our first firm wide investment forum – Great Minds Don't Think Alike – during a day with yet another strike action by London transport workers. The rebranding we launched early in 2022 was also met with a lot of interest and engagement. Post launch of our new website we saw a dramatic increase in engagement and a consistently high proportion of new visitors to the site throughout

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the year. This was coupled with a steady rise in our LinkedIn following, which more than doubled from January 2022 to today.

Despite many positive developments and continued strong client support, 2022 was a more challenging year financially. Considering the focus of our investment strategies this is inevitable in a year with substantial falls across markets. Being structured to create long term alignment allows us to come through periods of relative stress and make sure we keep investing for the future. Turnover decreased from £108.1m to £89.4m, which was primarily driven by limited contributions from performance fees. Core operating profitability was marginally down by 0.4% from 2021. Profit before tax margins decreased from 18.4% to 13.3% and our assets under management decreased from \$23.9bn to \$19.8bn.

Looking ahead we are optimistic for the outlook across our investment strategies. The investments we have made over the past two years and our long term focus has allowed us to build a strong foundation for our business. While we do not assume macro risks are necessarily reduced, we do believe investors will now need to look at a broader range of investment strategies to meet their future financial needs. With our current and future range of proven investment capabilities we feel we are well placed to help them meet those needs.



Tord Stallvik
Chief Executive Officer
25 April 2023

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Other Strategic Reporting Matters

Principal 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.
- **Macroeconomic factors** – Macroeconomic events, including the continuing conflict in Ukraine and the global banking disruption in early 2023, have contributed to inflationary pressures and higher interest rates globally. Volatility across global markets and the challenging economic conditions have continued with resulting impacts on asset valuations. 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 assessed the impact of these factors on the Group and do not consider there to be any significant impact outside of the broader economic uncertainty caused by market volatility.

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 2022, the Group's profit before tax (PBT) margin was 13.3% (2021 – 18.4%).

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 2022.

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.

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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.

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 ICARA rests with the Board who review and approve it on an annual basis. The Board were comfortable that there was no material change to regulatory capital requirements based on the annual assessment.

Board change

The Board approved the appointment of Huan Ke and Jane Nicholls as directors on 10 January 2022 and 28 February 2023 respectively.

Redwheel Australia

During the year the Board approved the establishment of a new entity in the Group. Redwheel Australia Pty Limited was incorporated on 19 December 2022.

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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 RW's UK emissions and energy use data for the year 1 January 2022 to 31 December 2022.

	UK energy use, current reporting year - 2022
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1)/ tCO ₂ e	4.0
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2 – locations based)/ tCO ₂ e	16.0
Total gross Scope 1 & 2 emissions/ tCO ₂ e	20.0
Energy consumption used to calculate above emissions/ kWh	100,887
Intensity ratio: tCO ₂ e (gross Scope 1 & 2)/ full time equivalent	0.15
Methodology	GHG Reporting Protocol – Corporate Standard
Measures taken to improve energy efficiency	Switch to green gas supplier in London office. Partner with electric vehicle company to offer London employees the opportunity to lease electric vehicles via salary sacrifice.

This report was approved by the Board on 25 April 2023 and signed on its behalf by



Cressida Williams
Chief Financial Officer

RWC Partners Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

Results and dividends

The profit for the year of the group, after taxation, amounted to £9,524,558 (2021: £15,807,043).

During the year the group paid dividends of £9,286,321 (2021: £11,998,755).

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

J Nicholls (appointed 28 February 2023)

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).

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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 25 April 2023 and signed on its behalf by:



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 2022 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, including 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 the Company Balance Sheet as at 31 December 2022; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, and 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 2022 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 April 2023

RWC Partners Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		£'000	£'000
Turnover	2	89,366	108,107
Cost of sales		(1,156)	(1,511)
Net income		88,210	106,596
Administrative expenses		(64,484)	(73,383)
Fair value movements	13	376	720
Expenses to non-controlling interests		(12,414)	(14,341)
Profit before interest and taxation	3	11,688	19,592
Interest receivable and similar income		80	6
Profit before taxation		11,768	19,598
Tax on profit	6	(2,243)	(3,791)
Profit for the financial year		9,525	15,807
Exchange difference on translation of subsidiaries		983	88
Other comprehensive income for the year		983	88
Total comprehensive income for the year		10,508	15,895

All amounts relate to continuing operations. The Company has taken the Companies Act 2006 section 408 exemption with respect to Company profit and loss statement. The Company reported a profit of £9.2m for the year (2021: £18.5m).

The notes to the financial statements on pages 20 to 44 form part of these financial statements.

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		£'000	£'000
Fixed assets			
Intangible assets	8	668	942
Tangible assets	9	1,066	1,228
		<u>1,734</u>	<u>2,170</u>
Current assets			
Debtors	11	34,785	46,587
Investments in equity instruments	13	6,210	9,837
Money market deposits	12	15,000	5,000
Cash at bank and in hand	14	34,397	39,946
		<u>90,392</u>	<u>101,370</u>
Creditors: amounts falling due within one year	15	<u>(35,215)</u>	<u>(46,790)</u>
Net current assets		<u>55,177</u>	<u>54,580</u>
Total assets less current liabilities		<u>56,911</u>	<u>56,750</u>
Creditors: amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net assets		<u>56,911</u>	<u>56,750</u>
Capital and reserves			
Called up share capital	18	188	188
Share premium account		16,698	16,698
Other reserves		-	(25)
Profit and loss account		<u>40,025</u>	<u>39,889</u>
Total shareholders' funds		<u>56,911</u>	<u>56,750</u>

The financial statements on pages 14 to 44 were approved by the Board of directors on 25 April 2023 and signed on its behalf by:



Cressida Williams
Director

The notes to the financial statements on pages 20 to 44 form part of these financial statements.

Registered number: 03517613

RWC Partners Limited

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022	2021
		£'000	£'000
Fixed assets			
Intangible assets	8	662	936
Tangible assets	9	852	976
Investments in subsidiary undertakings	10	5,042	4,856
		6,556	6,768
Current assets			
Debtors	11	32,119	46,175
Investments in equity instruments	13	5,987	9,606
Money market deposit	12	15,000	5,000
Cash at bank and in hand	14	12,831	6,869
		65,937	67,650
Creditors: amounts falling due within one year	15	(22,303)	(23,166)
Net current assets		43,634	44,484
Total assets less current liabilities		50,190	51,252
Creditors: amounts falling due after more than one year		-	-
Net assets		50,190	51,252
Capital and reserves			
Called up share capital	18	188	188
Share premium account		16,698	16,698
Other reserves		-	(25)
Profit and loss account		33,304	34,391
Total shareholders' funds		50,190	51,252

The financial statements on pages 14 to 44 were approved by the Board of Directors on 25 April 2023 and signed on its behalf by:



Cressida Williams
Director

The notes to the financial statements on pages 20 to 44 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2021		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
Profit for the financial year		-	-	-	9,525	9,525
Other comprehensive income movement		-	-	-	983	983
Total comprehensive income		-	-	-	10,508	10,508
Dividends paid	7	-	-	-	(9,286)	(9,286)
Other movements		-	-	25	45	70
Settlement of Employee Benefit Trust		-	-	-	(2,143)	(2,143)
Share based payment expense		-	-	-	851	851
Capital contribution		-	-	-	161	161
At 31 December 2022		188	16,698	-	40,025	56,911

The notes to the financial statements on pages 20 to 44 form part of these financial statements.

RWC Partners Limited

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2021		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
Profit for the financial year		-	-	-	9,174	9,174
Dividends paid	7	-	-	-	(9,286)	(9,286)
Share based payment expense		-	-	-	707	707
Settlement of Employee Benefit Trust		-	-	-	(2,000)	(2,000)
Other movements		-	-	25	318	343
At 31 December 2022		188	16,698	-	33,304	50,190

The notes to the financial statements on pages 20 to 44 form part of these financial statements.

RWC Partners Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		£'000	£'000
Operating activities			
Net cash generated from operating activities	19	10,997	20,042
Taxation payments		(1,757)	(7,281)
Net cash inflows from operating activities		<u>9,240</u>	<u>12,761</u>
Investing activities			
Interest received		80	6
Payments to acquire fixed assets		(147)	(167)
Purchase of money market deposit		(15,000)	-
Sale of money market deposit		5,000	5,000
Purchase of investment in equity instruments		(958)	(3,628)
Sale of investment in equity instruments		4,538	6,915
Net cash (outflow) / inflow from investing activities		<u>(6,487)</u>	<u>8,126</u>
Financing activities			
Equity dividends paid		(9,286)	(11,999)
Sale of own shares		-	371
Purchase of own shares		-	(32)
Net cash (outflow) from financing activities		<u>(9,286)</u>	<u>(11,660)</u>
(Decrease) / Increase in cash and cash equivalents		<u>(6,533)</u>	<u>9,227</u>
Cash and cash equivalents at 1 January		<u>39,946</u>	<u>30,719</u>
Effect of Exchange Rate on cash and cash equivalents		984	-
Cash and cash equivalents at 31 December		<u>34,397</u>	<u>39,946</u>

The notes on pages 20 to 44 form part of these financial statements.

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the company statement of cash flows.

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 1.18, 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 2022 (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. Macroeconomic events, including the continuing conflict in Ukraine and the global banking disruption in early 2023, have contributed to inflationary pressures and higher interest rates globally. Volatility across global markets and the challenging economic conditions have continued with resulting impacts on asset valuations. The Group's revenues are sensitive to market uncertainty given the nature of investment management services. Management has performed an assessment of the direct impact of the conflict on the Group and does 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 and Company forecasts, including stress test scenarios performed as part of the annual ICARA process, and balance sheet position, taking into account reasonably possible changes in operating performance, show that the Group and Company 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 and Company 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"), (31% controlling interest), RWC Asset Advisors (US) LLC, RWC (US) LLC, RWC Singapore (Pte) Limited and Redwheel Australia Pty (the Group or RW).

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.

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (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 are recognised within administrative expenses but are not material in 2022 or 2021.

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.

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (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:

Computer 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 2022 (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.

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (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 has 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 2020 and until September 2022, the 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 resulted 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. In September 2022 the loan arrangement with the EBT was transferred from the Company to its subsidiary RWC Asset Advisors (US) LLC. The EBT loan balance is no longer an asset within the Company Balance Sheet but remains an asset in the Group 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 2022 (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 FRS 102 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 2022 (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 2022 (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 2022 (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:

	2022	2021
	£'000	£'000
Management and Service fee revenue	89,408	94,491
Performance fee revenue	(42)	13,616
	<u>89,366</u>	<u>108,107</u>

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

	2022	2021
	£'000	£'000
United Kingdom	16,043	13,301
Luxembourg	27,801	30,067
Rest of Europe	5,211	15,060
Cayman Islands	26,294	31,390
Rest of the World	14,017	18,289
	<u>89,366</u>	<u>108,107</u>

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

3. Profit before interest and taxation

The operating profit is stated after (crediting)/charging:	2022	2021
	£'000	£'000
Depreciation of tangible fixed assets:		
- owned	235	300
Amortisation of intangible assets	274	275
Auditors' remuneration		
- Audit of company & group consolidated financial statements	121	93
- Audit of subsidiaries	172	114
- Audit related assurance services	11	8
- Tax compliance services	369	272
- Tax advisory services	33	59
- Other non-audit services	169	144
Operating lease rentals:		
- other operating leases	1,268	1,203
Foreign exchange (gains)/losses	<u>(1,503)</u>	<u>199</u>

Non-audit services fees paid to the auditors are primarily relating to services to funds managed by the Group, 2022 were £169,307 (2021: £139,154). Fees paid to the auditors for tax compliance services, on behalf of funds managed by the LLP, for 2022 were £302,290 (2021: £204,552).

4. Staff Costs

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

	2022	2021
	£'000	£'000
Wages and salaries	41,237	51,283
Social security costs	1,958	2,087
Pension costs	955	878
	<u>44,150</u>	<u>54,248</u>

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

	2022	2021
	Number	Number
Management staff	7	6
Fund management staff	59	38
Administrative staff	106	92
	<u>172</u>	<u>136</u>

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

5. Directors' remuneration

	2022 £'000	2021 £'000
Emoluments	4,230	6,233
Company pension contributions to defined contribution pension schemes	12	Nil

During the year retirement benefits were accruing to three directors (2021: three) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,206,138 (2021: £2,882,774).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,442 (2021: £11,308).

	2022 Number	2021 Number
Directors who exercised share options during the year	-	-

During the year, directors exercised nil (2021: nil) 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

	2022 £'000	2021 £'000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	610	654
Foreign tax	1,778	3,349
Adjustments in respect of prior years	(249)	(426)
Total current tax	2,139	3,578
Deferred tax		
Origination and reversal of timing differences	104	213
Total deferred tax	104	213
Tax on profit	2,243	3,791

Deferred taxation is disclosed in Note 16.

RWC Partners Limited

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2022 (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% (2021: differs from 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	11,768	19,598
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	2,236	3,724
Effects of:		
Expenses not deductible for tax purposes	162	96
Adjustments in respect of prior years	(249)	(426)
Tax charge arising from share based payments	(18)	(40)
Foreign tax	(44)	280
Timing differences on investment valuations	-	(3)
Other timing differences	52	(53)
Deferred taxation	104	213
Total tax charge for the year	2,243	3,791

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was enacted at the balance sheet date. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7. Dividends Paid

	2022 £'000	2021 £'000
Dividends paid on equity capital	9,286	11,999

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

8. Intangible assets

	Software £'000		Software £'000
Group		Group	
Cost		Cost	
At 1 January 2022	4,201	At 1 January 2021	4,201
Additions	-	Additions	-
At 31 December 2022	4,201	At 31 December 2021	4,201
Accumulated amortisation		Accumulated amortisation	
At 1 January 2022	3,259	At 1 January 2021	2,984
Charge for the year	274	Charge for the year	275
At 31 December 2022	3,533	At 31 December 2021	3,259
Net book value		Net book value	
At 31 December 2022	668	At 31 December 2021	942
At 31 December 2021	942	At 31 December 2020	1,217

The intangible asset at 31 December 2022 is fund management software developed for use by the Group. Development commenced in 2019 and the asset was brought into use in July 2020.

	Software £'000		Software £'000
Company		Company	
Cost		Cost	
At 1 January 2022	4,189	At 1 January 2021	4,189
Additions	-	Additions	-
At 31 December 2022	4,189	At 31 December 2021	4,189
Accumulated amortisation		Accumulated amortisation	
At 1 January 2022	3,253	At 1 January 2021	2,979
Charge for the year	274	Charge for the year	274
At 31 December 2022	3,527	At 31 December 2021	3,253
Net book value		Net book value	
At 31 December 2022	662	At 31 December 2021	936
At 31 December 2021	936	At 31 December 2020	1,210

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)
9. Tangible assets

	Leasehold	Software	Fixtures & fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Group					
Cost					
At 1 January 2022	1,359	1,476	1,760	1,277	5,872
Additions	-	-	14	133	147
Exchange differences	(56)	-	29	(47)	(74)
At 31 December 2022	1,303	1,476	1,803	1,363	5,945
Accumulated depreciation					
At 1 January 2022	505	1,474	1,426	1,239	4,644
Charge for the year	131	1	172	55	359
Exchange differences	-	-	(61)	(63)	(124)
At 31 December 2022	636	1,475	1,537	1,231	4,879
Net book value					
At 31 December 2022	667	1	266	132	1,066
At 31 December 2021	854	2	334	38	1,228

	Leasehold	Software	Fixtures & fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Company					
Cost					
At 1 January 2022	1,311	1,463	1,201	963	4,938
Additions	-	1	11	133	145
At 31 December 2022	1,311	1,464	1,212	1,096	5,083
Accumulated depreciation					
At 1 January 2022	505	1,461	1,070	926	3,962
Charge for the year	131	1	88	49	269
At 31 December 2022	636	1,462	1,158	975	4,231
Net book value					
At 31 December 2022	675	2	54	121	852
At 31 December 2021	806	2	131	37	976

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)
9. Tangible assets (continued)

	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

10. Investments in Subsidiary Undertakings

	Investments in subsidiary entities £'000		Investments in subsidiary entities £'000
Company		Company	
Cost or valuation		Cost or valuation	
At 1 January 2022	4,856	At 1 January 2021	4,533
Currency movement	35	Currency movement	(4)
Capital contribution in relation to equity in the Group (settled by the EBT) issued to employees of subsidiary undertakings	151	Capital contribution in relation to equity in the Group (settled by the EBT) issued to employees of subsidiary undertakings	327
At 31 December 2022	<u>5,042</u>	At 31 December 2021	<u>4,856</u>
Net book value		Net book value	
At 31 December 2022	<u>5,042</u>	At 31 December 2021	<u>4,856</u>
At 31 December 2021	<u>4,856</u>	At 31 December 2020	<u>4,533</u>

Included in fixed asset investments of the Company is £1,200,000 (2021: £1,200,000) representing the Company's contribution of 31% (2021: 32%) 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 £3,849,246 (2021: £3,757,414). The Company is the managing member of the LLP and holds the majority voting rights.

£1 (2021: £1) represents the entire share capital of RWC (US) LLC, an investment management firm incorporated in the United States of America.

£317,410 (2021: £283,230) 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.

£3,524,043 (2021: £3,372,796) represents capital contribution in relation to equity in the ultimate parent of the Group issued to employees of subsidiary undertakings.

£1 (2021: nil) represents the entire share capital of Redwheel Australia Pty Limited, an investment management firm incorporated in Australia.

The value of investments in subsidiary undertakings has been assessed at 31 December 2022 with no impairment required.

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)
11. Debtors

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	11,934	24,303	-	-
Amounts owed by group undertakings	28	-	21,490	24,512
VAT recoverable	382	455	1,744	1,824
Other debtors	1,756	1,126	1,564	994
Loan to EBT	11,885	10,959	-	10,959
Staff loans	3,814	4,701	3,267	4,248
Corporation tax	2,712	3,096	2,019	1,895
Deferred tax asset	-	74	-	73
Prepayments and accrued income	2,274	1,873	2,035	1,670
	<u>34,785</u>	<u>46,587</u>	<u>32,119</u>	<u>46,175</u>

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 RW. Staff loans include £1,798,567 (2021: £3,372,682) 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. £132,254 (2021: £251,076) 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. These net down to zero on consolidation on a Group basis. Balances owed to the Company to other Group companies are disclosed on the table above.

12. Money market deposits

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Money market deposits	15,000	5,000	15,000	5,000
	<u>15,000</u>	<u>5,000</u>	<u>15,000</u>	<u>5,000</u>

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

13. Investments in Equity Instruments

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Other investments	<u>6,210</u>	<u>9,837</u>	<u>5,987</u>	<u>9,606</u>

Other investments represent RWC Partners Limited and RWC Asset Advisors (US) LLC investments in RW 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 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	<u>611</u>	<u>547</u>
At 31 December 2021	<u>9,837</u>	<u>9,606</u>
At 1 January 2022	9,837	9,606
Purchase of investment in equity instruments	958	958
Sale of investment in equity instruments	(4,538)	(4,538)
Marked to market movement on equity instruments	<u>(47)</u>	<u>(39)</u>
At 31 December 2022	<u>6,210</u>	<u>5,987</u>

14. Cash at bank and in hand

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Cash at bank and in hand	<u>34,397</u>	<u>39,946</u>	<u>12,831</u>	<u>6,869</u>
	<u>34,397</u>	<u>39,946</u>	<u>12,831</u>	<u>6,869</u>

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

15. Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade creditors	158	886	120	802
Amounts owed to group undertakings	2,719	373	2,729	373
Amounts owed to non-controlling interests	5,747	8,538	-	-
Other taxation and social security	809	1,188	776	1,155
Other creditors	2,119	2,491	1,520	2,491
Derivative financial liability	4	67	4	67
Deferred tax	30	-	24	-
Provision for uncertain tax matter	1,320	1,320	1,320	1,320
Accruals and deferred income	22,309	31,927	15,810	16,958
	<u>35,215</u>	<u>46,790</u>	<u>22,303</u>	<u>23,166</u>

Transactions between Group companies are treated as inter-company loans, interest free and repayable on demand. These net down to zero on consolidation on a Group basis. Balances owed by the Company to other Group companies are disclosed on the table above.

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued):

16. Deferred taxation

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
At 1 January	74	287	73	287
Recognised during the year	(104)	(213)	(97)	(214)
At 31 December	(30)	74	(24)	73

The deferred taxation balance is made up as follows:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Timing differences on fixed assets	(94)	(60)	(88)	(60)
Other timing differences	64	134	64	133
	(30)	74	(24)	73

17. Operating lease commitments

At 31 December 2022 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Group and Company		
Between 0 and 1 year	1,248	1,196
Between 1 and 2 years	1,185	1,206
Between 2 and 5 years	2,621	3,165
Greater than 5 years	-	572

18. Called up share capital

	2022 £'000	2021 £'000
Allotted, called up and fully paid		
1,111,545 (2021: 1,111,545) A Ordinary shares of £0.10 each	111	111
772,090 (2021: 772,090) B Ordinary shares of £0.10 each	77	77

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

18. 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, granted or lapsed (since all options were transferred to RWC Holdco resulting in no options remaining over shares in the Company). There are no outstanding or exercisable options over shares in the Company at 31 December 2022 (2021: Nil).

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 (2021: 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 £53 to £68.

The total expense recognised in the profit and loss for the year in respect of the share-based payments for the Group was £1,011,689 (2021: £1,148,774) and £837,568 (2021: £769,898) for the Company. The carrying amount at the end of the year for future charges for share-based payment transactions for the Group was £848,636 (2021: £1,248,261).

RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**19. Net cash generated from operating activities**

	2022	2021
	£'000	£'000
Profit for the financial year	9,525	15,807
Adjustments for:		
Depreciation of tangible fixed assets	359	300
Amortisation of intangible assets	274	275
Interest receivable	(80)	(6)
Taxation charge	2,243	3,791
Decrease in debtors	9,159	5,529
(Decrease) in creditors	(8,751)	(5,354)
Change in market value of investments	47	(611)
Share option expense	1,012	1,149
Expenses to non-controlling interests	12,414	14,341
Payments to non-controlling interests	(15,205)	(15,179)
Net cash inflow from operating activities	10,997	20,042

20. Controlling party

For the accounting year and as at 31 December 2022 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.

RWC Partners Limited**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2022 (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 on a Group basis. Balances owed by the Company to other Group companies are disclosed on the table above.

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 (31% 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)
- Redwheel Australia Pty Limited (incorporated in Australia) (Unit 1 575 Darling Street, Rozelle, New South Wales 2039) (incorporated on 19 December 2022)

The outstanding balance between the Company and the subsidiary entity RWC Asset Management LLP was £16.2m (2021: £21.0m). 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 year was £4.8m (2021: £0.5m).

Other than the transactions disclosed in this note, the Company's other related party transactions were with wholly owned subsidiaries.

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 £2.7m (2021: £10.6m).

RWC Partners Limited

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2022 (continued)**

22. Subsequent Events

On 28 February 2023 Jane Nicholls was appointed as a Director to the board of RWC Partners Limited.

On 21 March 2023 Redwheel Europe A/S, a subsidiary of RWC Partners Limited was incorporated in Denmark.

There were no other significant events occurring after 31 December 2022 which would require revision of the figures or disclosure in the annual report.