Registration number: OC308896

TPG Europe, LLP
Annual Report and Financial Statements
for the Year Ended 31 December 2022

TPG Europe, LLP

Contents

TPG Europe, LLP

LLP Information

Designated members

TPG Europe, LLC
TPG Europe II, LLC

Registration number

OC308896

Registered office

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London
EC1A 4HD

Solicitors

Brodies LLP
15 Atholl Crescent
Edinburgh
Scotland
EH3 8HA

Bankers

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1 Churchill Place
London
E14 5HP

JP Morgan Chase Bank
712 Main Street
12th Floor North
Houston
TX 77002

Auditors

Deloitte LLP
PO Box 403 Gaspe House
66-72 Esplanade
St Helier
Jersey
Channel Islands
JE4 8WA

Members' Report for the Year Ended 31 December 2022

The Designated Members present their annual report and audited financial statements for the year ended 31 December 2022. These financial statements have been prepared under International Financial Reporting Standards as issued by the IASB.

Designated members

The members, who held office during the year, were as follows:

TPG Europe, LLC

TPG Europe II, LLC

Results and distributions

The profit before members' remuneration for the year amounted to £16.7 million (2021: £23.2 million), an decrease of (28)%. There were £140,296 (2021: £10,057,022) distributions made to the Designated Members during the year.

Principal activity

TPG Europe, LLP ("LLP") is a UK Limited Liability Partnership that was incorporated on 9th August 2004 under the name of Texas Pacific Group LLP. It commenced operations to provide investment advisory services to TPG Capital LP on 1 December 2004 under the name of Texas Pacific Group Europe LLP. The LLP changed its name to TPG Capital LLP on 29 December 2006 and to TPG Europe, LLP on 22 December 2015. The LLP provided investment advisory services to TPG Capital LP from 1 January 2007 to 30 October 2009 and two new agreements were entered into with TPG Capital LP for the provision of investment advisory services within the UK commencing on 1 November 2009. On 13 December 2011, the LLP entered into an agreement to allow TPG International LLC to assume responsibility for the obligations of TPG Capital, LP.

Business review

The profit for the year after members' remuneration of £12.5m (2021: £19.0m) is £4.3m (2021: profit of £4.2m).

	2022	2021	Change
	£	£	%
Revenue	42,019,557	38,616,000	9
Operating profit	17,225,152	23,711,571	-27
Profit for the financial year before members remuneration	16,732,573	23,159,266	-28
Members' interests	34,462,836	21,535,443	60
Quick assets as a % of current liabilities ('quick ratio')	146	126	16
Average number of employees	60	54	11

Achievement of these key performance indicators is driven by business specific key performance indicators.

The overall performance in investment and advisory services resulted in a 8.8% increase (2021: 6.0% increase) in revenue. The LLP's pricing model allows for a 10% markup in order to be better aligned with the market for similar services.

Future developments

The Designated Members anticipate that the activity of the LLP will continue in the future at or around its present level.

Principal risks and uncertainties

The principal risk to the business relates to business performance.

The LLP's strategy is to follow an appropriate risk policy, which effectively manages exposure related to the achievement of business objectives. The key risks which management faces are detailed as follows:

Business performance risk

Business performance risk is the risk that the LLP may not perform as expected, either due to internal factors or competitive pressures in the markets in which it operates. This risk is managed through a number of measures including capital requirement, ensuring the appropriate management team is in place, budget and business planning, monthly reporting and variance analysis, financial controls, key performance indicators, and regular forecasting.

Financial and business control

Financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the LLP relies on for day-to-day operations, external reporting and for longer term planning. The LLP exercises financial and business control through a combination of qualified and experienced financial personnel, performance analysis, budgeting and cash flow forecasting, and clearly defined approval limits.

Financial instruments

The LLP's principal financial instruments are comprised of cash, trade and other receivables, trade and other payables, and inter-company borrowings. The main risks associated with these financial assets and liabilities are described in note 18 of the financial statements of the LLP.

Going concern

During 2022, global markets, including those in Europe, steadily emerged from the economic effects of the waning pandemic. At the same time, economies experienced persistent, elevated volatility as they contended with rising consumer prices, tightening financial conditions, growth risks and geopolitical tensions. In the case of Europe, this also includes the persistent uncertainty regarding the future state of the U.K.'s economic relationship with the Continent following Brexit. Like other central banks, the Bank of England has responded aggressively to steadily rising prices, increasing interest rates multiple times from near-zero in late 2021 to more than 4% by early 2023, with apparent effect. While inflation in the United Kingdom remained elevated throughout 2022, overall consumer price growth peaking at an annualized rate of 9.6% in October and has fallen in four of the five subsequent months. As a result, however, macroeconomic expansion in the United Kingdom remains muted, with gross domestic product rising just 0.1% in the three months ending February 2023.

As evident in recent months, the continued fluidity of global markets precludes any prediction as to the ultimate adverse lingering impact of COVID-19, volatility in the banking sector, or other macroeconomic indicators on financial markets and economic conditions. The estimates and assumptions underlying these financial statement are based on the information available as of 31 December 2022, which may change substantially over time.

After making enquiries, and due to the LLP's considerable financial resources and cash reserves, the Designated Members have a reasonable expectation that the LLP has adequate resources to continue in operation for the 12 months following the date of approval of the financial statements. Accordingly, they continue to present the financial statements on a going concern basis.

Financial instruments

The LLP finances its activities with cash and short-term deposits (as disclosed in note 16). Other financial assets and liabilities, such as trade and other receivables and trade and other payables, arise directly from the LLP's operating activities.

Financial instruments give rise to foreign currency, interest rate, credit, price and liquidity risk. Information on how these risks arise is described above, as are the objectives, policies and processes for their methods used to measure each risk and the management of each risk.

Remuneration and distribution policy

Profits shall be distributed to the members in accordance with their profit shares unless the members agree otherwise.

Members' capital and interests

Under the terms of the Limited Liability Partnership Agreement, each member subscribes capital on becoming a member of the LLP. No interest is payable on capital contributed. Member's capital is repayable upon leaving the LLP.

Members' profits and losses are allocated between them based on their respective profit share during the financial year. Drawings are paid from time to time as working capital permits and such drawings are based on the members' profit sharing percentages at the time of payment, unless otherwise agreed between the members.

Disclosure of information to the auditor

So far as each person who was a member at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of follow members and the LLP's auditor, each member has taken all the steps that they are obliged to take as a member in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditor, Deloitte LLP, has indicated its willingness to continue in office. A resolution concerning their reappointment will be put forward to the members at the executive committee's meeting approving these accounts.

On behalf of the Board

Martin Davidson
Member

Statement of Members' Responsibilities

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with IFRSs as adopted by the IASB. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the LLP's financial position, financial performance, and cash flows. This requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, members are also required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the IASB have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of TPG Europe, LLP

Opinion

In our opinion the financial statements of TPG Europe, LLP: (the 'limited liability partnership'):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the Income statement;
- the Statement of Financial Position;
- the Statement of Changes in Members' Equity;
- the Statement of Cash flows; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the IASB, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 limited liability partnership'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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Members of TPG Europe, LLP (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the limited liability partnership's industry and its control environment, and reviewed the limited liability partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the limited liability partnership's business sector.

We obtained an understanding of the legal and regulatory framework that the limited liability partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006, UK Financial Services Act 2012, the Financial Services and Markets Act 2000, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the limited liability partnership's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the limited liability partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the members' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

Independent Auditor's Report to the Members of TPG Europe, LLP (continued)

- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Brennand

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Theo Brennand (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Statutory Auditor
Jersey

Date: 26 April 2023

TPG Europe, LLP

Income Statement for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Operations			
Revenue	4	42,019,557	38,616,000
Other operating income	8	2,941,720	1,322,191
Net revenue	4	44,961,277	39,938,191
Operating costs			
Staff costs	7	(15,270,499)	(6,932,058)
Depreciation of property, plant and equipment	12	(483,532)	(453,886)
Depreciation right of use asset	13	(1,216,689)	(1,824,683)
Other administrative expenses	5	(10,765,405)	(7,015,993)
Operating profit		17,225,152	23,711,571
Finance income	9	99,613	100,638
Finance costs	9	(592,192)	(652,943)
Financing costs	9	(492,579)	(552,305)
Profit before members' remuneration and profit shares		16,732,573	23,159,266
Members' remuneration charged as an expense	21	(12,478,294)	(19,005,094)
Profit for the year available for division among members		4,254,279	4,154,172

All items dealt with in arriving at the profit before members' remuneration and profit shares relate to continuing operations.

There was no other comprehensive income during the year.

The notes on pages 13 to 26 form an integral part of these financial statements.

TPG Europe, LLP

(Registration number: OC308896)
Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Non-current assets			
Property, plant and equipment	12	1,021,799	1,449,391
Right of use assets	13	8,905,772	10,122,461
Net investment in sublease		4,652,053	5,178,698
		14,579,624	16,750,550
Current assets			
Trade and other receivables	15	31,807,648	17,754,261
Cash at banks and on hand	18	9,003,459	6,624,493
Restricted cash	18	4,561,044	3,860,019
Total current assets		45,372,151	28,238,773
Current liabilities			
Trade and other payables	17	9,300,648	5,279,936
Current portion of long term lease liabilities	14	2,507,442	1,985,783
Members' capital	19	19,239,677	15,158,548
		31,047,767	22,424,267
Non-current liabilities			
Long term lease liabilities	14	13,680,849	16,188,161
Net assets		15,223,159	6,376,895
Equity			
Members' reserves		27,701,453	25,381,989
Members remuneration	21	(12,478,294)	(19,005,094)
		15,223,159	6,376,895
Total equity		15,223,159	6,376,895
Members' interests			
Members' reserves		15,223,159	6,376,895
Amounts due to members	19	19,239,677	15,158,548
Total members' interests		34,462,836	21,535,443

Approved by the Designated Members on 26 April 2022 and signed on its behalf by:

Martin Davidson
Member

The notes on pages 13 to 26 form an integral part of these financial statements.

Statement of Changes in Members' Equity for the Year Ended 31 December 2022

	Members' reserves	Amount due to members	Total members' interests
	£	£	£
At 1 January 2021	12,281,225	4,772,555	17,053,780
Profit for the year available for division among members	4,154,172	–	4,154,172
Amounts contributed by members	–	11,439,780	11,439,780
Amounts withdrawn by members	–	(1,053,787)	(1,053,787)
Distribution to designated members	(10,057,022)	–	(10,057,022)
Additional distributions	(1,480)	–	(1,480)
At 31 December 2021	6,376,895	15,158,548	21,535,443

	Members' reserves	Amount due to members	Total members' interests
	£	£	£
At 1 January 2022	6,376,895	15,158,548	21,535,443
Profit for the year available for division among members	4,254,279	–	4,254,279
Amounts contributed by members	–	5,524,616	5,524,616
Amounts withdrawn by members	–	(1,443,487)	(1,443,487)
Share-based compensation	4,732,281	–	4,732,281
Equity-settled awards vested for the year	(140,296)	–	(140,296)
At 31 December 2022	15,223,159	19,239,677	34,462,836

TPG Europe, LLP

Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		16,732,573	23,159,266
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	12	483,532	453,886
Depreciation on right of use assets	13	1,216,689	1,824,683
Amortization of sublease investment	14	526,645	609,897
Gain from derecognition of right-of-use assets		–	(138)
Equity based compensation	7, 22	4,732,281	–
Finance income	9	(99,613)	(100,638)
Interest expense	9	551,139	613,869
Total non-cash adjustments		7,410,673	3,401,559
Working capital adjustments			
Increase in trade and other receivables	15	(14,053,388)	(2,670,037)
Increase in trade and other payables	17	4,020,712	2,425,664
Net cash flow from operating activities		14,110,570	26,316,452
Cash flows from investing activities			
Interest received	9	99,613	100,638
Acquisitions of property plant and equipment		(55,939)	(3,317)
Net cash flows from investing activities		43,674	97,321
Cash flows from financing activities			
Contribution by members		5,524,616	11,439,780
Members' remuneration	21	(12,478,294)	(19,005,094)
Payment of interest expense		(551,139)	(613,869)
Payments to finance lease creditors		(1,985,653)	(1,924,865)
Distribution to members		(140,296)	(10,058,501)
Capital repayment to members		(1,443,487)	(1,053,787)
Net cash flows used in financing activities		(11,074,253)	(21,216,336)
Net increase in cash and cash equivalents		3,079,991	5,197,437
Cash and cash equivalents at 1 January		10,484,512	5,287,075
Cash and cash equivalents at 31 December		13,564,503	10,484,512

1 General information

The LLP is a Limited Liability Partnership incorporated in the United Kingdom under the Limited Liability Partnership Act of 2000 and is registered in United Kingdom. The address of the registered office is given on page 1. The nature of the LLP's operations and its principal activities are set out in the members' report on page 2 to 4.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the LLP's accounting policies.

The financial statements are presented in pound sterling (£) which is the functional and reporting currency of the primary economic environment in which the LLP operates.

Changes in accounting policy

New Accounting Standards, amendments to existing Accounting Standards and/or interpretations of existing Accounting Standards (separately or together, "New Accounting Requirements") adopted during the current year.

• Amendments to IFRS 9 Financial Instruments (effective 1 January 2022);

• Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022).

The application of these amendments to IFRS have no material impact on the financial statements of the LLP as it is the opinion of the members that the LLP had no material transactions affected by these amendments during the current or prior reporting period.

The members have also considered other new standards and amendments in issue and effective and has deemed those as not applicable to the LLP.

New and revised IFRS in issue but not yet effective:

At the date of authorisation of these financial statements, the following relevant standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

• Amendments to IFRS 17 Insurance Contracts (effective 1 January 2023);

• Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Postponed);

• Amendments to IAS 1 Presentation of Financial Statements (effective 1 January 2023);

• Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective 1 January 2023).

The members have assessed the impact, or potential impact, of all New Accounting Requirements. In the opinion of the members, there are no mandatory New Accounting Requirements applicable in the current year that had any material effect on the reported performance, financial position, or disclosures of the LLP. Consequently, no mandatory New Accounting Requirements are listed. The LLP has not early adopted any New Accounting Requirements that are not mandatory.

Going concern

During 2022, global markets, including those in Europe, steadily emerged from the economic effects of the waning pandemic. At the same time, economies experienced persistent, elevated volatility as they contended with rising consumer prices, tightening financial conditions, growth risks and geopolitical tensions. In the case of Europe, this also includes the persistent uncertainty regarding the future state of the U.K.'s economic relationship with the Continent following Brexit. Like other central banks, the Bank of England has responded aggressively to steadily rising prices, increasing interest rates multiple times from near-zero in late 2021 to more than 4% by early 2023, with apparent effect. While inflation in the United Kingdom remained elevated throughout 2022, overall consumer price growth peaking at an annualized rate of 9.6% in October and has fallen in four of the five subsequent months. As a result, however, macroeconomic expansion in the United Kingdom remains muted, with gross domestic product rising just 0.1% in the three months ending February 2023.

As evident in recent months, the continued fluidity of global markets precludes any prediction as to the ultimate adverse lingering impact of COVID-19, volatility in the banking sector, or other macroeconomic indicators on financial markets and economic conditions. The estimates and assumptions underlying these financial statement are based on the information available as of 31 December 2022, which may change substantially over time.

After making enquiries, and due to the LLP's considerable financial resources and cash reserves, the Designated Members have a reasonable expectation that the LLP has adequate resources to continue in operation for the 12 months following the date of approval of the financial statements. Accordingly, they continue to present the financial statements on a going concern basis.

Revenue recognition

Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Service fee revenue

The LLP's primary service fee revenue streams, which is investment advisory fees that include base advisory fees and performance fees, are satisfied over time. The LLP earns base advisory fees in accordance with contractual arrangements with TPG International, LLC with a mark-up that approximates 10% after excluding taxes and foreign exchange gains and losses. These fees are earned over the period of time that the investment advisory services are provided and are allocated to the distinct services provided by the LLP during the reporting period when the amount can be reliably measured and it is probable that future economic benefits will flow to the entity.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

- Leasehold improvements - remaining lease life
- Office furniture and fittings - 5 to 7 years
- Office and computer equipment - 3 to 10 years

Cash at banks and on hand, and Restricted cash

Cash at banks and on hand comprise cash at banks and short team deposits with a maturity of three months or less.

Restricted cash balances relate to the cash contribution made to the LLP by Members which are legally restricted for use by the entity.

Leases

The LLP assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the LLP assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the LLP allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The LLP also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and lease of low-value assets

The LLP applies the short-term lease recognition exemption to leases of office equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term. This expense is presented within 'other administrative expenses' in profit or loss.

Short-term leases and lease of low-value assets

The LLP applies the short-term lease recognition exemption to leases of office equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term. This expense is presented within 'rent and rates' in profit or loss.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the LLP; and
- right-of-use assets in which the LLP is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The right-of-use assets are presented as a separate line in the statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Subsequent Measurement

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Lease liabilities

At the commencement date of a lease, the LLP recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the LLP uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.
- the exercise price of a purchase option reasonably certain to be exercised by the LLP and payments of penalties for terminating the lease, if the lease term reflects the LLP exercising the option to terminate.
- variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The LLP remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in an index or a rate, in which the related lease liability is remeasured by discounting the revised leases payments using the initial discount rate.

The LLP presents lease liabilities as a separate line item on the statement of financial position

Lease modification

The LLP accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the LLP remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The LLP accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the LLP allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The LLP as a lessor

When the LLP acts as an intermediate lessor, it determines at lease inception whether each lease is a finance lease or an operating lease and accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Employee Benefits

The LLP operates a defined contribution pension scheme for the benefit of its employees. Pension charge represents the amounts payable by the LLP to the fund in respect of the year. Contributions are charged in the income statement as they become payable in accordance with the rules of the scheme.

Financial instruments

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The LLP recognises financial assets and financial liabilities in the statement of financial position when, and only when, the LLP becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Trade receivables that are held for the purpose of collecting contractual cash flows that are solely payments of principal and interest are classified as amortized cost and are initially recognized at their fair value and are subsequently measured at amortized cost using the effective interest rate method. Transaction costs of financial instruments classified as amortized cost are capitalized and amortized in profit or loss on the same basis as the financial instrument.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the LLP commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Equity based compensation

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The awards are considered equity-settled share-based payments as the awards are settled in the form of issuance of shares of an affiliate of the LLP. Details regarding the determination of the fair value of share-based transactions are set out in Note 22.

The fair value determined at the grant date of the share-based payments is expensed on a graded vesting basis over the vesting period, based on the LLP's estimate of the number of equity instruments that will eventually vest. Forfeitures of equity-settled share-based payments awards are recorded as a reversal of previously recognized expense. Vested equity-settled share-based payments will be settled in accordance with the Company's Intercompany Stock-Based Compensation Recharge Agreement.

3 Significant accounting judgements, estimates and assumptions

The preparation of the LLP's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the LLP's disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the LLP's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Property, plant and equipment

Management judgement is required in assessing the potential impairment of property, plant and equipment, including estimating future cash flows and the discount rate that is applied to those cash flows.

Estimates and assumptions

Members Remuneration

Management applies judgment based on a number of factors including performance.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The LLP based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the LLP. Such changes are reflected in the assumptions when they occur.

Estimation of useful life

The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed annually. Increasing an asset's expected life or residual value would result in a reduced depreciation charge in the income statement. Management determines the useful lives and residual values for assets when they are acquired, based on experience with similar assets and taking into account other relevant factors.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the LLP expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

4 Revenue

The LLP disaggregates revenues considering the nature, amount, timing and uncertainty of revenues. Revenue is attributable to the principal activity of the LLP, which is providing investment management services and primarily arose within the United Kingdom. Revenue from contract with customers is recognized over the period of time that the services are provided.

	2022	2021
Revenue by type:	**£**	**£**
Revenue from contract with customers		
Service fee revenue	41,667,657	38,026,116
Reimbursement of out-of-pocket expense	2,399,645	1,399,017
Specialized services fee income	351,900	589,884
Other gain/(loss)	542,075	(76,826)
Net revenue	44,961,277	39,938,191

5 Operating Profit

This is stated after charging:

	2022 £	2021 £
Travel expenses	2,661,727	670,957
Depreciation and amortisation expense	1,700,222	2,278,569
Professional services	4,418,626	3,057,438
Other administrative expenses	3,685,051	3,287,598
	12,465,626	9,294,562

6 Auditors' remuneration

	2022 £	2021 £
Fees to the LLP's auditors for audit services	129,782	133,252
Fees to the LLP's auditors for non-audit services	235,080	245,655
	364,862	378,907

7 Staff costs

	2022 £	2021 £
Wages and salaries	8,474,682	5,714,661
Equity based compensation	4,732,281	–
Social security costs	1,253,597	871,760
Pension costs, defined contribution scheme	294,651	201,691
Other employee expense	515,288	143,946
	15,270,499	6,932,058

The average monthly number of employees and salaried members during the period was made up as follows:

	2022 No.	2021 No.
Administration	25	24
Investment management	35	30
	60	54

8 Other income/expenses

Arrived at after charging/(crediting)

	2022 £	2021 £
Reimbursement of out-of-pocket- expense	2,399,645	1,399,017
Net foreign exchange gain/(loss)	461,473	(249,795)
Realized capital exchange (loss)/gain	80,602	172,969
Total other operating income	2,941,720	1,322,191

9 Finance income and costs

	2022	2021
	£	£
Finance income		
Interest income	(99,613)	(100,638)
Finance costs		
Interest expense	551,139	613,869
Bank charges	41,053	39,074
Total finance costs	592,192	652,943
Net finance costs	492,579	552,305

10 Income tax

In most locations, including the United Kingdom, income tax payable on the profits allocated to members is the personal liability of the members and hence is not shown in these financial statements.

11 Members' share of profits

The Designated Members determine the amount of profits to be distributed to the members.

These distributable profits are then divided among the members in accordance with agreed profit sharing arrangements. Remuneration and drawings of the highest paid member during the year ended 31 December 2022 was £1,074,797 (2021: £2,398,246).

Profits payable to members are charged as an expense to the income statement.

Profits are allocated on a gross basis before income tax charges, which are the personal liability of the individual members.

12 Property, plant and equipment

	Land and buildings £	Furniture, fittings and equipment £	Properties under construction £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 January 2021	2,669,920	1,140,943	97,179	42,882	3,950,924
Additions	3,317	–	–	97,179	100,496
Transfers	–	–	(97,179)	–	(97,179)
At 31 December 2021	2,673,237	1,140,943	–	140,061	3,954,241
At 1 January 2022	2,673,237	1,140,943	–	140,061	3,954,241
Additions	43,766	–	–	12,173	55,939
Disposals		(11,579)	–	–	(11,579)
At 31 December 2022	2,717,003	1,129,364	–	152,234	3,998,601
Depreciation					
At 1 January 2021	1,238,086	782,637	–	30,240	2,050,963
Charge for year	286,204	151,656	–	16,026	453,886
At 31 December 2021	1,524,290	934,293	–	46,266	2,504,849
At 1 January 2022	1,524,290	934,293	–	46,266	2,504,849
Charge for the year	314,091	145,184		24,257	483,532
Eliminated on disposal	–	(11,579)	–	–	(11,579)
At 31 December 2022	1,838,381	1,067,898	–	70,523	2,976,802
Carrying amount					
At 31 December 2022	878,622	61,466	–	81,711	1,021,799
At 31 December 2021	1,148,947	206,650	–	93,795	1,449,391
At 1 January 2021	1,431,834	358,306	97,179	12,642	1,899,961

13 Right of use assets

	2022 £	2021 £
At January 1	10,122,461	11,846,243
Additions	–	100,901
Charge for the year	(1,216,689)	(1,824,683)
At December 31	8,905,772	10,122,461

The LLP entered into an agreement to sublease a portion of the Park House office space with effect from May 1, 2020. The LLP has classified the sublease as a finance lease as the term of the sublease is for the major part of the economic life of the right-of-use asset arising from the head lease. At the commencement date of the sublease, the LLP derecognized the right-of-use asset relating to the head lease that it transferred to the sub-lessee and recognized the net investment in the sub-lease.

14 Lease liabilities

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 December 2022 £
Within one year	2,536,794
Within a period of more than one year but not more than two years	2,507,442
Within a period of more than two years but not more than five years	7,505,292
Within a period of more than five years	5,629,134
Less: Interest accretion	(1,990,371)
Total lease liabilities	16,188,291

Net Investment in Sublease

	31 December 2022 £	31 December 2021 £
Within one year	663,388	663,388
Within a period of more than one year but not more than two years	663,388	663,388
Within a period of more than two years but not more than five years	1,990,164	1,990,164
Within a period of more than five years	1,658,470	2,321,858
Less: unearned interest income	(323,357)	(460,100)
	4,652,053	5,178,698

Undiscounted sublease payment analysed as

	31 December 2022 £	31 December 2021 £
Recoverable after 12 months	4,312,022	4,975,410
Recoverable within 12 months	663,388	663,388
	4,975,410	5,638,798

Net investment in sublease analysed as

	31 December 2022 £	31 December 2021 £
Recoverable after 12 months	4,068,911	4,606,391
Recoverable within 12 months	583,142	572,307
	4,652,053	5,178,698

15 Trade and other receivables

	31 December 2022 £	31 December 2021 £
Receivables from related parties	27,623,500	15,400,051
VAT recoverable	3,194,915	1,771,437
Prepayments	917,248	522,931
Other receivables	71,985	59,842
	31,807,648	17,754,261

Trade and other receivables includes contract assets of £27,623,500 (2021: £15,400,051) as of 31 December 2022.

The carrying value of the LLP's trade and other receivables approximates their fair value. For terms and conditions relating to related party receivables, refer to note 21.

The trade and other receivables classified as financial instruments are disclosed below. The LLP's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in note 18 "Other financial assets and financial liabilities".

Amounts are unsecured, interest free, and payable on demand.

16 Cash, cash equivalents and restricted cash

Cash equivalents and restricted cash have been regrouped to Cash at banks and on hand, and Restricted cash and cash equivalents.

Cash at banks and on hand was £9,003,459 at 31 December 2022 (2021: £6,624,493)

Restricted cash and cash equivalents was £4,561,044 at 31 December 2022 (2021: £3,860,019). This balance is contributed by members to the LLP which are legally restricted for use by the LLP.

17 Trade and other payables

	31 December 2022 £	31 December 2021 £
Trade payables	1,024,037	1,939,267
Accrued expenses	5,158,798	935,916
Social security and other taxes	3,117,813	2,404,753
	9,300,648	5,279,936

The LLP's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in note 18 "Other financial assets and financial liabilities".

Amounts are secured, interest free, and payable on demand.

18 Other financial assets and financial liabilities

Financial instruments risk management objectives and policies

The main purpose of these financial liabilities is to finance the LLP's operations and to provide guarantees to support its operations. The LLP's principal financial assets include receivables that derive directly from its operations.

The LLP is exposed to very minimal risk as financial instruments are primarily finance obligations with related parties. Management does not believe there is significant market risk, credit risk or liquidity risk. The LLP's senior management oversees the management of these risks.

Credit risk

Credit risk primarily refers to the risk that a customer will default on its contractual obligations resulting in financial loss to the LLP. Credit risk also arises from cash and cash equivalents.

The majority of the LLP's revenue is received as investment advisory fees from related parties and is subject to the terms of the service level agreements.

As the LLP relies on fee income from group entities, the key settlement risk of the wider group needs to be considered. Credit risk is monitored by regular review of the aged outstanding trade receivables by management.

The credit risk on liquid funds is limited because the banks used are those with high credit ratings assigned by international credit rating agencies. Cash deposits are placed only with the LLP's relationship banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2022 £	31 December 2021 £
Cash at banks and on hand	9,003,459	6,624,493
Restricted cash and cash equivalents	4,561,044	3,860,019
Receivables	31,807,648	17,754,261
	45,372,151	28,238,773

Liquidity risk

The LLP monitors its risk of a shortage of funds through review of cash balances.

As of 31 December 2022, the LLP has designated all the financial liabilities as current in the financial statement. All assets and liabilities are considered current and are expected to settle within 12 months.

The LLP is exposed to exchange rate fluctuations as it undertakes certain transactions denominated in foreign currencies; income and expenses are primarily in sterling. The LLP does not hedge or enter into forward or derivative transactions.

The Designated Members do not consider foreign currency exposure to be a significant risk to the LLP.

The LLP does not have significant exposure to interest rate risk which arises from cash and cash equivalents.

The rate of interest received on the account is at the banks' variable rate and the LLP recognises that interest rates are liable to fluctuate. Due to the level of cash held in the account, the Designated Members do not believe that any movement in interest rates would materially affect the operations of the LLP.

The LLP holds current accounts at large international banks and regularly reassesses market conditions, the financial risk and the terms of deposits so as to optimise return on capital.

For the purpose of the LLP's capital management, capital includes members' capital, other reserves and all other equity reserves. The primary objective of the LLP's capital management is value maximisation. The LLP manages its capital structure and makes adjustments in light of changes in economic conditions and overall business conditions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2022.

19 Members' capital

	2022 £	2021 £
At the beginning of the period	15,158,548	4,772,555
Contributions by members	5,524,616	11,439,780
Repayments to members	(1,443,487)	(1,053,787)
At the end of the period	19,239,677	15,158,548

Members' capital is classified as a financial liability. Members' capital contributions are determined by Designated Members, having regard to the working capital needs of the business. Individual members' capital contributions are set by reference to equity unit profit share proportions and are not repayable until the member retires.

The carrying value of members' capital is consistent with fair value in the current period.

20 Pension and other schemes

At the end of December 2022, there were 24 members of the LLP's defined contribution scheme. The LLP's contributions to the scheme are considered as distributions during the year and amounted to £335,164 in 2022 (£277,163 in 2021).

21 Related party transactions

The ultimate holding companies of the LLP are TPG Europe, LLC and TPG Europe II, LLC.

The following table provides the total amount of transactions that have been entered into with related parties as at and for the year ended 31 December 2022:

	Service fee revenue	Amounts owed by related parties	Amounts owed to related parties
	£	£	£
Entities under common control	41,667,657	27,623,500	1,035,038
Amount due to members			19,239,677

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the LLP has not recorded any impairment of receivables relating to amounts owed by related parties. It allows the LLP to mitigate the any risk associated with the non-collection of the trade receivables. This assessment is undertaken each financial year through examining the statement of financial position of the related party and the market in which the related party operates.

Remuneration paid to the members

	2022	2021
	£	£
Remuneration paid to the members	12,478,294	19,005,094

The amounts disclosed are the amounts recognised as an expense during the reporting period related to key management personnel.

22 Equity based compensation

On 13 January 2022, certain of the LLP's employees were granted 636,721 equity awards associated with an affiliate of the LLP in conjunction with the affiliated entity's initial public offering. The equity awards are subject to service-based vesting over a two to four year period from the date of grant. Holders of these equity awards participate in dividends whether they are unvested or vested.

The LLP recognized £4,732,281 (US$5,852,885) of expense during the period from 13 January 2022 through 31 December 2022 in Staff Costs on the Income Statement, with a corresponding amount recorded to Members' reserves on the Statement of Financial Position.

The fair value is based on the grant date fair value, which considers the public share price of the affiliated entity's Class A common stock.

The following table presents the rollforward of share-based awards outstanding for the year ended 31 December 2022:

	Service-Vesting Awards	Weighted-Average Grant Date Fair Value (US$)
Outstanding at beginning of year	—	—
Granted during the year	636,721	29.65
Vested during the year	(6,610)	25.14
Forfeited during the year	(39,200)	29.50
Outstanding at the end of the year	590,911	29.66

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

23 Events after the balance sheet date

Subsequent to 31 December 2022, certain of the LLP's employees were granted 135,802 service-vesting equity awards associated with an affiliate of the LLP. The units will vest in equal tranches over a period of up to four years. There are no additional significant events subsequent to the year-end which require disclosure in the financial statements.