

## **GCM Investments UK LLP**

**Registered Number: OC325803**

### **Annual Report and Financial Statements**

**For the year ended 31 December 2022**

WEDNESDAY



\*ACCFI4F7\*

A08

20/09/2023

#69

COMPANIES HOUSE

**GCM Investments UK LLP**  
Registered No: OC325803

<b>Table of Contents</b>	<b>Page</b>
Strategic report	1 - 2
Members' report	3 - 5
Independent auditor's report	6 - 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in members' capital	12
Notes to the financial statements	13 – 22

**GCM Investments UK LLP**  
Registered No: OC325803

## **Strategic Report**

### **For the year ended 31 December 2022**

The members present the Strategic Report for GCM Investments UK LLP (the "Partnership") for the year ended 31 December 2022.

#### **Principal activities and review of the business**

The Partnership was incorporated on 7 February 2007, in the United Kingdom. The principal activity of the Partnership is to provide investment advisory services to its related parties in the group, Grosvenor Capital Management, L.P. ("GCMLP") and GCM Customized Fund Investment Group, L.P. ("GCFIG"). The Partnership is authorized by the Financial Conduct Authority ("FCA") to engage in advising and arranging of wholesale funds in the UK and is authorized to act as an investment manager. Effective 16 November 2017, the Partnership obtained authorisation from the FCA to act as an Alternative Investment Fund Manager ("AIFM").

#### **Business Review**

The Partnership has a service agreement with both GCMLP and GCFIG which continues to provide a 12.5% mark-up rate. Turnover, which is stated net of value added tax, represents a service fee equal to the actual operational cost of providing the agreed upon services plus a 12.5% mark-up as stated in the agreement. The service fee is reduced by net Investment Advisory Fees (as described in the service agreement), if any, and administrative expenses for the 2022 and 2021 financial period are reflected in the statement of comprehensive income. Turnover decreased during the 2022 financial year due to a decrease in the service fee.

#### **Results for the year and state of affairs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Turnover	11,555,636	11,733,998
Profit for financial the year	838,907	955,393
Total Members' Interest	2,438,907	2,555,393
Average number of employees	15	15

#### **Principal risk and uncertainties**

The Partnership operates systems and controls to mitigate any adverse effects across the range of risks that it faces. The Partnership has no significant exposure to price, credit or interest rate risk.

#### **Key Performance Indicators ("KPIs")**

Given the straightforward nature of the business, the members are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**GCM Investments UK LLP**  
Registered No: OC325803

**Strategic Report**  
**For the year ended 31 December 2022**

By the order of the Members

A handwritten signature in black ink, appearing to read 'Paul Meister', written over a horizontal line.

Paul Meister

**Director of GCM UK Limited and GCM UK 2 Limited, Designated Members**  
25 April 2023

**GCM Investments UK LLP**  
Registered No: OC325803

## **Members' report**

### **For the year ended 31 December 2022**

The members present their Members' Report and audited financial statements of the Partnership for the year ended 31 December 2022.

#### **Results and allocation to members**

The results for the year are shown in the Statement of comprehensive income on page 10. During the year ended 31 December 2022, the Partnership allocated its 2021 profits to the members. During the year ended 31 December 2021, the Partnership allocated its 2019 and 2020 profits to the members. The Partnership has not allocated its profits for the years ended 31 December 2022 to its members. Any profits are shared among the members as decided by the managing member and governed by the Amended and Restated Limited Liability Partnership Agreement dated 15 August 2011.

#### **Policy for members' drawings, subscriptions and repayments of members' capital**

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Amended and Restated Limited Liability Partnership Agreement dated 15 August 2011. Members subscribe capital upon joining the Partnership and may make further contributions upon agreement with the managing member. Profit allocations are made at the sole discretion of the managing member and are recorded in each members' distribution account. Each member is permitted to withdraw amounts credited to their distribution account from the date such credit is made. No member has the right to withdraw or receive back any amount outstanding in their capital contribution account except at such time as the member has ceased to be a member or upon dissolution and termination of the Partnership. There have been no transfers of equity to debt during the year ended 31 December 2022.

#### **Members**

The designated members of the Partnership during the year and up to the date of signing the financial statements were as follows:

GCM UK Limited

GCM UK 2 Limited

GCM UK Limited is the managing member.

#### **Independent auditors**

In accordance with Section 487(2) of the Companies Act 2006 as applied by Regulation 36 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulation 2008, Ernst & Young LLP will be deemed reappointed as auditors of the Partnership for the current financial year.

**GCM Investments UK LLP**  
Registered No: OC325803

## **Members' report**

### **For the year ended 31 December 2022**

#### **Going concern**

The financial position of the Partnership and its liquidity are reflected in the statement of financial position. The Partnership has sufficient financial resources, as a consequence the members believe that the Partnership is well placed to manage its business risks successfully. The members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members have adopted the going concern basis of accounting in preparing the annual financial statements.

#### **Statement of designated members' responsibilities**

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

The Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the designated members have prepared the Partnership financial statements in accordance with a United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland," and applicable law. Under company law as applied to limited liability partnerships the designated members 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 Partnership and of the profit or loss of the Partnership for that year.

In preparing these financial statements, the designated members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 Partnership will continue in business.

The designated members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding

**GCM Investments UK LLP**  
Registered No: OC325803

## **Members' report**


### **For the year ended 31 December 2022**

the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to the auditors**

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 fellow members and the Partnership's auditor, each member has taken all the steps that he is obliged to take as a member in order to make himself aware of any relevant audit information and establish that the auditor is aware of that information.

By the order of the Members

  
\_\_\_\_\_

Paul Meister

**Director of GCM UK Limited and GCM UK 2 Limited, Designated Members**

25 April 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GCM INVESTMENTS UK LLP**

### **Opinion**

We have audited the financial statements of GCM Investments UK LLP (the "limited liability partnership") for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Statement of financial position, Statement of changes in members' capital and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the limited liability partnership's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.



## **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 directors 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## **Responsibilities of directors**

As explained more fully in the designated members' responsibilities statement set out on page 4, the directors 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 directors 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 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 directors either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

### **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.

#### ***Explanation as to what extent 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to in the UK and Republic of Ireland, The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'; dated December 2018. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of amounts and disclosures in the financial statements being Financial Conduct Authority ('FCA') rules and regulations.
- We understood how GCM Investments UK LLP is complying with those frameworks through discussions with management, a review of the limited liability partnership's documented policies and procedures and correspondence received from regulatory bodies.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by considering the key risks of management override. We performed journal entry testing with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the Partnership's business.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management on non-compliance with laws and regulations. We corroborated our enquiries through our review of legal and professional expenses, breaches and complaints register, correspondence received from regulatory bodies, and review of meeting minutes.

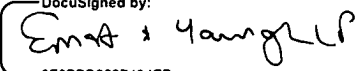
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**GCM Investments UK LLP**  
**Registered No: OC325803**

## **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. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



0F08BD3237434E7...

Denise Davidson (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
25 April 2023

**GCM Investments UK LLP**  
Registered No: OC325803

## **Statement of comprehensive income**

**For the year ended 31 December 2022**

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Turnover</b>	<b>5</b>	11,555,636	11,733,998
Administrative expenses		(10,741,487)	(10,763,061)
<b>Operating profit</b>	<b>6</b>	814,149	970,937
Foreign exchange income (loss)		24,758	(15,544)
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		838,907	955,393
<b>Total comprehensive income for the year</b>		838,907	955,393

All activities derive from continuing operations.

The notes on pages 13 to 22 form an integral part of these financial statements.

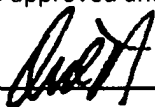
**GCM Investments UK LLP**  
Registered No: OC325803

## Statement of financial position

As at 31 December 2022

	Note	2022 £	2021 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	16,300	28,899
Other Assets		-	22,221
Total non-current assets		16,300	51,120
<b>Current assets</b>			
Cash at bank		3,105,651	3,704,702
Management fees receivable		1,249,028	988,149
Debtors	11	1,163,578	1,233,893
Total current assets		5,518,257	5,926,744
<b>Total assets</b>		<b>5,534,557</b>	<b>5,977,864</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employee Related Obligations		33,286	27,827
Total non-current liabilities		33,286	27,827
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	12	3,062,364	3,394,644
Total current liabilities		3,062,364	3,394,644
<b>Total liabilities</b>		<b>3,095,650</b>	<b>3,422,471</b>
<b>Total assets less liabilities and net assets attributable to members</b>		<b>2,438,907</b>	<b>2,555,393</b>
<b>Represented by:</b>			
<b>Members' other interests</b>			
Members' capital		1,600,000	1,600,000
Other Reserves		838,907	955,393
		<b>2,438,907</b>	<b>2,555,393</b>
<b>Total members' interests</b>			
Members' other interests		2,438,907	2,555,393
Members' total interests		<b>2,438,907</b>	<b>2,555,393</b>

The financial statements were approved and authorised for issue by the board and signed on behalf of all members on 25 April 2023:



Paul Meister – Director of GCM UK Limited and GCM UK 2 Limited, Designated Members

The notes on pages 13 to 22 form an integral part of these financial statements.

**GCM Investments UK LLP** ;  
Registered No: OC325803

## **Statement of changes in members' capital**

**For the year ended 31 December 2022**

	<b>Members' Capital</b>	<b>Other Reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 31 December 2020</b>	1,450,000	1,588,058	3,038,058
Capital contribution	150,000	-	150,000
Profit for the financial year	-	955,393	955,393
Distribution of profits	-	(1,588,058)	(1,588,058)
<b>Balance at 31 December 2021</b>	<b>1,600,000</b>	<b>955,393</b>	<b>2,555,393</b>
Capital contribution	-	-	-
Profit for the financial year	-	838,907	838,907
Distribution of profits	-	(955,393)	(955,393)
<b>Balance at 31 December 2022</b>	<b>1,600,000</b>	<b>838,907</b>	<b>2,438,907</b>

The notes on pages 13 to 22 form an integral part of these financial statements.

**GCM Investments UK LLP**  
Registered No: OC325803

## **Notes to the financial statements**

**For the year ended 31 December 2022**

### **1. General information**

The Partnership provides investment research to its related parties in the group, Grosvenor Capital Management LP ("GCMLP") and GCM Customized Fund Investment Group, LP ("GCFIG").

The Partnership is domiciled in the United Kingdom, registration number OC325803. The registered office is 33 Jermyn Street, Level 7, London, England SW1Y 6 DN.

### **2. Statement of compliance**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and in accordance with the requirements of the Companies Act 2006 as applied to Limited Liability Partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' dated December 2018.

### **3. Summary of significant accounting policies**

#### **Basis of accounting**

These financial statements have been prepared under the historical cost convention, and on a going concern basis. The presentation and functional currency is pound sterling (£). The principal accounting policies, which have been consistently applied throughout the year, are set out below.

#### **Going concern**

The financial statements are prepared on a going concern basis under the historical cost convention modified to include the measurement at fair value of financial assets through profit or loss.

On 24 February 2022 Russia began its invasion of the Ukraine after an ongoing war beginning in 2014. Management has performed impact analysis as part of their going concern assessment and concluded there was no material impact.

The Partnership provides services to other group entities and receives a service fee based on the reimbursement of its costs plus a mark-up. The Partnership is dependent on the ability of the entities to which it provides services to continue to pay the service fees due.

Having performed this analysis, management believes regulatory capital requirements will continue to be met and have sufficient liquidity to meet its liabilities for at least the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the Partnership expects to be able to meet its obligations as and when they fall due for the foreseeable future.

**GCM Investments UK LLP**  
Registered No: OC325803

## **Notes to the financial statements**

**For the year ended 31 December 2022**

### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

### **Operating leases**

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term. The value of any rent free years are amortised over the life of the lease.

### **Taxation**

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the Partnership, which will be assessed on the individual members and not the Partnership.

### **Cash at bank**

Cash includes cash deposits held at call with banks.

### **Property, plant and equipment**

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. The purchase cost is depreciated over each asset's estimated useful life. Costs include those costs which are directly attributable to bringing the asset into working condition for its intended use.

### **Depreciation**

Depreciation is calculated to write off the cost, less estimate residual values, of all tangible fixed assets, over their estimated useful lives. It is calculated on a straight-line basis over the following periods:

Leasehold improvements	Life of lease (10.25 years)
Furniture and Fixtures	7 years
Computer Equipment	5 years
Office Equipment	5 years

### **Cash flow statement**

The Partnership is a subsidiary of GCM UK Limited and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Partnership has taken advantage of the exemption from preparing a cash flows statement under the requirement of FRS 102 Section 1.12.



**GCM Investments UK LLP**  
Registered No: OC325803

## **Notes to the financial statements**

**For the year ended 31 December 2022**

### **Revenue recognition**

The Partnership established a cost plus model for revenue recognition, whereby the Partnership seeks remuneration for services provided to affiliates at a cost plus 12.5%. Revenue is recognized on an accrual basis net of VAT and rebates.

The Partnership receives investment advisory fees that are calculated on a quarterly or monthly basis, in arrears. The Partnership recognizes the revenue derived from these fees on an accrual basis in accordance with the terms of the investment management agreement.

### **Share-based payments**

Certain employees of the Partnership may receive grants of share-based payments that are linked to the share price of the Partnership's ultimate parent, GCM Grosvenor Inc. ("GCMG"). Such share-based payments generally are made as part of an annual bonus program and are cash-settled. The cost of cash-settled transactions is measured at fair value, which is established initially at the grant date and at each reporting date thereafter until the awards are settled based on the closing share price of a share of Class A common stock of GCMG. During the vesting period, a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the reporting date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the reporting date. Changes in the carrying amount for the liability are recognised in profit or loss for the period. Expense is not recognized for awards that do not ultimately vest and forfeitures are recognized in the period that they occur.

## **4. Significant accounting judgements and estimates**

The preparation of the Partnership's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### **Estimates**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, 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:

#### *Estimation of year-end bonus accrual*

The Partnership's bonus compensation cycle runs from 1 March – 28/29 February. At 31 December 2022, the bonus accrual and the expense for the year then ended represents management's best

**GCM Investments UK LLP**

Registered No: OC325803

## **Notes to the financial statements**

**For the year ended 31 December 2022**

estimate of the bonus expense for the year ended 31 December 2022, which includes the appropriate portion of the expense for the bonus compensation cycle for 1 March 2021 – 28 February 2022 and the appropriate portion of the expense for the bonus compensation cycle for 1 March 2022 – 28 February 2023.

*Estimation of useful lives of property and office equipment*

The Partnership estimates the useful lives and residual values of property and office equipment based on the internal technical evaluation and experience with similar assets. Estimated useful lives and residual values of property and office equipment are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of property and office equipment.

### **5. Turnover**

Effective 1 January 2016, the Partnership entered into a revised service agreement with both GCMLP and GCFIG which continues to provide for a 12.5% mark-up rate. Turnover, which is stated net of value added tax, represents a service fee equal to the actual operational cost of providing the agreed upon services plus a 12.5% mark-up as stated in the agreement. The service fee is reduced by net Investment Advisory Fees (as described in the service agreement), if any. The service fee is invoiced monthly and paid by GCMLP and GCFIG and relates to the continuing activities of the Partnership in the United Kingdom.

Effective 1 February 2016, the Partnership entered into an Investment Management Agreement (“IMA”) to provide investment advisory services to a UK pension plan. The Partnership receives investment advisory fees that are calculated on a quarterly basis, in arrears. The Partnership recognizes the revenue derived from these fees on an accrual basis in accordance with the terms of the IMA. Revenue of £4,702,739 and £3,193,713 for the years ended 31 December 2022 and 2021, respectively, are included in the statement of comprehensive income. The Partnership has engaged GCFIG in a sub-advisory capacity to perform services to the Partnership for the UK pension plan. The sub-advisory fee of £4,228,291 and £2,995,940 for the years ended 31 December 2022 and 2021, respectively, are included in administrative expenses in the statement of comprehensive income.

**GCM Investments UK LLP**  
Registered No: OC325803

## Notes to the financial statements

For the year ended 31 December 2022

### 6. Operating profit

	2022	2021
	£	£
<b>Operating profit is stated after charging:</b>		
Services provided by the Partnership's auditor		
- Fees payable for the audit	24,728	23,550
Depreciation	12,599	16,157
Operating lease costs	<u>314,175</u>	<u>314,175</u>

### 7. Staff costs

	2022	2021
	£	£
Wages and salaries	4,080,963	5,171,551
Termination benefits	-	350,625
Social security costs	592,873	756,499
Pension contributions	<u>133,375</u>	<u>152,478</u>
Total staff costs	<u>4,807,211</u>	<u>6,431,153</u>

An amount of nil and £350,625 charged to the statement of comprehensive income for the years ended 31 December 2022 and 2021, respectively, related to the termination benefits payable to employees.

Included in wages and salaries is total expense for share-based payments of £292,590 and £121,018 for the years ended 31 December 2022 and 2021, respectively, all of which is accounted for as cash-settled share-based payment transactions.

The average number of employees during the year was as follows:

	2022	2021
	No.	No.
The average number of members during the year was	<u>2</u>	<u>2</u>

**GCM Investments UK LLP**  
Registered No: OC325803

## Notes to the financial statements

For the year ended 31 December 2022

### 8. Share-based payments

Share-based payments in the form of restricted stock units (RSUs) were granted to certain employees of the Partnership for the years ended 31 December 2022 and 2021, respectively. Of 129,440 RSUs granted during the year ended 31 December 2022, 11,035 vested immediately and were settled in cash during the year; zero were forfeited; and 118,405 remain outstanding with 11,037 vested 1 March 2023, 96,329 vesting 31 March 2023 and 11,039 vesting 1 March 2024. Of 21,600 RSUs granted during the year ended 31 December 2021, 13,266 vested immediately and were settled in cash during the year; 5,000 were forfeited; 1,667 vested and were settled in cash during the year ended 31 December 2022; and 1,667 remained outstanding at 31 December 2022 and vested 1 March 2023. Based on the fair value (1) at the time of settlement for vested and settled RSUs and (2) at 31 December 2022 for RSUs remaining outstanding at year-end, the Partnership recognized £292,590 and £121,018 of share-based payment expense for the years ended 31 December 2022 and 2021, respectively. As of 31 December 2022, and 2021, respectively, £211,154 and £11,856 was included as a liability in employee related obligations on the statement of financial position.

### 9. Members' remuneration

A member's share in the profit for the year is accounted for as an allocation of profits.

	2022	2021
	£	£
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	838,907	955,393

**GCM Investments UK LLP**  
Registered No: OC325803

## Notes to the financial statements

For the year ended 31 December 2022

### 10. Property, plant and equipment

	Leasehold Improvements £	Computer Equipment £	Office Equipment £	Furniture and Fixtures £	Total £
Cost					
Beginning of the year	78,011	98,580	15,121	48,202	239,914
Additions	-	-	-	-	-
At 31 December 2022	78,011	98,580	15,121	48,202	239,914
Accumulated depreciation					
Beginning of the year	60,262	93,257	15,121	42,375	211,015
Charge for year	7,888	2,895	-	1,816	12,599
At 31 December 2022	68,150	96,152	15,121	44,191	223,614
Net book value					
At 31 December 2021	17,749	5,323	-	5,827	28,899
At 31 December 2022	9,861	2,428	-	4,011	16,300

### 11. Debtors

	2022 £	2021 £
Amounts due from group undertakings	645,554	763,995
Prepayments and accrued income	518,024	469,898
Total debtors	1,163,578	1,233,893

Amounts due from group undertakings is unsecured, interest-free and repayable on demand.

**GCM Investments UK LLP**  
Registered No: OC325803

## Notes to the financial statements

For the year ended 31 December 2022

### 12. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Amounts due to group undertakings	1,106,069	975,158
Accruals and deferred income	1,504,436	2,093,786
Net VAT Payable	451,859	325,700
Total creditors: Amounts falling due within one year	<u>3,062,364</u>	<u>3,394,644</u>

Amounts due to group undertakings is unsecured, interest-free and is repayable on demand.

### 13. Information in relation to members

	2022	2021
	No.	No.
The average number of members during the year was	<u>2</u>	<u>2</u>

### 14. Commitments under operating leases

Effective 2 January 2014, the Partnership entered into a sublease agreement to rent office space in London. The lease term expires on 20 March 2024.

Annual operating lease commitments are set out below:

	2022	2021
	£	£
Lease expiring:		
Within one year	314,175	314,175
Within two to five years	<u>78,544</u>	<u>392,719</u>

### 15. Related party transactions

The Partnership received service fees of £6,852,897 and £8,540,668 for the year ended 31 December 2022 and 2021, respectively, from GCMLP and GCFIG, entities under common control.

**GCM Investments UK LLP**

Registered No: OC325803

## **Notes to the financial statements**

**For the year ended 31 December 2022**

During the years ended 31 December 2022 and 2021, the Partnership distributed £955,393 and £1,588,058, respectively, to its members.

During the years ended 31 December 2022 and 2021, the Partnership received capital contributions of £0 and £150,000, respectively, from its members.

The Partnership paid sub-advisory fees of £4,228,291 and £2,508,074 to GCFIG for the years ended 31 December 2022 and 2021, respectively. At 31 December 2022 and 2021, a payable balance of £1,124,125 and £974,521, respectively, was due to GCFIG for sub-advisory fees.

At 31 December 2022 and 2021, a net balance of £615,309 and £743,289, respectively, was due from GCMLP.

At 31 December 2022 and 2021, a net balance of £1,099,437 and £954,450, respectively, was due to GCFIG.

Certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Partnership are considered to be key management personnel. Total remuneration in respect of these individuals is £1,295,712 (2021: £1,003,432).

### **16. Ultimate controlling party**

The immediate parent undertaking is GCM UK Limited.

The ultimate parent undertaking and controlling party is Grosvenor Holdings, L.L.C., a company incorporated in Illinois, United States of America.

GCMHL is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2022.

GCM UK Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.

**GCM Investments UK LLP**  
Registered No: OC325803

## **Notes to the financial statements**

**For the year ended 31 December 2022**

To obtain a copy of the consolidated financial statements of the parent, a written request must be sent to the following address:

33 Jermyn Street  
Level 7  
London  
SW1Y 6DN  
United Kingdom

### **17. Subsequent Events**

The Partnership has reviewed subsequent events occurring through 25 April 2023, which represents the date that these financial statements were available to be issued and concluded that no events have occurred that would require recognition or disclosure.