SARASIN
& PARTNERS

SARASIN & PARTNERS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 DECEMBER 2021

Registered Number: OC329859

BOARD MEMBERS [1]

O.R.H. Bates
D. Belfer *(Non-Executive Chairman)*
M.J.G. Black
H.F. Boucher
E.W.C. Campbell-Johnston
A.J. Cobbold
P.A.J. Collins
O.A. Cartade *(Non-Executive)*
R.A.C. Duncan
A.M. Fairbanks Smith
L.J.M. Harris
A.R. Hunter
J.N. Hutton
S.A.M. Jeffries
N.N. Landell-Mills
R.A. McDonnell
R.J. Maitland
G.V. Matthews *(Managing Partner)*
J.G.E. Monson *(Senior Partner)*
E.K. Renshaw-Ames [2] *(Independent Non-Executive)*
M.C. Roberts
H.J. Simons
G. Steinberg *(Independent Non-Executive)*
S. Subramaniam
T.J. Temple
J.M. Thomas
T.W. Vernon

[1] *Appointed Members of the Sarasin & Partners LLP Managing Board as at the date of approval of the Annual Report and Financial Statements.*

[2] *Appointed 1 March 2022.*

REGISTERED OFFICE	Juxon House 100 St. Paul's Churchyard London EC4M 8BU United Kingdom
BANKERS	The Royal Bank of Scotland plc BNY Mellon BNP Paribas Bank J. Safra Sarasin Limited
AUDITOR	Deloitte LLP Statutory Auditor 1 New Street Square London EC4A 3HQ United Kingdom
BUSINESS ADVISER	Smith & Williamson LLP 25 Moorgate London EC2R 6AY United Kingdom
LAWYER	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD United Kingdom

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

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STRATEGIC REPORT
For the year ended 31 December 2021

Cautionary Statement

This Strategic Report has been prepared solely to provide additional information to assess Sarasin & Partners LLP's (the "LLP's") strategies and the potential for those strategies to succeed.

The Strategic Report contains certain forward-looking statements. These statements are made by the Members, in good faith, based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors underlying any such forward-looking information.

Activities

The principal activity of the LLP is the provision of specialist investment management services. The LLP continues to promote its services both in the United Kingdom ("UK") and overseas to charities, private clients, institutions and intermediaries.

The LLP is authorised and regulated by the Financial Conduct Authority ("FCA") in respect of the conduct of its investment business.

Business Review

We achieved successful results for our clients and business in 2021, with assets under management and administration ("AuMA") closing at £21.0bn, representing a 22% increase on the prior year (2020: £17.2bn). Investment performance delivered strong absolute returns for our clients, however, relative performance was more challenging. Net new business inflow contributed £2.3bn to asset growth (2020: net inflow of £0.5bn), with gross inflows at a record annual high for the second year running.

From a markets perspective, 2021 was a turbulent year during which global equities nevertheless continued to perform strongly. Risk markets were favoured as investors welcomed strong signs of an economic recovery. News of effective COVID-19 vaccinations in November 2020 prompted a dramatic shift from social distancing restrictions to the prospect of a return to normality. Macroeconomic data improved throughout the year, underpinned by substantial fiscal packages and loose monetary policy. However, supply chain disruptions, rising energy prices and higher wages saw inflation rise sharply in the second half of the year, dulling equity returns and seeing government bond yields in the US and Europe rise. As a result, many central banks, including the US Federal Reserve, began slowing the pace of their bond purchases and discussing potential interest rate rises. Meanwhile, COVID-19 continued to affect markets, economies and everyday life. Both the Delta variant in the summer and the Omicron variant at the end of the year signalled that the virus had not gone away. However, markets soon bounced back from the latter, as scientists concluded the variant was a milder strain and investors appeared to assume that it would not derail economic growth.

Against this market backdrop, the LLP's revenue increased by 20% to £77.9m for the year (2020: £64.9m) due to growth in core management fee income, reflective of the growth in AuMA. Management fees grew by £13.9m (21%) across the range of income lines, incorporating segregated client and funded solutions (UK, Ireland and Luxembourg).

On a divisional basis, all areas of the business grew their asset base over the year. The Charities division ended the year with £9.1bn, an increase of 21% on 2020 (£7.5bn), driven by a combination of investment performance and net new business inflow. The division maintains its position as a market leader in the not-for-profit and charities sector in the UK and continues to expand its market opportunities in North America. The Private Client division ended the year with £5.4bn AuMA, an increase of 15% on the prior year (£4.7bn), also driven by a combination of investment performance and net new business inflow. Retail (Third Party Distribution) grew to £2.3bn (2020: £1.9bn), aided by growth in regional distribution capability. The Institutional division grew to £1.6bn (2020: £1.4bn) having benefited during the year from a continued focus on infrastructure enhancement to support growth in distribution. Investment originated intra-group from the LLP's ultimate parent grew from £1.7bn to £2.6bn.

After a tumultuous but successful 2020, our key strategic aims for 2021 were built around a growth agenda: retaining talent, accelerating growth and continuing our programme of digital transformation. We maintained growth momentum across all divisions, we are developing our infrastructure to support Institutional growth and our investment in marketing capability will provide support as we move forward.

Work has also focused on the evolution of the asset management structure. Strategy differentiation was a focus of Global Equity product development in the year. Environmental, Social and Governance ("ESG") capability was also enhanced during the year in terms of capability and processes.

Business Review (continued)

Across the business, as part of our digital transformation agenda, we reviewed data requirements and utilisation and optimised our processes. Enhancing our client experience was a priority, and 2021 saw development of a new online client portal continue, with the first phase now released. Work is underway on the design of a "new normal" business model, taking account of the operating experience through the pandemic. We have continued to seek improvement in operational processes, and have conducted a review of a new robust disaster recovery solution.

The financial stability of the LLP has left it well placed to withstand the continuing challenges brought by the COVID-19 pandemic, both in terms of market volatility and operational capability. We have prioritised client communication and ensured that portfolios were well positioned throughout the pandemic. Operationally, the business has continued to closely follow guidance provided by the UK government. Full operational continuity has been maintained by the business and its service providers through evolving operating models, including full home working, and the current hybrid model now in place. The business did not avail itself of any government schemes established to support the economy, such as furloughing staff or deferring tax payments. Whilst the LLP has continued to maintain operational and financial resilience through 2021 in the face of the pandemic, COVID-19 is an unprecedented event and the full impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The LLP is well positioned to withstand the impact of developing events and the Members continue to monitor the situation carefully and react accordingly.

Alongside the 20% (£13m) growth in revenue year-on-year, LLP administrative expenditure increased by 8% (£3.5m) to £45.8m (2020: £42.3m). This was principally due to growth in the employee profit-linked incentive scheme, which is directly correlated to investment and business performance, and in part due to a planned increase in headcount, in line with the growth strategy. Overall LLP operating profit increased by 12% to £37.7m for the year (2020: £33.8m). Profit available for division among Members increased by 14% to £32.4m (2020: £28.5m). The LLP has allocated profit earned to Members in full for the year, consistent with the prior year.

LLP total assets have increased to £68.4m at the year-end (2020: £56.0m) due principally to growth in cash at bank from trading revenues. Total liabilities have remained flat at £25.5m (2020: £25.5m). An increase in the accrued incentive pool is offset by an expected reduction in lease liabilities and intra-group positions. Members' capital classified as equity increased during 2020, following a £0.8m capital contribution by the immediate parent. The issuance of Long-Term Incentive Plans to employees and partners has also increased the attributable value of the share option reserve. Cash at bank totals £31.7m at year-end (2020: £21.4m).

Following the end of the Brexit transition period on 31 December 2020, the terms of a Trade and Cooperation Agreement ("TCA") between the EU and the UK were enacted. There were limited provisions in the TCA on equivalence or regulatory cooperation in financial services. A brief Joint Declaration on Financial Services Regulatory Cooperation was published alongside the TCA, noting that the UK and the EU intend to agree a framework for regulatory cooperation in order to facilitate mutual equivalence decisions in the future. The final agreement on financial services is therefore subject to further separate negotiations between the UK and the EU.

Significant changes have impacted the EU / UK financial services industry since Brexit, including the loss of passporting rights of UK firms under the Single Market Directives and the absence of mutual recognition of licensing regimes. Following the establishment of Memoranda of Understanding between the relevant regulators and national competent authorities, the LLP has been able to continue, as a UK entity, to provide investment management services in respect of EU managed funds during the year.

Regulatory developments in Ireland in respect of fund company governance, management, control and resourcing led to the business transferring the management and administration of its Sarasin Irish fund range from subsidiary Sarasin Funds Management (Ireland) Limited to Waystone Management Company (IE) Limited on 4 January 2022. The LLP continues to provide investment management and distribution services to the fund range. Regulatory developments continue to be closely monitored.

In 2020, the UK Stewardship Code (the "Code") came into effect, setting higher stewardship standards for asset managers, asset owners and service providers. Our latest UK Stewardship Code Report explains how Sarasin & Partners complies with the Code on behalf of our clients for all of our holdings globally. We hope that it demonstrates to our clients – and other interested stakeholders – that we go above and beyond expectations in our implementation of the Stewardship Principles. The report is located on the Group's website at www.sarasinandpartners.com/stewardship, where further information on our commitment and approach to responsible stewardship can be found including our Net Zero Action Plan 2022 'Making Net Zero A Reality'. Our Corporate Social Responsibility ("CSR") Report 2021 can also be found on our website. This serves as a way for us to measure our activities against our aims of securing tomorrow through our thematic investment approach, our commitment to stewardship, and our long-term relationships with our clients.

At Sarasin & Partners, we seek to grow and protect capital for our clients in a way that is aligned with a sustainable society. We invest thematically on behalf of charities, private clients, institutions and investment professionals. We believe that responsible companies make better investments, which is why we embed stewardship into our investment process.

Business Review (continued)

Our stewardship philosophy is built on three pillars:

- A robust, thematic, global investment process focused on long-term value drivers;
- Active engagement with the companies we invest in and considered voting, to drive positive change on our clients' behalf; and
- Policy outreach where we believe we can play a positive role in shaping markets and regulation.

Our stewardship work and our thematic investment philosophy draw on each other. We invest in long-term trends that have the power to improve societal welfare. We want to invest in ways that drive positive change, so we integrate ESG factors into our fundamental analysis. Operating as a partnership, our interests are aligned with those of our clients. Our core values inform how we operate: Partnership (looking after our clients' interests as if they are our own), People (belief in the power of teamwork and that everyone matters, recognition that we are stronger together than as individuals and that diversity in all forms strengthens us), and Stewardship (we are long-term investors, actively working to secure a sustainable future and enduring value for our clients).

Our core values underpin our culture: how we behave on a day-to-day basis, what we prioritise and how we confront problems. They also underpin our investment approach, how we support our clients, how we interact with other external stakeholders, and how we make business decisions.

The Board of Sarasin & Partners is satisfied with the development of the business against its strategic objectives and business initiatives in 2021. Looking forward, the business will prioritise delivering robust investment performance for our clients and continuing to grow its distribution capability and product offering, whilst continuing to invest in digital transformation, in the pursuit of our principal purpose of delivering strong, long-term investment performance and exceptional client service.

Risk Management

Assessing and assuming risks are an integral part of any asset management business. The LLP is part of the Sarasin (U.K.) Limited group of companies ("the Group"), which has a policy of identifying and controlling risk. The Group employs a clearly defined, transparent and integrated system of risk management, as set out in the Internal Capital Adequacy Assessment Process document ("ICAAP") that covers all of the Group's business segments, including those of the LLP. This requires considerable human and technological resources. The ICAAP identifies and monitors all risks, their likelihood of occurrence and mitigating factors that Management have put in place, such as internal control processes and insurance arrangements. The ICAAP is updated to accommodate new developments in the business.

With effect from 1 January 2022, the FCA has introduced the Investment Firm Prudential Regime ("IFPR"), which incorporates an internal capital and risk assessment ("ICARA") process, replacing the previous ICAAP process. The intention is that the ICARA process will be the centrepiece of MIFID investment firms' risk management processes. The process will incorporate business model assessment, forecasting and stress testing, recovery planning and wind-down planning. The LLP is implementing the requirements of IFPR in accordance with the regulatory timeframe.

Active risk management minimises undesirable risks and allows the capital of the Group to be employed as efficiently as possible to the benefit of shareholders and other stakeholders. Risk management is therefore a vital link in the value creation chain, as it flags up real and potential risks for the Group's decision-makers. The Group approach to risk management is discussed in further detail in the Group's Annual Report and financial statements, which does not form part of this report.

The principal risks and uncertainties facing the LLP are set out below.

Direct Risks to the LLP

Operational Risk

Operational risk is defined as the risk of loss, resulting from inadequate or failed internal processes, people or systems or as a consequence of external events. This definition includes legal risks, breach of regulation and trading error. These risks may have material strategic and reputational effects.

The Risk Office measures and monitors operational risk using a risk matrix, which is updated as new concerns arise. A Risk & Control Self-Assessment ("RCSA") process is utilised whereby departments assess their risks, controls, strategy and actions. Key risk indicators are monitored on an ongoing basis as an alert to stressed events.

Emphasis is given to the management of operational risks in the following ways:

- Directives – These set down the main goals for the management, control of operational risk, serve as a guide for identifying and measuring operational risk and meeting reporting obligations;

Risk Management (continued)

Direct Risks to the LLP (continued)

Operational Risk (continued)

- Education – Group employees are obliged to deal effectively with the risks arising in their everyday work. The line manager is supported by regularly updated information on the Group's Intranet. Background information is provided to new staff; and
- Reporting – Evaluations and analysis take place in the context of regular risk reporting to the Management Board.

Incident ("risk event") management is a central pillar for the management and control of operational risk. It is used to report, escalate, manage and close all operational incidents that may give rise to a loss.

The most significant operational risks facing the Group, as documented in the latest ICAAP, are cybercrime, financial crime and fraud, trading error, investment process breach (including asset valuation), and breach of regulation.

Credit Risk

Credit risk is the risk of loss caused by the failure of a counterparty to fulfil their contractual obligations. Concentration of assets with a particular counterparty can contribute to an increase in the level of risk.

The LLP's principal financial assets, and therefore its primary source of credit risk, are cash balances held at bank, trade and other receivables. The credit risk on cash at bank is restricted via usage of counterparty banks with credit ratings assigned by international credit rating agencies. The credit risk arising from the settlement of outstanding fees is limited as these transactions normally settle within thirty days. Concentration risk from outstanding fee exposure is limited as exposures are spread over a large number of counterparties.

Credit risk exposure is regularly reviewed and is managed in accordance with the risk appetite of the business via the application of policy set in relation to the type of counterparty used, the level of concentration allowed and, in the case of cash deposits, counterparty limits set.

Foreign Currency Risk

Foreign currency risk is the risk that arises from a change in the price of one currency against another. It is defined as the risk that exchange rates will change unfavourably, particularly where there are assets or income flows in different currencies and their positions are not hedged.

The LLP is exposed to foreign currency risk through its assets, liabilities, income and expenses denominated in currencies other than Sterling, where their positions are not hedged. Exposure is mainly restricted to the major global currencies. Risk is managed via the regular monitoring of the level, duration of contractual exposure to those currencies and movements in rates of exchange to Sterling.

Indirect Risks to the LLP

In addition to the principal direct risks detailed above, the LLP is also exposed to indirect risks arising from investments made and assets managed on behalf of customers. The primary source of revenue for the LLP is directly linked to the value of the investments managed on behalf of customers, which is primarily driven by two factors: the relative performance of the investments held on behalf of customers and the ability to retain and acquire customer assets, which is itself driven in part by investment performance.

The achievement of a reasonable return on any investment inevitably entails a degree of risk tolerance in the long run, and it is particularly important to have a full overview of total risk exposure of an investment at all times. Given the volatility of financial markets, the quality of risk management in this area has become a crucial competitive factor in the industry, and the integrated system of risk management employed ensures that the LLP is well placed to effectively manage these risks.

Approval

This report was approved by the Members and signed on its behalf by:

G.V. Matthews

Designated Member

27 April 2022

The Members present the Annual Report on the affairs of the LLP, together with the audited financial statements and auditor's report for the year ended 31 December 2021. As permitted by legislation, certain disclosures normally included in the Members' Report have been integrated into the Strategic Report on pages 5 to 8 and form part of this report by cross-reference.

Results and Distributions

The LLP's profit for the year is set out in the Statement of Comprehensive Income on page 17. Profit for the year available for discretionary division among Members is deemed by the Members to have been fully allocated at the reporting date.

Financial Risk Management

Financial risk management objectives, policies and financial exposures are disclosed in the Risk Management section of the Strategic Review and Note 22 to the financial statements.

Pillar III Disclosures

Unaudited Pillar III disclosures required by the FCA are prepared at the Sarasin (U.K.) Limited level on a consolidated basis. Sarasin (U.K.) Limited is a parent undertaking of the LLP. Disclosures are located on the Group's website at www.sarasinandpartners.com/important-information.

Subsequent Events

Details of significant events since the Statement of Financial Position date are contained in Note 28 to the financial statements.

Members' Drawings and the Subscription and Repayment of Members' Capital

During the year, Members receive monthly drawings representing payments on account of profits, which may be allocated to them. The amount of such drawings is set each financial year, considering the working and regulatory capital requirements of the LLP. Any amounts in excess of the Members' Income Entitlements, as set out in the Members' Agreement, may be reclaimed from Members until such time as profits have been allocated to them. Profits are determined in accordance with the Members' Agreement dated 4 October 2011 and any subsequent Non-Management Member Consent and Special Management Member Consent. Profit allocation is deemed by the Members to have taken place as at the Statement of Financial Position date.

Capital requirements are determined by the Members and are reviewed regularly to ensure that there is sufficient working and regulatory capital for the foreseeable future. Members have invested in the business via unit capital in the LLP and shares in the LLP's intermediate holding company, S.I.M. Partnership (London) Limited.

Employee Involvement

There are regular briefing meetings for all employees at which a presentation is made covering the salient features of the financial results, net new business flows and future plans and developments for the business. There is an opportunity at these meetings for employees to ask questions of the Members.

An Employee Forum meets every two months and enables effective communication between employees and senior management, raising new initiatives and issues of general concern to employees, and providing an opportunity to influence and be involved in current issues and decisions that are likely to affect employee interests.

A Diversity and Inclusion Committee meets quarterly and is responsible for promoting a culture where all stakeholders are accepted as individuals and treated fairly and respectfully, and aims to promote diversity and inclusiveness within the firm.

The LLP's Intranet site contains details of the performance of the Group and items of general interest for employees.

Charitable Donations

During the year, the LLP made charitable donations of £13,610 (2020: £37,650).

MEMBERS' REPORT
For the year ended 31 December 2021

Suppliers

In respect of all of its suppliers, it is the LLP's policy to settle the terms of payment with those suppliers when agreeing the terms of each transaction, ensure that those suppliers are made aware of the terms of payment and abide by those terms. In accordance with The Reporting of Payment Practices and Performance Regulations 2017, the LLP, on a half-yearly basis, reports on its payment practices, policies and performance via a UK government online service.

Members

The Members of the LLP who served during the year ended 31 December 2021 and up to the date of signing of the Annual Report and Financial Statements are set out below, along with their interests in the LLP's intermediate holding company, S.I.M. Partnership (London) Limited:

		No. of ordinary shares	
		31 December 2021	31 December 2020
O.R.H. Bates		**117,759**	105,693
N.M. Bensted-Smith [1]		**838,047**	838,047
M.J.G. Black		**1,436,355**	1,436,355
R.G.R. Boddington [1]		**402,500**	627,056
H.F. Boucher		**1,402,827**	1,512,903
E.W.C. Campbell-Johnston		**136,845**	136,845
A.C. Cobbold	*(appointed 1 June 2021)*	**86,418**	-
P.A.J. Collins		**66,845**	66,845
P. Cooper [1]		**583,066**	583,066
R.A.C. Duncan		**217,415**	66,845
A.M. Fairbanks Smith		**1,240,276**	1,240,276
J.D. Ferguson [1]		**130,963**	130,963
J. Godley [1]		**294,493**	294,493
D. Gorddard [1]		**455,017**	455,017
A.J. Hall [1]		**387,863**	387,863
L.J.M. Harris		**628,099**	628,099
A.R. Hunter		**59,952**	59,952
J.N. Hutton		**93,086**	93,086
S.A.M. Jeffries		**300,782**	286,071
N.N. Landell-Mills		**63,291**	63,291
C.R. Lindsay [1]		**339,102**	339,102
R.A. McDonnell		**1,217,965**	1,217,965
R.J. Maitland		**1,751,571**	1,751,571
M.W.V. Mathewson [1]		**361,905**	361,905
G.V. Matthews	*Managing Partner*	**1,730,746**	1,730,746
J.G.E. Monson	*Senior Partner*	**6,329,007**	6,439,083
A. Nardon [1]		**224,791**	224,791
Ocorian Trustees (Jersey) Limited (EBT)		**536,331**	288,572

Members (continued)

		No. of ordinary shares	
		31 December 2021	31 December 2020
Ocorian Trustees (Jersey) Limited (MBT)		**267,959**	397,295
R. Rathour [1]		**156,330**	156,330
M.C. Roberts		**111,899**	99,979
N.L. Roberts [1]		**150,213**	150,213
T.N.M. Service [1]		**2,379,279**	2,379,279
H.J. Simons	*(appointed 1 June 2021)*	**89,893**	-
SIM Partnership (London) Limited		**n/a**	n/a
Smith & Williamson Trust Corporation Limited		**273,543**	312,836
S. Subramaniam		**558,419**	558,419
R.S. Tate [1]		**299,734**	299,734
T.J. Temple		**89,645**	89,645
J.M. Thomas		**132,679**	132,679
T.W. Vernon		**78,396**	78,396
C.E. Wells [1]		**145,308**	145,308

[1] *Retired Management Members as at 31 December 2021 and no longer Members as at the date of approval of the financial statements.*

Designated Members

The following were Designated Members during the year: G.V. Matthews, J.G.E. Monson, and S.I.M. Partnership (London) Limited.

Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") implement the UK government's policy on Streamlined Energy and Carbon Reporting ("SECR"). Large LLPs are obliged to report their UK energy and carbon information in an Energy and Carbon Report. The LLP forms part of a Group for which group financial statements are prepared. The LLP avails of a subsidiary disclosure exemption in respect of these financial statements. Disclosure is provided in Sarasin U.K. Limited consolidated financial statements. Copies of the financial statements of Sarasin U.K. Limited can be obtained from Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU.

Indemnities

Sarasin & Partners LLP maintains professional indemnity, directors' and officers' liability insurance for itself and its subsidiaries. The same coverage also extends to intermediate holding companies S.I.M. Partnership (London) Limited and Sarasin (U.K.) Limited.

MEMBERS' REPORT
For the year ended 31 December 2021

Auditor

Each of the persons who is a Member at the date of approval of this report confirms that:

a) So far as the Member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and

b) Each Member has taken all the steps that he or she ought to have taken as a Member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006 as applied to limited liability partnerships.

Going Concern

The Members have, at the time of approving the financial statements, a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Approval

This report was approved by the Members and signed on their behalf by:

G.V. Matthews

Designated Member

27 April 2022

STATEMENT OF MEMBERS' RESPONSIBILITIES
in respect of the Annual Report and financial statements

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 United Kingdom adopted international accounting standards and in conformity with the requirements of the Companies Act 2006. 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:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in international accounting standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the LLP's financial position and financial performance; and
- Make an assessment of the LLP's ability to continue as a going concern.

The Members are responsible for keeping adequate accounting records that 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 as applicable to limited liability partnerships. 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 Sarasin & Partners LLP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sarasin & Partners 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applicable to limited liability partnerships.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Reconciliation of Movements in Members' Interests;
- the Statement of Cash Flows; and
- the related notes 1 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

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 (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 Members

As explained more fully in the Statement of Members' Responsibilities, 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.

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.

We obtained an understanding of the legal and regulatory frameworks 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, pensions legislation, tax legislation and FCA requirements; 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 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.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

There is a risk that management fee revenue, with an emphasis on the manual transactions in particular, are calculated inaccurately and that the fees have not occurred. We have performed the following procedures to respond to this risk:

- tested the relevant controls around the revenue recognition process;
- substantively tested the inputs used in the calculation of revenue; and
- recalculated the revenue balance in accordance with the relevant contractual agreements in place.

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 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 and regulatory correspondence.

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 Strategic Report and the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report 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 Strategic Report and the Members' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in 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 applicable 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.

Stuart McLaren (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

27 April 2022

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Notes	2021 £	2020 £
Revenue	6	**77,867,525**	64,942,421
Other operating income		**5,706,000**	11,180,726
Administrative expenses		**(45,827,984)**	(42,304,611)
Profit from operations	7	**37,745,541**	33,818,536
Interest income	8	**3,558**	16,403
Finance costs	8	**(255,075)**	(345,418)
Profit before Members' income entitlement and profit allocation		**37,494,024**	33,489,521
Members' income entitlement and profit allocation charged as an expense		**(5,074,408)**	(4,941,977)
Profit and total comprehensive income for the year available for discretionary division among Members		**32,419,616**	28,547,544

All the LLP's operations are classed as continuing, and there were no items of other comprehensive income in the current or prior year.

The annexed notes from 1 to 30 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

Assets	Notes	2021 £	2020 £
Non-current assets			
Property, plant and equipment	*9*	**1,723,017**	1,653,721
Intangible assets	*10*	**-**	61,175
Investment in subsidiaries	*11*	**1,473,578**	1,473,663
Right-of-use assets	*25*	**5,624,089**	7,222,081
Investments	*12*	**419,062**	379,345
Current assets			
Investments	*12*	**436,308**	374,982
Trade and other receivables	*13*	**2,850,185**	4,967,272
Accrued income and prepaid expenses	*14*	**20,694,122**	17,052,731
Amounts due from Members	*18*	**3,517,532**	1,374,598
Cash and cash equivalents	*15*	**31,691,563**	21,418,523
Total assets		**68,429,456**	55,978,091

Liabilities and Members' interests	Notes	2021	2020
Non-current liabilities			
Lease liabilities		**4,545,614**	6,629,401
Current liabilities			
Trade and other payables	*16*	**2,157,026**	3,704,382
Lease liabilities		**2,078,966**	2,003,023
Accrued expenses		**15,996,197**	12,529,582
Deferred remuneration liability		**299,515**	274,579
Provisions	*17*	**373,000**	373,000
Total liabilities		**25,450,318**	25,513,967
Loans and other debts due to Members			
Members' capital classified as a liability		**615,000**	471,556
Other amounts	*18*	**21,791,451**	10,407,817
Total Loans and other debts due to Members		**22,406,451**	10,879,373
Members' other interests			
Members' capital classified as equity		**19,801,339**	19,001,339
Members' other interests - other reserves classified as equity		**411,502**	411,502
Share option reserve		**359,846**	171,910
Total Members' other interests		**20,572,687**	19,584,751
Total liabilities and Members' interests		**68,429,456**	55,978,091

The annexed notes from 1 to 30 form an integral part of these financial statements. The financial statements were approved by the Members of the LLP (registration no. OC329859) on 27 April 2022 and authorised for issue and signed on their behalf by:

J.G.E. Monson
Designated Member

G.V. Matthews
Designated Member

RECONCILIATION OF MOVEMENTS IN MEMBERS' INTERESTS
For the year ended 31 December 2021

	EQUITY Members' Other Interests				DEBT Loans and other debts due to Members' less amounts due from Members in debtors			TOTAL MEMBERS' INTERESTS
	Members' Capital (classified as equity)	Other Reserves	Share Option Reserve	Total	Members' Capital (classified as debt)	Other Amounts due to Members	Total	Total
	£	£	£	£	£	£	£	£
Balance at 1 Jan 2020	17,801,339	411,502	34,062	18,246,903	471,556	9,152,646	9,624,202	27,871,105
Capital introduced by Members	1,200,000	-	-	1,200,000	-	-	-	1,200,000
Profit for the year	-	28,547,544	-	28,547,544	-	-	-	28,547,544
Members' income entitlement and profit allocation	-	(28,547,544)	-	(28,547,544)	-	28,547,544	28,547,544	-
Members' income entitlement and profit allocation charged as an expense	-	-	-	-	-	4,941,977	4,941,977	4,941,977
Share-based payments	-	-	137,848	137,848	-	-	-	137,848
Members' drawings	-	-	-	-	-	(33,451,559)	(33,451,559)	(33,451,559)
Movement in Member loans	-	-	-	-	-	(157,389)	(157,389)	(157,389)
Balance at 31 Dec 2020	19,001,339	411,502	171,910	19,584,751	471,556	9,033,219	9,504,775	29,089,526
Capital introduced by Members	800,000	-	-	800,000	143,444	-	143,444	943,444
Profit for the year	-	32,419,616	-	32,419,616	-	-		32,419,616
Members' income entitlement and profit allocation	-	(32,419,616)	-	(32,419,616)	-	32,419,616	32,419,616	-
Members' income entitlement and profit allocation charged as an expense	-	-	-	-	-	5,074,408	5,074,408	5,074,408
Share-based payments	-	-	187,936	187,936	-	-	-	187,936
Members' drawings	-	-	-	-	-	(26,110,390)	(26,110,390)	(26,110,390)
Movement in Member loans	-	-	-	-	-	(2,142,934)	(2,142,934)	(2,142,934)
Balance at 31 Dec 2021	19,801,339	411,502	359,846	20,572,687	615,000	18,273,919	18,888,919	39,461,606

	2021	2020
	£	£
Amounts due (from)/to Members		
Amounts due from Members	(3,517,532)	(1,374,598)
Amounts due to Members	21,791,451	10,407,817
	18,273,919	9,033,219

The annexed notes from 1 to 30 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Notes	2021 £	2020 £
Net cash generated from operating activities	*26*	**40,608,349**	34,290,796
Investing activities			
Interest received		**3,558**	16,403
Finance costs		**(27,337)**	(40,980)
Sale of subsidiary		**85**	-
Proceeds on sale of Dublin branch (see Note 27)		**-**	3,102,170
Purchases of property, plant and equipment		**(733,370)**	(313,932)
Purchases of intangible assets		**-**	(49,626)
Purchases of investments		**(418,916)**	(568,625)
Disposals of investments		**375,089**	537,906
Net cash flows (used in)/from investing activities		**(800,891)**	2,683,316
Financing activities			
Repayment of principal lease liabilities		**(2,224,538)**	(2,204,647)
Increase in Members' capital		**943,444**	1,200,000
Net cash flows used in financing activities		**(1,281,094)**	(1,004,647)
Transactions with Members			
Drawings, distributions and movements in loans to Members		**(28,253,324)**	(33,608,948)
Net cash flows used in transactions with Members		**(28,253,324)**	(33,608,948)
Net increase in cash and cash equivalents		**10,273,040**	2,360,517
Cash and cash equivalents at beginning of year		**21,418,523**	19,058,006
Cash and cash equivalents at end of year	*15*	**31,691,563**	21,418,523

The annexed notes from 1 to 30 form an integral part of these financial statements.

1. CORPORATE INFORMATION

The LLP is incorporated and domiciled in England under the Limited Liability Partnerships Act 2000. The address of the registered office is disclosed on page 3. The nature of the LLP's operations and its principal activities are set out in the Strategic Report on pages 5 to 8.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and applied in accordance with the requirements of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ("the LLP Regulations"). The financial statements have been prepared on the historical cost basis, except for investment securities at fair value through profit or loss, which are carried at fair value. These financial statements present information about the LLP as an individual undertaking and not about the group of which this LLP is parent. The LLP is exempt from the obligation to prepare and deliver consolidated group financial statements under section 400 of the LLP Regulations and International Financial Reporting Standard 10, as it has been included in the consolidated financial statements of its intermediate parent companies S.I.M. Partnership (London) Limited and Sarasin (U.K.) Limited, which are registered in the UK and comply with United Kingdom adopted international accounting standards. Copies of the financial statements of SIM (Partnership) London Limited and Sarasin U.K. Limited can be obtained from Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU.

Going Concern: The LLP's business activities together with the factors likely to affect its future development, performance and position are set out in Strategic Report. The financial position of the LLP, its cash flows and liquidity position are reflected in the financial statements on pages 17 to 44. The LLP has considerable financial resources. As a consequence, the Members believe that the LLP is well placed to manage its business risks successfully. The Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The principal accounting policies adopted, which have been applied consistently in the current and prior years, are set out in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenue principally comprises management fees receivable for the provision of discretionary investment management services to segregated clients and investment funds. Fees are generally based on a contractual percentage of AuMA or net asset value ("NAV"), calculated daily and charged either monthly or quarterly in arrears. Revenue is presented net of value added tax, rebates and discounts. Rebates relate to repayments of fees charged and are presented net within management fees. Fees are accrued as services are provided, and it is probable that fees will be receivable. Fees are recognised over the period to which the services relate and do not include any other performance obligations.

Performance fees relate to the performance of segregated portfolios and managed funds during the year, and they are recognised when the fee has crystallised and can be reliably estimated. This is generally at the end of the contractual performance period. Until the performance period ends, market movement could significantly alter the NAV of the account or fund. There are no other performance obligations or related services that suggest that the timing of revenue recognition should occur either before or after crystallisation date.

Distribution costs include commission payments to external intermediaries and distribution and commission payments to group companies for investor servicing. Costs are variable with AuMA and associated management fee revenue, and they are expensed over the period in which the service is provided.

Asset servicing costs include custodian service provision and research provided by third parties under contract. The cost of custody varies dependent on portfolio NAV, and the cost of research varies according to service consumption. All costs are recognised in the period to which the services relate.

Management charges to fellow Group companies comprise charges in relation to services provided to Group companies, including the provision of staff, property and administration services. Charges are calculated in accordance with an internal model, accrued monthly and recharged quarterly.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Operating Income

Dividend income from subsidiary investments is recognised when the LLP's right to receive payment has been established.

Foreign Currencies

The functional and presentational currency of the LLP is pounds sterling ("£"). Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined, and those carried at historical cost are translated at rates prevailing at the date of the initial transaction. All differences are recognised in the Statement of Comprehensive Income.

Members' Income Entitlement and Profit Allocation

Income entitlement and profits attributable to Members are determined in accordance with the Members' Agreement dated 4 October 2011 and any subsequent Non-Management Member Consent and Special Management Member Consent. Members' income entitlement and profit allocation charged as an expense represents amounts becoming due to Members in respect of participation rights in the profits of the LLP for the financial year that give rise to liabilities independently of the allocation process. Allocation is deemed by the Members to have taken place as at the Statement of Financial Position date.

Members' 'Discount/(Premium) on Issuance of Units' Reserve Allocation

When equity is issued to Members at a discount or premium, that discount or premium is charged/(credited) to a 'Discount/(Premium) on Issuance of Units' reserve. The reserve is distributable in nature and was classified initially within 'Members'' other interests – other reserves classified as 'equity' in the Statement of Financial Position. Consistent with the LLP approach to profit allocation, any balance arising on the reserve during an accounting period is deemed by the Members to have been allocated as at the Statement of Financial Position date.

Taxation

Members are personally liable for UK taxation on their share of LLP profits. Consequently, no provision for taxation is made in these financial statements.

Property, Plant and Equipment

Property, plant and equipment is capitalised if the acquisition or production costs can be reliably determined, if they will bring future economic benefit in excess of cost and if their expected period of use exceeds one year. Minor purchases and renovation or maintenance costs that do not create or enhance asset value are recognised as an expense in the period in which they are incurred. Property, plant and equipment are valued at cost less accumulated depreciation and any recognised impairment loss.

Capital expenditure related to a 2012-15 refurbishment programme at the LLP's Juxon House leasehold premises has been allocated to the leasehold improvements asset class by reference to completed sectional floor area as a proportion of total floor area subject to capital enhancement.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method on the following basis:

Leasehold improvements	the shorter of 10 years or the remaining leasehold period
Furniture and equipment	3 – 10 years
Computer hardware	3 – 5 years

The LLP annually reviews its depreciation method and the useful life of its fixed assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and it is recognised in the Statement of Comprehensive Income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets

Intangible assets include purchased software, in-house developed software (internally generated intangible assets) and patents and licenses.

Internally generated intangible assets arising from in-house software development are recognised only if the following conditions are met: the software created can clearly be identified, a minimum of at least 5,000 hours of development time has been spent, the software created will generate future economic benefits and the development cost can be measured reliably.

Intangible assets are capitalised if the acquisition or production costs can be reliably determined, if they will bring future economic benefit in excess of cost and if their expected period of use exceeds one year.

Intangible assets are valued at cost less accumulated amortisation and any recognised impairment losses.

Amortisation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method on the following bases:

Purchased software	3 – 8 years
In-house developed software	3 years

Where no internally generated intangible asset can be recognised, software development expenditure is recognised as an expense in the period in which it is incurred.

Amortisation is recognised within Administrative Expenses in the Statement of Comprehensive Income.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising from derecognition of an asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the Statement of Comprehensive Income when the asset is derecognised.

Impairment of Property, Plant, Equipment and Intangible Assets

At each Statement of Financial Position date, the LLP reviews the carrying amount of its property, plant, equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the LLP estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset, or cash-generating unit, is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Where an impairment subsequently reverses, the carrying amount of the asset, or cash-generating unit, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset, or cash-generating unit, in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

Financial Instruments: Financial Assets

(a) Recognition and Measurement of Financial Assets

The LLP recognises a financial asset when it becomes a party to the contractual provisions of the instrument. The LLP initially recognises trade and other receivables on the date of the transaction. At initial recognition, the LLP measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of a financial asset measured at fair value through profit or loss are recognised as profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments: Financial Assets (continued)

(b) Classification of Financial Assets

The LLP classifies financial assets at initial recognition as financial assets measured at amortised cost or financial assets measured at fair value through profit or loss.

Financial assets measured at amortised cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortised cost: (i) the financial asset is held within the LLP's business model, whose objective is to hold assets in order to collect contractual cash flows, and (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset measured at amortised cost is initially recognised at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortised cost is determined using the effective interest method, net of impairment loss, if necessary.

The LLP's financial assets measured at amortised cost comprise of trade, other receivables, accrued income, prepaid expenses, amounts due from Members, cash and cash equivalents, comprising of cash at bank and short-term deposits. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial assets measured at fair value through profit or loss

Financial assets classified as "at fair value through profit or loss" are measured at fair value with changes in fair value recognised in profit or loss. A financial asset measured at fair value through profit or loss is recognised initially at fair value, and its transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss. The LLP's financial assets measured at fair value through profit or loss comprise of unit holdings in Sarasin funds held in respect of deferred compensation arrangements for LLP employees.

(c) Derecognition of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or the LLP transfers substantially all the risks and rewards of ownership of the financial asset.

Financial Instruments: Financial Liabilities

(a) Recognition and Measurement of Financial Liabilities

The LLP recognises a financial debt when it becomes a party to the contractual provisions of the instrument.

(b) Classification of Financial Liabilities

Financial liabilities measured at amortised cost

A financial liability other than those measured at fair value through profit or loss is classified as a financial liability measured at amortised cost. A financial liability at amortised cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. After initial recognition, the financial liability is measured at amortised cost based on the effective interest rate method. The LLP's financial liabilities measured at amortised cost comprise trade, other payables, accrued expenses and amounts due to Members.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value. After initial recognition, the financial liability is measured at fair value with subsequent changes recognised as profit or loss. The LLP's financial liabilities measured at fair value through profit or loss comprise accrued expenses for deferred remuneration arrangements for LLP employees that are linked to unit holdings in Sarasin funds.

(c) Derecognition of Financial Liabilities

Financial liabilities are derecognised when they are extinguished, i.e., when the contractual obligation is discharged, cancelled or expired.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in Subsidiaries

Investments in subsidiaries are recognised at cost less any provision for impairment.

Provisions

Provisions are recognised when the LLP has a present obligation, legal or constructive, to a third party as a result of a past event. It is probable that the LLP will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Retirement Benefit Costs

Retirement benefits to employees are provided by a personal pension scheme. Contributions are charged to the Statement of Comprehensive Income as they are payable.

Deferred Compensation

The LLP operates a discretionary incentive scheme for all staff. Incentive awards are subject to deferral under certain criteria. Employees can elect to invest their deferral in a designated series of Sarasin fund products. Fund product awards are invested in the name of the LLP over a minimum vesting period of three years. Changes in fair value are recognised over the relevant vesting period in the Statement of Comprehensive Income, meaning that the compensation expense changes based on the value of the fund products. The fund product investments are held to offset this change in compensation during the vesting period. At vesting, the fund investment is redeemed, and the associated value is delivered to the employee, subject to conditions within the scheme rules being met.

Leases

(a) The LLP as lessee

The LLP assesses whether a contract is or contains a lease, at inception of the contract. The LLP recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets for which lease payments are recognised as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the LLP uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The LLP remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The LLP has not used this practical expedient. For contracts that contain 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 did not make any such adjustments during the periods presented.

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.

Whenever the LLP incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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 Group 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.

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

The LLP applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Administrative expenses" in the statement of comprehensive income.

Share-Based Payments

The LLP issue options in the LLP and the immediate parent company S.I.M. Partnership (London) Limited to certain employees and Members.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the LLP's estimate of the number of equity instruments that will eventually vest. At each reporting date, the LLP revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the LLP's accounting policies, which are described in Note 3, the Members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or is in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the LLP's accounting policies

Recoverability of equity investment

The LLP's equity holding in Sarasin-Alpen & Partners Limited was fully impaired in 2009. The investment is currently in liquidation and will continue to be held at nil value pending completion of the process. Further disclosure is provided in Note 12.

Property lease liability discount rate

Property lease liabilities have been discounted using an incremental borrowing rate of 3% (2020: 3%).

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Incentive scheme accrued expense

The LLP makes an annual accrual in respect of incentive scheme awards for employees and Members. The accrual is determined by reference to a model of calculation incorporating individual and business performance data. Further disclosure is provided in Note 28.

Provision for compensated absences

The LLP makes an annual provision for its liability towards non-vesting compensating absences on the basis of last drawn salary of the employee or Member. The provision is determined by reference to the number of standard holiday days carried over by each employee or Member at the end of the financial year.

5. ADOPTION OF NEW AND REVISED STANDARDS

Standards and interpretations affecting the financial statements

In the current year, no new and revised Standards and Interpretations were adopted that had a significant impact on the amounts reported in these financial statements.

Standards and interpretations not affecting the reported results nor the financial position

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements. Also, in the current year, the LLP's application of new and revised IFRSs have not resulted in material effects on the information in the Statement of Financial Position as at 1 January 2020. Accordingly, no third Statement of Financial Position has been presented.

Amendments

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The amendments complement those issued in 2019 and focus on the effects of the interest rate benchmark reform on a company's financial statements that arise when, for example, an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternative benchmark rate. The amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). Requirements were amended in IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement, IFRS 7, Financial Instruments: Disclosures, IFRS 4, Insurance Contracts and IFRS 16, Leases relating to: (i) changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, (ii) hedge accounting, and (iii) disclosures.

5. ADOPTION OF NEW AND REVISED STANDARDS (continued)

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (continued)
The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships and do not impact upon the LLP.

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (issued on 25 June 2020)
The amendments allow qualifying entities to continue to defer the application of IFRS 9. Currently IFRS 4 requires insurance entities to apply IFRS 9 from 1 January 2021, the change will mean that IFRS 9 becomes effective for annual periods beginning on or after 1 January 2023, with earlier application permitted. The LLP is not required to apply IFRS 4 therefore the amendments do not impact upon the LLP.

Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the LLP has not applied the following new and revised IFRSs, which were in issue but not yet effective and, in some cases, had not yet been adopted by the EU. The LLP does not intend to early adopt the new and revised IFRSs for which EU effective dates have been set:

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)

Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)

IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)

Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (all issued on 14 May 2020)

The Members do not expect that the adoption of other Standards and Interpretations listed above will have a material impact on the financial statements of the LLP in future periods. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

6. REVENUE

	2021	2020
The LLP's revenue is stated net of VAT and is analysed as follows:	£	£
Management fees	**80,084,156**	66,155,655
Performance fees	**527,937**	1,689,207
Distribution costs	**(2,073,712)**	(2,056,511)
Asset servicing costs	**(3,492,056)**	(3,588,029)
Management charges to fellow Group companies	**2,821,200**	2,742,000
Other income	**-**	99
	77,867,525	64,942,421

Revenue arises from services provided in the UK.

7. PROFIT FROM OPERATIONS

	2021	2020
	£	£
Profit from operations has been arrived at after charging/(crediting):		
Auditor remuneration (see below)	**286,050**	192,000
Depreciation of property, plant & equipment	**663,656**	629,465
Amortisation of intangible assets	**11,550**	20,227
Depreciation of right-of-use assets	**1,606,883**	1,803,907
Impairment of right-of-use assets	-	434,701
Net gains on investments measured at FVTPL	**(57,216)**	(99,764)
Net losses on deferred remuneration liability measured at FVTPL	**68,260**	41,397
Foreign exchange losses	**265,750**	19,212
Exceptional profit on Dublin branch disposal (see Note 27)	-	(3,356,570)

	2021	2020
The analysis of auditor remuneration is set out below:	£	£
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	**101,700**	85,000
Total audit fees	**101,700**	85,000
Audit-related assurance services [1]	**145,990**	99,000
Other assurance services [2]	**38,360**	8,000
Total non-audit fees	**184,350**	107,000
Total audit and non-audit fees	**286,050**	192,000

[1] Audit related assurance services comprise £51,000 (2020: £34,000) for client asset assurance services (CASS) and £94,990 (2020: £65,000) for internal control assurance services (AAF 01/20).

[2] Other assurance services comprise £8,360 (2020: £8,000) for business valuation assurance services and £30,000 for U.S. Internal Revenue Service revenue assurance services (2020: £nil).

8. INTEREST INCOME AND FINANCE COSTS

	2021	2020
	£	£
Interest income:		
Interest on cash at bank	**3,558**	16,403
Finance costs:		
Interest on cash at bank	**7,288**	22,588
Interest on Members' capital classified as a liability	**20,049**	18,391
Interest on lease liability	**227,738**	304,439
	255,075	345,418

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and equipment	Computer hardware	Total
		£	£	£
Cost				
At 1 Jan 2020	2,642,280	583,980	3,164,834	6,391,094
Additions	-	7,353	306,579	313,932
Disposals	-	-	(249,921)	(249,921)
At 31 Dec 2020	2,642,280	591,333	3,221,492	6,455,105
At 1 Jan 2021	2,642,280	591,333	3,221,492	6,455,105
Additions	-	37,251	696,119	733,370
Disposals	-	(2,935)	(54,705)	(57,640)
At 31 Dec 2021	**2,642,280**	**625,649**	**3,862,906**	**7,130,835**
Depreciation				
At 1 Jan 2020	1,469,047	516,013	2,436,780	4,421,840
Charge for the year	232,909	49,530	347,026	629,465
Eliminated on disposal	-	-	(249,921)	(249,921)
At 31 Dec 2020	1,701,956	565,543	2,533,885	4,801,384
At 1 Jan 2021	1,701,956	565,543	2,533,885	4,801,384
Charge for the year	232,909	26,144	404,603	663,656
Eliminated on disposal	-	(2,935)	(54,287)	(57,222)
At 31 Dec 2021	**1,934,865**	**588,752**	**2,884,201**	**5,407,818**
Carrying Amount				
At 1 Jan 2020	1,173,233	67,967	728,054	1,996,254
At 31 Dec 2020	940,324	25,790	687,607	1,653,721
At 31 Dec 2021	**707,415**	**36,897**	**978,705**	**1,723,017**

10. INTANGIBLE ASSETS

	Internally-developed computer software	Purchased computer software	Total
	£	£	£
Cost			
At 1 Jan 2020	394,619	488,756	883,375
Additions	-	49,626	49,626
At 31 Dec 2020	394,619	538,382	933,001
At 1 Jan 2021	394,619	538,382	933,001
Reclassification to prepayments	-	(49,625)	(49,625)
At 31 Dec 2021	**394,619**	**488,757**	**883,376**
Amortisation			
At 1 Jan 2020	394,619	456,980	851,599
Charge for the year	-	20,227	20,227
At 31 Dec 2020	394,619	477,207	871,826
At 1 Jan 2021	394,619	477,207	871,826
Charge for the year	-	11,550	11,550
At 31 Dec 2021	**394,619**	**488,757**	**883,376**
Carrying Amount			
At 1 Jan 2020	-	31,776	31,776
At 31 Dec 2020	-	61,175	61,175
At 31 Dec 2021	-	-	-

11. INVESTMENT IN SUBSIDIARIES

	2021	2020
	£	£
Cost and carrying amount at 1 January and 31 December 2021	**1,473,578**	1,473,663

The LLP has three direct subsidiary investments: Sarasin Investment Funds Limited, Sarasin Funds Management (Ireland) Limited and Sarasin Asset Management Limited, all of which are stated at cost less provision for impairment. Sarasin Investment Funds Limited and Sarasin Asset Management Limited are incorporated in and operate from the United Kingdom and are regulated by the Financial Conduct Authority. Sarasin Funds Management (Ireland) Limited is incorporated in and operates from Ireland, and it is regulated by the Central Bank of Ireland. Prior dormant subsidiary Sarasin & Partners Ireland Limited was disposed of during the year (£85 cost).

The LLP has one indirect subsidiary investment, Sarasin U.S. Services Limited (held through Sarasin Asset Management Limited).

The LLP's subsidiary Sarasin Investment Funds Limited disposed of its direct subsidiary investment, SIF Nominees U.K. Limited, during the prior year.

11. INVESTMENT IN SUBSIDIARIES (continued)

Further details of the LLP's subsidiaries at 31 December 2021 are as follows (all comprising holdings of ordinary shares):

Company	Place of business and registered office	Proportion of ownership interest and voting power (%)	Principal activity
Sarasin Investment Funds Limited	Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU, United Kingdom	100	Authorised Corporate Director and Operator of investment funds
Sarasin Asset Management Limited	Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU, United Kingdom	100	Investment management and related services
Sarasin Funds Management (Ireland) Limited	Northern Trust International Fund Administration Services (Ireland) Limited, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland	100	Management and administration of investment funds (until 4 January 2022)
Sarasin U.S. Services Limited	Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU, United Kingdom	100	Service company

12. INVESTMENTS

	2021	2020
Investments at Fair Value through Profit or Loss	**£**	£
Non-current assets	**419,062**	379,345
Current assets	**436,308**	374,982
	855,370	754,327

Investments at fair value through profit or loss comprise:

- Unit holdings in Sarasin collective investment schemes ("CISs") held in respect of deferred compensation arrangements for Sarasin employees. These investments are categorised as current or non-current assets based on the date of vesting of the associated deferred awards; and
- An equity investment in Sarasin-Alpen & Partners Limited held as a non-current asset at £nil value (2020: £nil)

The fair value hierarchy, which reflects the level of judgement involved in estimating fair values, is as follows:

- Level 1: The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.
- Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).
- Level 3: Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Unit holdings in Sarasin CISs held for the purposes of deferred compensation arrangements are classified as level 2, as value is readily observable and based on quoted market price in markets where trading frequency is less than daily. Further analysis of investment holdings by Sarasin asset class is provided in Note 24.

12. INVESTMENTS (continued)

The equity holding in Sarasin-Alpen & Partners Limited was fully impaired to £nil value in 2009 as a prudent reflection of the loss of control (no longer having seats on the Board and only having 19% of voting rights) and the longer than previously anticipated timescale before the Group would earn material dividend streams from the investment. As at 31 December 2021, this investment continues to be carried at nil value. The investment is considered to be a level 3 investment as its valuation includes unobservable inputs. There were no movements in either the fair value or the holding value of the investment during the year. The company is in liquidation. The investment will continue to be held at nil value pending completion of the liquidation process.

13. TRADE AND OTHER RECEIVABLES

	2021	2020
	£	£
Amounts due from customers	**625,057**	1,155,652
Other assets	**2,225,128**	3,811,620
	2,850,185	4,967,272

Other assets include amounts due from Group entities totalling £2,190,512 (2020: £3,110,471). All trade and other receivables are repayable on demand or within one year. The carrying value of trade and other receivables approximates their fair value.

14. ACCRUED INCOME AND PREPAID EXPENSES

	2021	2020
	£	£
Accrued income	**17,427,751**	14,985,830
Prepaid expenses	**3,266,371**	2,066,901
	20,694,122	17,052,731

The carrying value of accrued income and prepaid expenses approximates their fair value.

15. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash in hand	**7,309**	8,285
Cash at bank	**31,684,254**	21,410,238
	31,691,563	21,418,523

Cash at bank is unrestricted and includes cash deposited with related party Bank J. Safra Sarasin Limited totalling £1,436,339 (2020: £617,667). Cash at bank earned interest linked to the level of UK base rate in the current and prior year.

16. TRADE AND OTHER PAYABLES

	2021	2020
	£	£
Amounts payable to Group entities (excluding Members)	-	1,810,527
Payroll taxes payable	**685,729**	639,993
Other payables	**1,471,297**	1,253,862
	2,157,026	3,704,382

Other liabilities disclosed above are payable on demand or within one year. Amounts due to Group entities are unsecured and non-interest bearing. The carrying value of trade and other payables approximates their fair value.

17. PROVISIONS

	2021	2020
	£	£
At 1 January	**373,000**	265,000
Reversals	**(373,000)**	(265,000)
Additions	**373,000**	373,000
At 31 December	**373,000**	373,000

Provisions relate to compensated absences that are likely to arise within the next twelve months.

18. AMOUNTS DUE FROM/TO MEMBERS

	2021	2020
	£	£
Amounts due from Members:		
Loans due from Members	**3,517,532**	1,374,598

Loans due from Members comprise:

- Non-interest-bearing loans to Members totalling £994,237 (2020: £824,440), repayable out of future deferred incentive awards or out of the future proceeds of sale of equity;
- Loans to employee and Member benefit trusts for the purchase of equity, repayable upon future sale of equity; and
- Other amounts due from Members totalling £1,880 (2020: £550,158), payable on demand or within one year, unsecured and non-interest bearing.

	2021	2020
	£	£
Amounts due to Members:		
Amounts due to Members in respect of profits	**21,791,451**	10,407,817

Amounts due to Members in respect of profits are payable on demand or within one year, are unsecured and non-interest bearing.

19. COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key Management Personnel are comprised of Board Members of the LLP, as defined in the Members' Agreement dated 4 October 2011 and represent those with exclusive responsibility for the management and control of the business and the affairs of the LLP. Compensation, which includes income entitlement and profit allocation, is set out in aggregate below.

	2021	2020
	£	£
Members' income entitlement and profit allocation	**18,224,603**	16,530,178
Non-executive director compensation	**102,984**	129,096

Members' income entitlement and profit allocation includes pension contributions of £47,192 (2020: £113,985) and benefits including death in service, medical and travel insurances of £126,795 (2020: £119,594),

The average number of Members comprising of Key Management Personnel during the year was 22 (2020: 22).

20. EMPLOYEES

	2021	2020
	No.	No.
Average employee headcount by function:		
Asset Management	**38**	37
Client Servicing and Distribution	**76**	72
Other [1]	**90**	85
	204	194

[1] 'Other' comprises management, control functions, business support, technology and operations.

	2021	2020
	£	£
Employee aggregate emoluments comprise:		
Salaries and incentive scheme awards	**25,505,922**	22,125,393
Social security costs	**3,253,703**	2,823,294
Pension costs	**1,935,653**	1,801,672
	30,695,278	26,750,359

The disclosures in the table above relate to employees only, excluding Members. Pension costs represent the total regular monthly cost payable under LLP employee personal pension arrangements.

The LLP makes an annual accrual in respect of incentive scheme awards for employees (and Members), determined by reference to a model of calculation incorporating individual and business performance data. Further disclosure is provided in Note 28.

21. SHARE-BASED PAYMENTS

Options granted under The Sarasin & Partners LLP Employee Equity Plan 2019

The LLP granted options to certain staff during the current and prior year over stapled units, where the securities over which each option is exercisable consist of a B ordinary share in S.I.M Partnership (London) Limited and a B Capital Unit and B Ordinary Income Unit in Sarasin & Partners LLP. The value of an option over a stapled share and unit is considered to be the same as an option over a single share with the same characteristics, with a price equivalent to the aggregate of the securities' individual prices. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to distributions/dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options were granted on 7 October 2019, 14 December 2020 and 10 June 2021. They vest 3 years from grant date. There is no exercise price. If the options remain unexercised at the end of the exercise period (6-7 years from grant date), they expire. Options are forfeited if the staff member leaves the LLP before the options vest.

Options are accounted for as either equity-settled or cash-settled in accordance with the accounting policy in Note 3.

Options granted under The Sarasin & Partners LLP Employee Equity Plan 2019 (continued)

(a) Equity-settled options

Details of the equity-settled options outstanding during the year are as follows:

	2021		2020	
	Options	**Weighted average exercise price (£)**	Options	Weighted average exercise price (£)
Outstanding at start of year	**231,841**	-	198,619	-
Granted during the year	**80,299**	-	32,222	-
Outstanding at end of year	**312,140**	-	**231,841**	-
Exercisable at end of year	-	-	-	-

The options outstanding at 31 December 2021 had a weighted average remaining contractual life of 4.96 years (2020: 5.86 years). The aggregate of the estimated fair values of the options granted during the year is £166,815 (2020: £61,085). The inputs into the binomial option valuation model for each option issuance are as follows:

	2021 issued	2020 issued	2019 issued
Weighted average fair value at grant date	**£2.42**	£2.15	£2.06
Weighted average exercise price	**£nil**	£nil	£nil
Expected volatility	**35.00%**	39.00%	27.50%
Expected life	**5 years**	5 years	5 years
Risk-free rate	**0.39%**	0.04%	0.22%
Expected dividend yield	**7.00%**	7.00%	7.00%

Expected volatility was determined with reference to the historical share price movements of comparable quoted companies. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The LLP recognised total expenses of £187,936 (2020: £137,848) related to equity-settled share-based payment transactions during the year.

(b) Cash-settled options

The LLP has recorded liabilities (and related expenses) of £193,322 in the year (2020: £58,497). The total liability at year end in respect of cash-settled options is £265,161 (2020: £71,839).

Fair value of the options is determined by using the binomial option valuation model using the assumptions noted in the above table.

22. FINANCIAL INSTRUMENTS

Categories and Accounting Policies

Details of the categories of financial instruments and their respective accounting policies are disclosed in Note 3.

Capital Risk Management

The LLP manages its capital to ensure that it will be able to continue as a going concern while maximising the return to Members. The capital structure of the LLP consists entirely of equity, comprising Members' capital and other reserves as disclosed in the Statement of Financial Position. The LLP adheres to capital adequacy requirements set by the FCA. These requirements are monitored by the LLP on an ongoing basis. There were no recorded breaches of the requirements during the year.

Financial Risk Management

The Group's corporate Finance and Risk functions provide services to the LLP and monitor/manage the financial risks relating to the operations of the LLP through internal management information and risk reports, which analyse exposures by degree and magnitude of risk. These risks include market risk (incorporating foreign currency risk and interest rate risk), credit risk, liquidity risk and solvency risk.

Market risk

The LLP's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The LLP does not take material proprietary investment positions, and therefore, its exposure to other market risks is limited to the financial impact of the performance of its investment products and commercial success.

Market Risk: Foreign Currency Risk

Foreign currency risk is considered to be a principal financial risk of the LLP and is explained within the Risk Management section of the Strategic Report.

Market Risk: Interest Rate Risk

Interest rate risk in respect of the Statement of Financial Position is reviewed on a regular basis. The LLP does not have any interest rate obligations. Management does not consider this exposure to be significant.

Credit Risk

Credit risk is considered to be a principal financial risk of the LLP and is explained within the Risk Management section of the Strategic Report.

Liquidity Risk

Liquidity risk is the risk that the LLP, although solvent, either does not have sufficient available resources to enable it to meet its short-term obligations as they fall due or can secure them only at excessive cost. Financial liabilities do not carry interest. Operational liquidity management in the day-to-day running of the business is overseen by the Finance department. Its tasks include controlling payments, planning the anticipated cash flows and securing liquidity.

Solvency Risk

Solvency risk is the risk that the LLP cannot meet its long-term debts and financial obligations for full value even after disposal of its assets. The LLP's solvency is monitored and maintained by the Finance department and the Board within the framework of the regulations laid down by the FCA.

Fair Value Measurements

For all financial instruments, the carrying value is an approximation of fair value.

23. RELATED PARTY TRANSACTIONS

Transactions between the LLP and related parties within the Group are disclosed below.

	Income		Expense		Amounts due from/(to) related parties	
	2021	2020	**2021**	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Sarasin (U.K.) Limited	**32**	30	**-**	-	**34**	(1,431)
S.I.M. Partnership (London) Limited	**82**	78	**-**	-	**(8,979)**	541
Sarasin Investment Funds Limited	**35,969**	29,542	**63**	63	**2,391**	2,791
Sarasin Funds Management (Ireland) Limited	**11,623**	10,800	**63**	63	**1,000**	213
Sarasin Asset Management Limited	**1,079**	1,030	**581**	608	**307**	264
Sarasin U.S. Services Limited	**101**	95	**-**	-	**239**	113
The Sarasin & Partners 2019 Employee Benefit Trust	**-**	-	**-**	-	**1,714**	835
The Sarasin & Partners 2019 Member Benefit Trust	**-**	-	**-**	-	**807**	1,182
Sarasin & Partners Employee Trust	**-**	-	**-**	-	**(114)**	(114)

Income received from Sarasin (U.K.) Limited ("SUK"), S.I.M. Partnership (London) Limited ("SIMP"), Sarasin Asset Management Limited ("SAM") and Sarasin U.S> Services Limited ("SUSS") comprises of management charges for the provision of staff, property facilities, information, legal and compliance services and other administrative costs.

Income received from Sarasin Investment Funds Limited ("SIF") and Sarasin Funds Management (Ireland) Limited ("SFMI") relates primarily to the provision of investment management and distribution services for UK and Ireland fund ranges respectively.

Expenses paid to SIF and SFMI comprise of distribution-related administration services incurred on behalf of the LLP. Expenses paid to SAM relate to commissions payable on investments into Sarasin products and distributed by SAM.

In addition to the amounts disclosed in the table above:

- Dividend distributions were received during the year from subsidiary companies, disclosed in 'Other operating income' in the Statement of Comprehensive Income, as follows: SAM £513,000 (2020: £400,000), SIF £3,762,000 (2020: £6,155,000) and SFMI £1,431,000 (2020: £987,000);
- Profit distributions were allocated to SIMP during the year totalling £16,025,866 (2020: £13,859,309);
- The LLP has an unpaid share capital investment of £nil (2020: £85) in Sarasin & Partners Ireland Limited;
- The LLP has provided subordinated loan facilities of £2m to SIF and £0.5m to SAM in the current and prior year; and
- The LLP has guaranteed overdraft facilities of £2.1m to SIF and £5m to SFMI in the current and prior year.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received in respect of outstanding amounts. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. All transactions were carried out on an arms-length basis.

23. RELATED PARTY TRANSACTIONS (continued)

Transactions between the LLP and related parties within the Bank J. Safra Sarasin Limited ("BJSS") group are disclosed below.

	Income		Expenses		Amounts due from/(to) related parties	
	2021	2020	**2021**	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Bank J. Safra Sarasin Limited	**2,124**	2,348	**316**	319	**162**	851
Bank J. Safra Sarasin Limited – Guernsey branch	**1,249**	1,006	**-**	-	**362**	274
J. Safra Sarasin Fund Management (Luxembourg) SA	**4,633**	2,848	**-**	-	**1,272**	794
Sarasin Alpen & Partners Limited	**-**	-	**-**	-	**(277)**	(274)

Revenues from all related parties within the BJSS group relate to the provision of asset management and distribution services in respect of BJSS group products. Expenses paid to BJSS were in respect of fund management services for BJSS group products and head office charges. Amounts owed to Sarasin Alpen & Partners Limited comprise a loan advance.

In addition to the amounts disclosed in the table above, cash is deposited with BJSS totalling £1,436,339 (2020: £617,667).

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. All transactions were carried out on an arms-length basis.

24. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity designed so that its activities are not governed by way of voting rights, for example where contractual arrangements are the dominant factor in affecting an investor's returns. The LLP has evaluated such exposures and concluded that the following circumstances represent an interest in a structured entity within the definition of IFRS 12. Such entities are not consolidated.

Firstly, where the LLP holds deferred remuneration award investments in its name with a collective investment scheme ("CIS") prior to their vesting in favour of the employee.

Secondly, where fees are receivable either directly from a CIS or via a related party such as the operator of a CIS. The LLP is the investment manager under either direct or agency arrangement and distributor for several such schemes, and it is in receipt of management fee, performance fee, distribution fee and related party income.

The CIS's are constituted as open-ended investment companies (OEICs or SICAVs), open-ended unit trusts (UTs) and charity authorised investment funds (CAIFs). These entities invest in a range of asset classes as detailed in the table below, which discloses, by asset class, CIS AuMA, carrying values of the LLP's interests in CISs as recognised in the Statement of Financial Position and the management, distribution and related party income recognised in the LLP's Statement of Comprehensive Income.

The activities of CISs are governed by investment management agreements. The CISs have various investment objectives and policies and are subject to the terms and conditions of their offering documentation. However, all entities invest capital from investors in a portfolio of assets in order to provide a return to those investors from capital appreciation of those assets, income from those assets or both. Accordingly, they are susceptible to market price risk arising from uncertainties about future values of the assets they hold. The CISs are financed through equity capital provided by investors.

24. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES (continued)

Asset Class	Total AuMA		Revenue [1,2]	
	2021	2020	**2021**	2020
	£m	£m	**£**	£
Equity	**4,280**	3,202	**20,354,186**	16,203,012
Multi-asset	**4,976**	4,162	**25,502,556**	23,703,537
Fund of funds	**-**	59	**111,786**	385,362
Fixed income	**462**	489	**1,365,384**	1,127,857
Property	**134**	100	**674,295**	789,701
	9,852	8,012	**48,008,207**	42,209,469

Asset Class	Fair value of investments held [3]		Accrued income		Maximum exposure to loss [4]	
	2021	2020	**2021**	2020	**2021**	2020
	£	£	**£**	£	**£**	£
Equity	**620,811**	459,955	**3,345,332**	2,403,759	**3,966,143**	2,863,714
Multi-asset	**229,140**	293,139	**3,307,452**	2,856,296	**3,536,592**	3,149,435
Fund of funds	**-**	-	**-**	82,014	**-**	82,014
Fixed income	**5,419**	1,233	**159,949**	168,952	**165,368**	170,185
Property		-	**84,348**	67,728	**84,348**	67,728
	855,370	754,327	**6,897,081**	5,578,749	**7,752,451**	6,333,076

Notes:

[1] Revenue includes management fees and related party income. The LLP also earns distribution fees in respect of SICAV funds, some of which are managed funds under investment management agreement. Total distribution revenue in 2021 is £49,867 (2020: £143,059) and associated income accrued at 31 December 2021 is £nil (2020: £40,000).

[2] Revenue is disclosed in Note 6.

[3] The fair value of investments held is disclosed in Note 12.

[4] The LLP's maximum exposure to loss from CISs at the Statement of Financial Position date is the sum total of investments held and accrued income.

Maximum exposure to loss

The LLP's maximum exposure to loss associated with its interest in these CISs is limited in respect of the fair value of investments held as they relate to deferred remuneration awards held in the name of the LLP prior to vesting in favour of the employee. It is the employee who ultimately bears the associated market risk. Should an employee forfeit an award under the terms of the scheme, the investment and associated risk would stay with the LLP.

Financial support

The LLP has not provided financial support to any of its CISs during the year, and has no contractual obligations or current intention of providing financial support in the future.

Other information

There are no liquidity arrangements, guarantees or other commitments that may affect the fair value or risk of the LLP's interest in the CISs.

25. LEASES

LLP as a lessee

Right-of-use assets	Buildings
	£
Cost	
At 1 Jan 2021	10,802,451
Impairment adjustment	8,891
At 31 Dec 2021	10,811,342
Depreciation	
At 1 Jan 2021	3,580,370
Charge for the year	1,606,883
At 31 Dec 2021	5,187,253
Carrying Amount	
At 31 Dec 2020	7,222,081
At 31 Dec 2021	**5,624,089**

Lease liabilities	2021	2020
	£	£
Maturity analysis:		
Year 1	**2,246,683**	2,222,342
Year 1-5	**4,701,929**	6,921,223
Years >5	**-**	-
	6,948,612	9,143,565
Less: unearned interest	**(324,032)**	(511,141)
	6,624,580	8,632,424
Analysed as:		
Non-current	**4,545,614**	6,629,401
Current	**2,078,966**	2,003,023
	6,624,580	8,632,424

The LLP does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the LLP's Finance function.

25. LEASES (continued)

Amounts recognised in profit and loss	2021	2020
	£	£
Depreciation expense on right-of-use assets	**1,606,883**	1,803,907
Interest expense on lease liabilities	**227,738**	304,439
(Impairment adjustment) / impairment of right-of-use assets	**(8,891)**	434,701
Income from sub-letting right-of-use assets	**6,140**	8,755

The total cash outflow for leases in the year amounted to £2,224,538 (2020: £2,204,647).

The LLP is lessee for London and Dublin-based office premises. Leases are negotiated for at least ten years and rentals are fixed for an average of five years. Following a change in intended use of the Dublin premises during the prior year, the lease liability was re-measured and a full impairment charge recognised in the prior year against the remaining right-of-use asset.

26. NOTES TO THE STATEMENT OF CASH FLOWS

	2021	2020
	£	£
Operating activities		
Profit and total comprehensive income for the year available for discretionary division among Members	**32,419,616**	28,547,544
Adjustments for:		
Members' income entitlement and profit allocation charged as an expense	**5,074,408**	4,941,977
Interest income	**(3,558)**	(16,403)
Finance costs	**255,075**	345,418
Equity-settled option costs	**187,936**	137,848
Profit on disposal of Dublin branch (see Note 27)	**-**	(3,356,570)
Loss on disposal of property, plant and equipment	**418**	-
Depreciation of property, plant and equipment	**663,656**	629,465
Amortisation of intangible assets	**11,550**	20,227
Depreciation of right-of-use assets	**1,606,883**	1,803,907
Impairment of right-of-use assets	**-**	434,701
Reclassification of intangible assets	**49,625**	-
Unrealised profit on investments	**(57,216)**	(99,764)

26. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

	2021	2020
	£	£
Operating activities (continued)		
Increase in provisions	-	108,000
Operating cash flows before movements in working capital	**40,208,393**	33,496,350
Increase in receivables	**(1,524,307)**	(2,389,678)
Increase in payables	**1,924,263**	3,184,124
Net cash generated from operating activities	**40,608,349**	34,290,796

Profit and total comprehensive income for the year available for discretionary division among Members disclosed above includes dividend income totalling £5,706,000 (2020: £7,542,000) and sale proceeds of £nil relating to the sale of a Dublin branch office (2020: £3,638,726).

27. BRANCH DISPOSAL

The LLP disposed of its Dublin branch business (discretionary management / private wealth for Irish clients) during the prior year to a third-party Irish wealth manager. Certain of the business, assets and undertaking were transferred, comprising predominantly of client contracts and associated business records, with Dublin branch staff transferring to the buyer.

Sale proceeds totalled €4.07m, of which €3.47m was received in cash during the prior year, and €0.60m recognised as a prior year debtor which was subsequently cash settled in January 2021. In converted Sterling, £3.6m income on disposal was booked to the Statement of Comprehensive Income as Other Operating Income in the prior year. Direct transaction costs totalled £0.3m, comprising of professional and personnel expenditure accrued/paid, disclosed within Administrative Expenditure in the Statement of Comprehensive Income.

Following the sale, the LLP's Dublin branch ceased to perform regulated activities in Ireland on 29 December 2020 and has closed during the year.

28. SUBSEQUENT EVENTS

The LLP's exposure to Russia is negligible. There are no direct investment holdings of Russian-listed securities and minimal holdings in companies with exposure. Where companies have exposure, we are monitoring them to understand the actions they are taking, and how they have considered the human rights implications of these measures. In our engagement with companies, we are seeking a robust risk management process, adequate disclosure and strong board oversight aiming to minimise not only operational and financial but also humanitarian and reputational risks. We will monitor the situation closely and will continue to take investment decisions to protect our clients' interests.

On 4 January 2022, subsidiary Sarasin Funds Management (Ireland) Limited was replaced as Management Company of the Sarasin Irish fund range by Waystone Management Company (IE) Limited.

The total incentive scheme award for employees and Members in respect of the 2021 year of service was estimated to be £18.9m (inclusive of employer's national insurance), which formed the basis of accrual in the financial statements for the current year. Post year-end, following receipt of updated information, the estimate for the final award adjusted to £17.0m on a comparable basis. The difference will be accounted for in 2022.

29. CONTINGENT LIABILITIES

The LLP has guaranteed overdraft facilities of £5m for its subsidiary Sarasin Funds Management (Ireland) Limited and £2.1m for its subsidiary Sarasin Investment Funds Limited.

The LLP has provided subordinated loan facilities of £2m for its subsidiary Sarasin Investment Funds Limited and £0.5m for its subsidiary Sarasin Asset Management Limited.

Leases in respect of London premises contain reinstatement provisions obligating the LLP, upon lease expiry, to return the premises to the condition and design existing prior to any alterations being carried out, unless notified by the landlord to the contrary. Leases were renegotiated in 2014 and continue to run for a period of 3.5 years from the Statement of Financial Position date. The LLP has fully refurbished the premises in recent times, and there is no foreseeable intention to vacate. The lease provisions represent a possible obligation only at the present time, contingent upon future renewal decision and negotiation. It is not anticipated that the premises will require future reinstatement; therefore, the estimated liability is £nil at the Statement of Financial Position date.

As at 31 December 2021 there were no other contingent liabilities (2020: £nil).

30. PARENT UNDERTAKINGS

The parent undertaking of the smallest group of undertakings for which consolidated financial statements are prepared and of which the LLP is a member is S.I.M. Partnership (London) Limited, a company registered in the UK. Copies of the financial statements of S.I.M. Partnership (London) Limited can be obtained from Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU.

The parent undertaking of the largest group of undertakings for which consolidated financial statements are prepared and of which the Company is a member is J. Safra Sarasin Holding Limited, a company incorporated in Switzerland. Copies of the financial statements of J. Safra Sarasin Holding Limited can be obtained from Elisabethenstrasse 62, 4002 Basel, Switzerland.

The ultimate shareholders of J. Safra Sarasin Holding Limited are Ms. Vicky Safra and her children.