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RWC Asset Management LLP

Report And Financial Statements

31 December 2009

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INFORMATION

Designated Members	RWC Partners Limited P Harrison
Registered office	60 Petty France London SW1H 9EU
Auditor	Rees Pollock Chartered Accountants 35 New Bridge Street London EC4V 6BW
Bankers	HSBC Bank plc 6 Commercial Way Woking Surrey GU21 6EZ
Solicitors	Dechert 160 Queen Victoria Street London EC4V 4QQ
Registered number	OC332015

MEMBERS' REPORT

for the year ended 31 December 2009

The members present their annual report together with the audited financial statements of RWC Asset Management LLP (the LLP) for the year ended 31 December 2009

Principal activities and business review

The principal activity of the LLP is to provide investment management services

Results for the period and allocation to members

The profit for the period available for discretionary distribution to members was £nil (2008 - £nil)

Designated Members

RWC Partners Limited and P Harrison were designated members of the LLP throughout the period

Policy with respect to members' drawings and subscription and repayment of members' capital

Any profits are shared among the Members on the basis of the Members' Agreement dated 21 December 2007

Policies for Members' drawings, subscriptions and repayment of Members' capital are governed by the same agreement

Pillar III disclosures

The LLP has documented the disclosures required by the FSA under BIPRU 11.3. These are available on the LLP's website in a public area

Statement of Members' responsibilities

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LLP and of the incoming resources and application of resources of the LLP for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business

Company law requires that the members must not approve the financial statements unless they are satisfied that they give a true and fair view

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. 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

MEMBERS' REPORT (continued)
for the year ended 31 December 2009

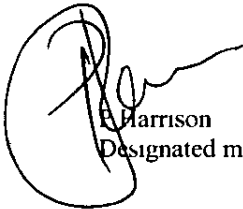
Auditors

In so far as the members are aware

- there is no relevant audit information of which the LLP's auditors are unaware and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

A proposal to appoint Rees Pollock as auditors for the ensuing period will be considered at the next members' meeting

This report was approved by the members on 15 April 2010 and signed on their behalf by



A. Harrison
Designated member



REES POLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408
www.reespollock.co.uk

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RWC ASSET MANAGEMENT LLP

We have audited the financial statements of RWC Asset Management LLP for the year ended 31 December 2009, set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' 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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of members' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and give a true and fair view.

In addition we report to you if, in our opinion, the LLP has not kept adequate accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and
- give a true and fair view of the state of the LLP's affairs as at 31 December 2009 and of its profit for the year then ended.

Simon Rees (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

19 April 2010

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

		31 December 2009	Period ended 31 December 2008
	Note	£	£
TURNOVER	1,2	13,050,675	20,662,875
Administrative expenses		(7,272)	(5,665)
OPERATING PROFIT	3	13,043,403	20,657,210
Interest receivable		3,827	45,004
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		13,047,230	20,702,214
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		13,047,230	20,702,214
Members' remuneration charged as an expense		(6,539,839)	(20,702,214)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		6,507,391	-

All amounts relate to continuing operations

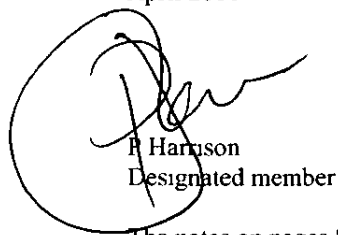
There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 8 to 11 form part of these financial statements

BALANCE SHEET
 as at 31 December 2009

	Note	£	2009 £	£	2008 £
CURRENT ASSETS					
Debtors	6	7,176,537		1,335,440	
Cash at bank		3,374,695		1,077,506	
		<u>10,551,232</u>		<u>2,412,946</u>	
CREDITORS , amounts falling due within one year	7	(93,240)		-	
NET CURRENT ASSETS			10,457,992		2,412,946
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,457,992</u>		<u>2,412,946</u>
REPRESENTED BY.					
Loans and other debts due to members within one year					
Other amounts			3,415,601		1,882,946
Equity					
Members' other interests - Members' Capital classified as equity under FRS 25		535,000		530,000	
Members' other interests - Reserves classified as equity under FRS 25		<u>6,507,391</u>		<u>-</u>	
			7,042,391		530,000
			<u>10,457,992</u>		<u>2,412,946</u>
TOTAL MEMBERS' INTERESTS					
Amounts due from members (included in debtors)			(4,390,263)		(125,000)
Loans and other debts due to members			3,415,601		1,882,946
Members' other interests			<u>7,042,391</u>		<u>530,000</u>
	8		<u>6,067,729</u>		<u>2,287,946</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 15 April 2010



P Harrison
Designated member

The notes on pages 8 to 11 form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 December 2009

		31 December 2009	Period ended 31 December 2008
	Note	£	£
Net cash flow from operating activities	9	11,560,809	16,821,966
Returns on investments and servicing of finance	10	3,827	45,004
Net cash flow from transactions with members and former members	10	(9,267,447)	(15,789,464)
INCREASE IN CASH IN THE YEAR		2,297,189	1,077,506

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31 December 2009

	31 December 2009	Period ended 31 December 2008
	£	£
Increase in cash in the year	2,297,189	1,077,506
MOVEMENT IN NET FUNDS IN THE YEAR	2,297,189	1,077,506
Net funds at 1 January 2009	1,077,506	-
NET FUNDS AT 31 DECEMBER 2009	3,374,695	1,077,506

The notes on pages 8 to 11 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice (SORP) "Accounting by Limited Liability Partnerships" published on 31 March 2006

1.2 Turnover

Turnover represents the amounts derived from the provision of services, which fall within the company's ordinary activities, stated net of value added tax

1.3 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account

1.4 Tax provisions

The taxation payable on profits is the personal liability of the members during the year

2 TURNOVER

The turnover shown in the profit and loss account represents fees receivable for investment management provided during the year and arising from continuing activities in the UK, stated net of value added tax

3 OPERATING PROFIT

The operating profit is stated after charging

	31 December 2009 £	Period ended 31 December 2008 £
Difference on foreign exchange	<u>7,077</u>	<u>4,709</u>

The audit fee for the year ended 31 December 2009 was borne by RWC Partners Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

4 PARTICULARS OF MEMBERS

No salaries were paid to members during the year

	31 December 2009 Number	Period ended 31 December 2008 Number
The average number of members during the year was	5	5
	£	£
The amount of profit attributable to the member with the largest entitlement was	5,995,063	9,428,285

5 STAFF COSTS

No salaries or wages have been paid to employees during the year

6 DEBTORS

	2009 £	2008 £
Trade debtors	2,786,274	1,210,440
Amounts due from members and former members	4,390,263	125,000
	7,176,537	1,335,440

7. CREDITORS

Amounts falling due within one year

	2009 £	2008 £
Other creditors	93,240	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

8 RECONCILIATION OF MEMBERS' INTERESTS

	Members' capital (classified as equity) £	Reserves (classified as equity) £	Loans and debts due to members less any amounts due from members in debtors £	Total £
Members' remuneration charged as an expense including employment and retirement benefit costs	-	-	20,702,214	20,702,214
Members' interests after profit for the year	-	-	20,702,214	20,702,214
Amounts withdrawn by members	-	-	(18,944,268)	(18,944,268)
Capital amounts introduced by members	530,000	-	-	530,000
Members' interests balance at 1 January 2009	530,000	-	1,757,946	2,287,946
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	6,539,839	6,539,839
Profit for the year available for discretionary division among members	-	6,507,391	-	6,507,391
Members' interests after profit for the year	530,000	6,507,391	8,297,785	15,335,176
Amounts withdrawn by members	-	-	(9,272,447)	(9,272,447)
Capital amounts introduced by members	15,000	-	-	15,000
Capital amounts repaid to members	(10,000)	-	-	(10,000)
Members' interests at 31 December 2009	535,000	6,507,391	(974,662)	6,067,729
Amounts due to members		3 415,601		1,882,946
Amounts due from members and former members		(4 390,263)		(125,000)
Net amount due (from)/to members		(974,662)		1,757 946

Members' other interests rank after unsecured creditors, and loans and other debts due to members rank pari passu with the unsecured creditors in the event of a winding up

9 NET CASH FLOW FROM OPERATING ACTIVITIES

	31 December 2009 £	Period ended 31 December 2008 £
Operating profit	13 043 403	20 657 210
Increase in debtors	(1 575,834)	(3,835,244)
Increase in creditors	93 240	-
Net cash inflow from operating activities	11,560,809	16 821 966

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

10 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 December 2009 £	Period ended 31 December 2008 £
Returns on investments and servicing of finance		
Interest received	3 827	45 004
	<u> </u>	<u> </u>
	31 December 2009 £	Period ended 31 December 2008 £
Transactions with members and former members		
Payments to members	(9,272,447)	(16,319,464)
Contributions by members	15,000	530,000
Repayments to former members	(10,000)	-
	<u> </u>	<u> </u>
Net cash outflow from transactions with members and former members	<u>(9,267,447)</u>	<u>(15 789,464)</u>

11 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2009 £	Cash flow £	Other non-cash changes £	31 December 2009 £
Cash at bank and in hand	1,077,506	2,297,189	-	3,374,695
Net funds	<u>1,077,506</u>	<u>2,297,189</u>	<u>-</u>	<u>3,374,695</u>

12 PARENT UNDERTAKING

The LLP's immediate and ultimate parent undertaking is RWC Partners Limited, a company registered in England and Wales. RWC Partners Limited heads the smallest and largest group of companies for which consolidated accounts including the company's position and results are available. Copies of the consolidated accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.