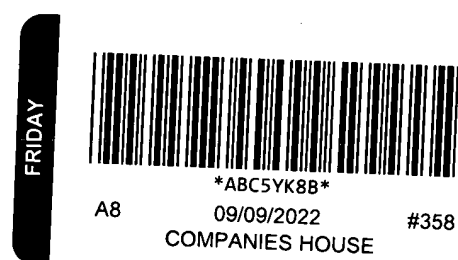


LLP registered no: OC332015



**RWC Asset Management LLP
Annual Report and Financial Statements**

Year ended 31 December 2021

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INFORMATION

Officers and professional advisors

Designated Members

D Mannix (resigned 31 July 2021)
T Stallvik (appointed 31 July 2021)
RWC Partners Limited

Members

D Basile
R Champion (resigned 19 May 2021)
G Clapp (resigned 31 May 2021)
N Clay
C Crowson (resigned 31 October 2021)
C Fenton (resigned 31 October 2021)
J Innes
J Johnstone
L Keeling
I Lance
A MacKirdy
N Purves
A Salerno
P Soininen
D Stewart
J Teahan
J Tillotson
M Wildschut

LLP registered number

OC332015

Registered office

Verde 4th Floor
10 Bressenden Place
London
SW1E 5DH

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Bankers

HSBC Bank plc
6 Commercial Way
Woking
GU21 6EZ

JPMorgan Chase Bank
25 Bank Street, Canary Wharf
London
E14 5JP

Brown Brothers Harriman
(Luxembourg) S.C.A
80, Route D'Esch
L-1470 Luxembourg

Solicitors

Dechert
160 Queen Victoria Street
London, EC4V 4QQ

Members' report for the year ended 31 December 2021

The Members present their Annual Report together with the audited financial statements of RWC Asset Management LLP (the "Partnership") for the year ended 31 December 2021.

Principal activities

The principal activity of the Partnership is to provide investment management services and the Partnership intends to continue to provide these services for the foreseeable future. The Partnership is regulated by the Financial Conduct Authority. The Partnership is authorised as an Alternative Investment Fund Manager for the purposes of Alternative Investment Fund Managers Directive ("AIFMD").

Results for the year and allocation to members

The result for the financial year available for discretionary division among Members was £nil (2020: £nil).

Designated Members

The Designated Members of the Partnership throughout the year were RWC Partners Limited; Dan Mannix, until his resignation on 31 July 2021; and Tord Stallvik who was appointed on 31 July 2021. RWC Partners Limited and its subsidiaries (the "Group") includes the Designated Member (RWC Partners Limited) as well as other owned subsidiaries of the Designated Member. The Partnership is a subsidiary of RWC Partners Limited.

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

All profits are shared among the Members on the basis of the Members' Agreement dated 5 October 2020.

Member's drawings

Each Member shall be entitled to draw at any time such sum in respect of his or her actual or anticipated Profit Share as may be specified in the Terms of Admission or as may be otherwise approved by the Managing Member in accordance with the LLP deed. Each Member's actual Drawings shall be debited to such Member's Distribution Account.

In any Accounting Year where Drawings have been made and the level of Drawings exceeds the relevant Member's Profit Share entitlement specified in the Terms of Admission, then such excess Drawings shall, unless otherwise agreed by the Managing Member, be treated as a loan by the Partnership to such Member and shall be set off against any allocation of Profit due to be made to such Member in subsequent Accounting Years.

Subscriptions and repayments of Members' capital

Upon their admission to the Partnership each Member shall contribute Capital to the Partnership. No interest shall be payable to the Members on the amount of any Member's Capital Contribution.

No Member shall have any right to demand the return of their Capital Contribution other than as set out in the Terms of Admission. For the avoidance of doubt, the Partnership may in its discretion withhold payment of any return of Capital Contributions or balances standing to the credit of a Member's Capital Account to the extent the Partnership would be in breach of its regulatory financial resources requirement, or (in the case of a departing Member) if arrangements satisfactory to the Managing Member have not been made by the existing or any new Members for Capital Contributions sufficient to replace such departing Member's Capital Contribution.

Members' report for the year ended 31 December 2021 (continued)

Pillar III disclosures

In accordance with the disclosures required by the FCA under BIPRU 11.3, the Partnership's Pillar III disclosure is available via its website www.redwheel.com.

Key performance indicators

Given the straightforward nature of the Partnership's Financial Statements, the only key performance indicator analysed is revenue. This KPI reflects the underlying generation of value for Members. Turnover for the Partnership was £65,655,000 (2020: £58,269,000). Further analysis of the Partnership turnover is included in note 1.10.

Principle Risks and Uncertainties

The Group remains focused on identification and mitigation, where possible, of risks to the business. This section reiterates and re-emphasises the key risks and uncertainties facing the organisation covered in the CEO report above:

- Fund performance not meeting investor expectations – This risk to the organisation is mitigated through the diversification of the revenues, funds and strategies managed by the Partnership. We are also clear and realistic as to what our clients can expect from our strategies and we maintain the highest levels of client service. Ultimately, we believe these characteristics bring longer-term benefits enabling the organisation to have an exciting future as a global, specialist investment manager.
- Foreign Exchange – Foreign exchange risk is mitigated through continuous monitoring of currency balances with surplus balances translated into operating currency. The Partnership also regularly reviews cash flow forecasting and considers the impact of foreign exchange risk.
- COVID-19 – Our infrastructure has allowed us to continue operations without disruption and our ability to service our clients has been maintained largely at pre-crisis levels. From a financial risk perspective, given our revenues are derived from investment management and related services to clients which are typically calculated as a percentage of the market value of AUM, RWC's revenues are subject to the negative impacts of market uncertainty created by COVID-19. The organisation remains profitable and the balance sheet is strong and resilient.
- Russian/Ukraine conflict - In early 2022 events in Ukraine, as a result of military action being undertaken by Russia, have resulted in further volatility across global markets with impacts on global economic conditions, asset valuations, interest rate expectations and exchange rates. Given the Group's revenues are derived from investment management services to clients which are calculated as a percentage of the market value of assets under management, these revenues are sensitive to market uncertainty. Management has performed an assessment of the direct impact of the conflict on the Group and do not consider there to be any significant impact outside of the broader economic uncertainty caused by the conflict.

Statement of Members' responsibilities

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

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the

Members' report for the year ended 31 December 2021 (continued)

Statement of Members' responsibilities (continued)

UK and Republic of Ireland", and applicable law). Under company law, as applied to limited liability partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The Members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

Provision of information to auditors

In so far as the Members are aware:

- there is no relevant audit information of which the Partnership'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.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution will be proposed concerning their reappointment will be considered at the next Members' meeting.

This report was approved by the Members on 22 April 2022 and signed on their behalf, by:



Cressida Williams

For and on behalf of RWC Partners Limited (Designated Member)

Independent auditors' report to the members of RWC Asset Management LLP

Report on the audit of the financial statements

Opinion

In our opinion, RWC Asset Management LLP's financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2021 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income, the Statement of Changes in Members' Interests, the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the LLP's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

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

In preparing the financial statements, the members are responsible for assessing the LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the LLP and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority and non-compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial data to present more favourable financial results. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the relevant meeting minutes;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the LLP, 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.

We have no exceptions to report arising from this responsibility.



Saira Choudhry (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 April 2022

RWC Asset Management LLP

Statement of Comprehensive Income for the year ended 31 December 2021

		2021	2020
	Note	£'000	£'000
Turnover	1.10	65,655	58,269
Administrative expenses	1.11	(3,069)	(3,236)
Operating profit	2	62,586	55,033
Interest receivable and similar income		1	12
Profit for the financial year before Members' remuneration and profit shares		62,587	55,045
Members' remuneration charged as an expense		(62,587)	(55,045)
Result for the financial year available for discretionary division among Members		-	-

All amounts relate to continuing operations.

The notes to the financial statements on pages 13 to 19 form part of these financial statements.

RWC Asset Management LLP

Balance Sheet as at 31 December 2021

	Note	£'000	2021 £'000	2020 £'000
Current assets				
Debtors	5	10,660	13,201	
Cash at bank and in hand		<u>25,718</u>	<u>21,422</u>	
		36,378	34,623	
Creditors: amounts falling due within one year	6	<u>(5,115)</u>	<u>(2,523)</u>	
Net current assets			<u>31,263</u>	<u>32,100</u>
Net assets attributable to Members:			<u>31,263</u>	<u>32,100</u>
Represented by:				
Loans and other debts due to Members within one year				
Other amounts	1.9		27,506	26,778
Members' other interests				
Members' Capital			<u>3,757</u>	<u>5,322</u>
			<u>31,263</u>	<u>32,100</u>
Total members' interests				
Amounts due from Members			-	-
Loans and other debts due to Members			27,506	26,778
Members' other interests			<u>3,757</u>	<u>5,322</u>
Members' total interests			<u>31,263</u>	<u>32,100</u>

The financial statements and notes to the financial statements on pages 13 to 19 were approved and authorised for issue by the Members and were signed on their behalf on 22 April 2022.



Cressida Williams
For and on behalf of RWC Partners Limited (Designated Member)

The notes to the financial statements on pages 13 to 19 form part of these financial statements.

Statement of Changes in Members' Interests for the year ended 31 December 2021

	Members' capital (classified as equity)	Loans and debts due to members less any amounts due from members in debtors	Total
	£'000	£'000	£'000
Members' interests: balance at 1 January 2020	1,285	34,280	35,565
Members' remuneration charged as an expense	-	55,045	55,045
Members' interests after profit for the year	1,285	89,325	90,610
Amounts withdrawn by members	-	(62,547)	(62,547)
Capital introduced by members	4,037	-	4,037
Members' interests: balance at 31 December 2020	5,322	26,778	32,100
Members' remuneration charged as an expense	-	62,587	62,587
Members' interests after profit for the year	5,322	89,365	94,687
Amounts withdrawn by members	(1,992)	(61,859)	(63,851)
Capital introduced by members	427	-	427
Members' interests: balance at 31 December 2021	3,757	27,506	31,263

The notes to the financial statements on pages 13 to 19 form part of these financial statements.

Cash Flow Statement for the year ended 31 December 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Result for financial year	-	-
Adjustments for:		
Members' remuneration charged as an expense	62,587	55,045
Interest income	(1)	(12)
Decrease in debtors	2,541	6,054
Increase/(decrease) in creditors	2,592	(34)
Payments to members	<u>(61,859)</u>	<u>(62,547)</u>
Net cash used in operating activities	<u>5,860</u>	<u>(1,494)</u>
Cash flows from investing activities		
Interest received	<u>1</u>	<u>12</u>
Net cash generated from investing activities	<u>1</u>	<u>12</u>
Cash flows from financing activities		
Capital introduced by members	427	4,037
Capital withdrawn by members	<u>(1,992)</u>	<u>-</u>
Net cash (used in) / generated from financing activities	<u>(1,565)</u>	<u>4,037</u>
Net increase in cash and cash equivalents	4,296	2,555
Cash and cash equivalents at beginning of year	<u>21,422</u>	<u>18,867</u>
Cash and cash equivalents at end of year	<u>25,718</u>	<u>21,422</u>

The notes to the financial statements on pages 13 to 19 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

1.1. Basis of preparation of financial statements

RWC Asset Management LLP is a limited liability partnership registered in England in the United Kingdom under the Companies Act. The company's registered address is Verde 4th floor, 10 Bressenden Place, London SW1E 5DH. The partnership is a subsidiary of RWC Partners Limited and along with other subsidiaries RWC Asset Advisors (US) LLC, RWC (US) LLC and RWC Singapore (Pte) Limited forms the RWC Group.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ('FRS102'), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (the fifth edition of the SORP Accounting by Limited Liability Partnerships published on 26 January 2017).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management does not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgement in applying the Partnership's accounting policies. Due to the straightforward nature of the business, management considers that no critical judgements have been made in applying the Partnership's accounting policies.

The principal accounting policies are set out below and have been applied consistently throughout the year.

1.2. Going Concern

The Partnership forecast and balance sheet position, taking into account reasonably possible changes in operating performance, show that the Partnership should be able to operate within the level of its forecast revenue and resources for the foreseeable future. The outbreak of COVID-19 in 2020 and continued impact in 2021 saw the implementation of a series of precautionary and control measures across the world which resulted in general market uncertainty. Measures implemented by governments around the world have reduced volatility across global financial markets which in turn reduced the potential negative impact on the Partnerships performance and results. Events in Ukraine since February 2022, as a result of military action being undertaken by Russia, have resulted in further volatility across global markets with impacts on global economic conditions, asset valuations, interest rate expectations and exchange rates. Given the revenues of RWC LLP are derived from investment management services to clients which are calculated as a percentage of the market value of assets under management, these revenues are sensitive to market uncertainty. However due to the low level of direct exposure to Russia this impact has not been significant. The Partnership therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.3. Cash and cash equivalents

Cash comprises cash in hand and cash deposits, less overdrafts payable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.4. Foreign currencies

The LLP functional and presentation currency is Pounds Sterling. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the current market closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income through administrative expenses.

1.5. Interest income and expense

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.6. Financial Instruments

The LLP only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at transaction cost and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Notes to the financial statements for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

1.6. Financial Instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

1.7. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Loans and debts due to members

In accordance with the LLP agreement and each members Terms of Admission, each Member shall be entitled to draw at any time such sum in respect of his or her actual or anticipated profit share allocation. This profit allocation is treated in the Statement of Comprehensive Income as members' remuneration charged as an expense. Drawings are treated as payments on account of profit allocation and are only repayable to the LLP in so far as there are insufficient profits to allocate against such drawings. Any drawings in excess of total profits allocated would be included within 'amounts due from members' within debtors.

1.10 Turnover

The turnover shown in the Statement of Comprehensive Income represents all fees receivable for investment management services provided during the year and arising from continuing activities in the UK, exclusive of value added tax. Revenue represents investment management fees or administrative services fees ("Management and Service fee revenue") which are accrued on a monthly basis. Performance fees by their nature are highly susceptible to volatility and are only recognised on crystallisation.

Notes to the financial statements for the year ended 31 December 2021 (continued)**1. Accounting policies (continued)****1.10 Turnover (continued)**

Turnover by revenue stream is as follows:

	2021	2020
	£'000	£'000
Management and Service fee revenue	61,967	48,295
Performance fee revenue	3,688	9,974
	<u>65,655</u>	<u>58,269</u>

A geographical analysis of total turnover is as follows:

	2021	2020
	£'000	£'000
United Kingdom	12,834	9,006
Luxembourg	32,257	31,208
Rest of Europe	2,404	4,247
Cayman Islands	8,319	6,863
Rest of the World	9,841	6,945
	<u>65,655</u>	<u>58,269</u>

1.11 Administrative Expenses

Administrative expenses shown in the Statement of Comprehensive Income represents expenses related to the operation of the funds.

Notes to the financial statements for the year ended 31 December 2021 (continued)

2. Operating Profit

The operating profit is stated after charging:

	2021	2020
	£'000	£'000
Bank charges	11	5
Difference on foreign exchange	<u>747</u>	<u>(373)</u>

The audit fee for current and prior years was borne by RWC Partners Limited. The fee for the year ended 31 December 2021 was £69,300 (2020: £66,000).

Fees paid to the auditors, on behalf of funds managed by the Partnership, for services other than the audit of the Partnership for 2021 were £340,134 (2020: £442,205).

3. Particulars of Members

No salaries were paid to Members during the year.

	2021	2020
	Number	Number
The average number of Members during the year was	<u>16</u>	<u>18</u>
	£'000	£'000
Profit allocation in respect of the Member with the largest entitlement (RWC Partners Limited) to profits during the year	<u>48,246</u>	<u>44,680</u>

4. Staff costs

The Partnership had no employees during the year or the prior year as these are employed by other Group companies.

5. Debtors

	2021	2020
	£'000	£'000
Trade debtors	10,099	12,797
Amounts due from Group companies	531	78
Prepayments	23	9
Other debtors	<u>7</u>	<u>317</u>
	<u>10,660</u>	<u>13,201</u>

Notes to the financial statements for the year ended 31 December 2021 (continued)

6. Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Amount due to RWC Group companies	(2,233)	-
VAT	(1,368)	(1,325)
Accruals and deferred income	(1,514)	(1,198)
	<u>(5,115)</u>	<u>(2,523)</u>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand.

7. Ultimate parent undertaking and controlling party

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

The Partnerships ultimate parent entity is RWC Partners Holdings Limited, a company registered in Guernsey.

8. Related Party Transactions

The amount of outstanding balances at year end:

	2021 £'000	2020 £'000
RWC Partner Ltd (Designated Member)	(20,993)	(21,526)
RWC Asset Advisors LLC	5 <u>(2,233)</u>	<u>(78)</u>
	<u>(23,226)</u>	<u>(21,604)</u>

The amount of transactions in the year:

Transactions between the Partnership and the Designated Member include profit allocation due to the Designated Member; administrative costs borne by the Designated Member; and cash movements between the Partnership and the Designated Member. The net of the transactions within the year was £0.5m (2020: £8.5m).

Transactions with RWC Asset Advisors LLC reflect revenue and costs borne within the US entity in relation to specific funds managed by the Partnership. The net of the transactions within the year was £2.2m (2020: £5.1 m).

**Notes to the financial statements for the year ended 31 December 2021
(continued)****9. Subsequent Events**

On 20 January 2022 the Group announced that it would be operating under the new brand name Redwheel going forward. The Group entity legal names remain unchanged.

There were no significant events occurring after 31 December 2021 which would require revision of the figures or disclosure in the annual report.