



RBC BlueBay
Asset Management

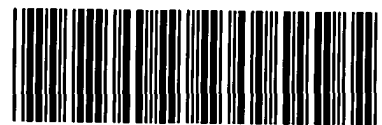
BlueBay Asset Management (Services) Ltd

Annual Report and Financial Statements

For the year ended 31 October 2023

Registered number: 03262598

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BlueBay Asset Management (Services) Ltd Annual Report 2023

Contents

	Page
Strategic Report	3
Directors' Report	5
Statement of Directors' responsibilities in respect of the Financial Statements	7
Independent Auditors' Report	8
Income Statement	11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16

BlueBay Asset Management (Services) Ltd Annual Report 2023

Strategic Report

The Directors present their Strategic Report of BlueBay Asset Management (Services) Ltd ("the Company") for the year ended 31 October 2023.

Business Review

Operating profit for the year was £209,769,000 compared with an operating profit of £10,229,000 in the previous year.

The Company received dividends from subsidiaries of £164,916,000 during the year (2022: £9,866,000).

On 31 March 2023 the BlueBay UK asset management business which was conducted out of from BlueBay Asset Management LLP ("BBAM LLP") and BlueBay Asset Management Corporation Ltd ("BBAM Corp"), was sold to RBC Global Asset Management (UK) Limited ("GAM UK"). As a result of the net assets sold and the gain on the sale, BBAM Corp has paid a dividend to the Company.

Profit for the year attributable to ordinary equity shareholders was £209,872,000 compared with £10,934,000 in the previous year. The Company paid a dividend in the year of £197,943,000 (2022: £nil) based on dividends received from its subsidiaries and the settlement of prior year profit allocation from BBAM LLP. The significant increase in dividend is as a result of the transaction on 31 March 2023.

Principal Activities

The principal activity of the Company is to be a Member of BBAM LLP, a Limited Liability Partnership incorporated in England and Wales. BBAM LLP provides investment management of Collateralised Loan Obligations ('CLOs'). The Company also holds all rights to the BlueBay trading name including all trademark registrations.

The Company is also the parent of BlueBay Asset Management International Limited ("BBAMIL"), which is the holding company for BlueBay Group companies domiciled outside of the United Kingdom and BBAM Corp. Both companies are incorporated in England and Wales (see note 20).

Principal Risks and Uncertainties

The Company's income is based on profit allocations from BBAM LLP. Post 1 April 2023, BBAM LLP's income is derived from investment management fees earned from the management of the CLOs. The Company is therefore exposed to market volatility in respect of the assets managed by BBAM LLP. The Company is also exposed to operational risk (the risk of loss resulting from inadequate or failed processes, people and systems or from external events) in BBAM LLP's management of these assets. BBAM LLP has various controls and systems in place to mitigate the risks related to its management of the assets.

Liquidity risk is the risk that the Company may be unable to meet its payment obligations as they fall due. Liquidity risk is mitigated by the fact that the Company has no debt and maintains sufficient cash levels.

Counterparty credit risk is primarily the risk of a potential loss of cash reserves due to bank failure. To mitigate this risk, the Company has diversified its banking relationships across highly rated systemically important banks.

BlueBay Asset Management (Services) Ltd Annual Report 2023

Strategic Report (continued)

Principle Risks and Uncertainties (continued)

Heightened macroeconomic and geopolitical volatility from late 2021 and into 2023 brought a series of challenges to the market environment. Throughout 2023 in particular, the pressures placed on the global economy due to high levels of inflation and rising interest rates worsened, while geopolitical uncertainty increased following the Russian invasion of Ukraine.

While the Company has seen an increase to its market risk due to the heightened macroeconomic volatility, as a whole the Company was not materially impacted throughout these developments as it benefitted from having a diverse product offering, as well as maintaining a strong risk appetite, which is closely monitored by management through frequent reporting to senior stakeholders and committees. The Company continues to monitor both the situation in the UK as well as the wider global environment closely through its risk management framework. No direct impacts were seen for the Company following the Russian invasion of Ukraine.

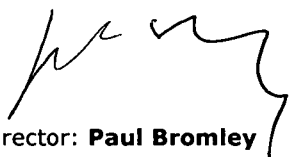
Key Performance Indicators

As a Corporate Member, the Company's performance is dependent on the level of profit allocations from BBAM LLP and dividends received from its subsidiaries. In 2023, profit allocations were £47,415,000 (2022: £6,935,000) and dividends were £164,916,000 (2022: £9,866,000). The Directors do not consider further KPIs to be relevant to gain an understanding of the business.

Outlook

The Directors are satisfied with the development of the business during the year. The Directors anticipate the Company will continue to operate in a similar capacity in the future.

The Strategic Report was approved by the Company's Board of Directors on 30 January 2024 and signed on its behalf by:



Director: **Paul Bromley**
30 January 2024

BlueBay Asset Management (Services) Ltd Annual Report 2023

Directors' Report

The Directors submit their report together with the audited Financial Statements for the year ended 31 October 2023 as required by the Companies Act 2006.

Called Up Share Capital

As at 31 October 2023 and 31 October 2022, the called up share capital of the Company consisted of 198,635,001 shares of £0.001 each.

The Company is a wholly-owned subsidiary of Royal Bank Holding Inc. ("RBHI"), which is a wholly-owned subsidiary of Royal Bank of Canada ("RBC").

Directors

The Directors who served during the year and up to the date of signing the Financial Statements, except as otherwise noted below, were as follows:

Paul Bromley (Executive Director)
Jayne Fieldhouse (Executive Director)
Christopher Wiksyk (Executive Director)

None of the Directors held any share capital of the Company at 31 October 2023 (31 October 2022: none).

Financial Instruments

Details of the financial risk management objectives, policies of the Company and exposure to market risk, credit risk and liquidity risk are given in note 7 of the Financial Statements.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Streamlined Energy and Carbon Reporting

In accordance with the Streamlined Energy and Carbon Reporting ('SECR') regulations the Company is required to publish its annual global emissions. The reporting period is 1 November 2022 to 31 October 2023.

The SECR requirements state if an entity consumes less than 40,000kWh annually the entity is deemed to be a low energy user and is exempt from SECR. The Company consumes less than 40,000 kWh so is exempt from SECR.

Going Concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, based on their review of the Company's future profitability and cash flows, and accordingly continue to adopt the going concern basis in preparing the Financial Statements. Having made appropriate enquiries, the Directors believe there is no reason to expect the Company will not continue to operate as a going concern.

Heightened macroeconomic and geopolitical volatility from late 2021 and into 2023 brought a series of challenges to the market environment. Throughout 2023 in particular, the pressures placed on the global economy due to high levels of inflation and rising interest rates worsened, while geopolitical uncertainty increased following the Russian invasion of Ukraine.

While the Company has seen an increase to its market risk due to the heightened macroeconomic volatility, as a whole the Company was not materially impacted throughout these developments as it benefitted from having a diverse product offering, as well as maintaining a strong risk appetite, which is closely monitored by management through frequent reporting to senior stakeholders and committees.

BlueBay Asset Management (Services) Ltd Annual Report 2023

Directors' Report (continued)

Going Concern (continued)

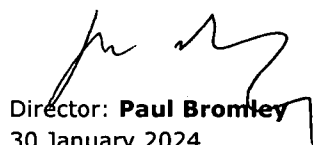
The Company continues to monitor both the situation in the UK as well as the wider global environment closely through its risk management framework. No direct impacts were seen for the Company following the Russian invasion of Ukraine.

The Company made a strategic decision to integrate the operating aspects with the asset management business of GAM UK on 31 March 2023. The aim is to achieve closer operational alignment to provide the ability to leverage our collective strengths, resources and talents. Day-to-day operations will not change and the Board expects no material impact from these changes on the underlying business, and fully expects the entity to remain as a going concern.

Directors duties -compliance with section 172 of the Companies Act 2006

Following internal review, the Company was not deemed to be required by the Companies Act 2006 to include a section 172(1) Statement within its Financial Statements and therefore the statement has been removed.

The Directors' Report was approved by the Company's Board of Directors on 30 January 2024 and signed on its behalf by:



Director: **Paul Bromley**
30 January 2024

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with UK-adopted international accounting standards.

Under company law, Directors 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 Company and of the profit or loss of the Company for that period. In preparing the Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK-adopted international accounting standards 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 Company will continue in business.

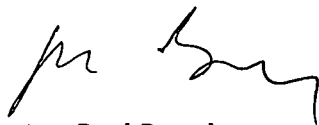
The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



Director: **Paul Bromley**

30 January 2024

Independent auditors' report to the members of BlueBay Asset Management (Services) Ltd

Report on the audit of the financial statements

Opinion

In our opinion, BlueBay Asset Management (Services) Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 October 2023; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows 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 company 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 company'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 directors' 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 company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors 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 directors 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, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of BlueBay Asset Management (Services) Ltd (continued)

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.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 October 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

Independent auditors' report to the members of BlueBay Asset Management (Services) Ltd (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 the posting of inappropriate journal entries to revenue. Audit procedures performed by the engagement team included:

- Discussions with management, and review of relevant directors' meeting minutes, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Testing journal entries, with a focus on journals indicating unusual transactions based on our understanding of the business, 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 company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

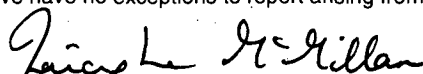
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Natasha McMillan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

30 January 2024

BlueBay Asset Management (Services) Ltd Annual Report 2023

Income Statement

For the year ended 31 October 2023

	Note	2023 £000s	2022 £000s
Operating income – BBAM LLP profit allocation	2	47,415	6,968
Other income	2	196	1,055
Dividends received	6	164,916	9,866
Total income		212,527	17,889
Foreign exchange losses	2	-	(6)
Administrative expenses	3	(2,758)	(7,654)
Operating profit		209,769	10,229
Finance income	4	2,942	1,083
Finance charge	4	(46)	(6)
Net Finance income		2,896	1,077
Profit on ordinary activities before taxation		212,665	11,306
Taxation	5	(2,793)	(372)
Profit for the year attributable to ordinary equity shareholders		209,872	10,934

All activities are derived from continuing operations.

The notes to the Financial Statements on pages 16 to 31 are an integral part of these Financial Statements.

Statement of Comprehensive Income

For the year ended 31 October 2023

	2023 £000s	2022 £000s
Profit for the year	209,872	10,934
Total comprehensive income for the year: net of tax	209,872	10,934

All activities are derived from continuing operations.

The notes to the Financial Statements on pages 16 to 31 are an integral part of these Financial Statements.

Statement of Financial Position

As at 31 October 2023

	Note	2023 £000s	2022 £000s
Assets			
Non-current assets			
Leasehold improvements	8	-	73
Trade and other receivables	11	-	10,000
Investments in subsidiaries	10	66,833	66,833
Total non-current assets		66,833	76,906
Current assets			
Right of use asset	9	-	-
Trade and other receivables	11	48,066	39,110
Current tax assets		-	506
Cash and cash equivalents	12	84,835	69,878
Total current assets		132,901	109,494
Total assets		199,734	186,400
Liabilities			
Non-current liabilities			
Deferred tax liability	15	700	879
Total non-current liabilities		700	879
Current liabilities			
Provisions	14	-	1,500
Trade and other payables	13	2,318	647
Current tax liabilities		1,413	-
Total current liabilities		3,731	2,147
Total liabilities		4,431	3,026
Shareholder's equity			
Called up share capital	16	199	199
Share premium	16	33,906	33,906
Retained earnings		161,198	149,269
Total shareholder's equity		195,303	183,374
Total equity and liabilities		199,734	186,400

The notes on pages 16 to 31 are an integral part of these Financial Statements. The Financial Statements on pages 11 to 31 were approved by the Board of Directors and authorised for issue on 30 January 2024 and signed on its behalf by:



Director: **Paul Bromley**

Statement of Changes in Equity

For year ended 31 October 2023

	Called up share capital £000s	Share premium £000s	Retained earnings £000s	Total equity £000s
At 1 November 2022	199	33,906	149,269	183,374
Profit and total comprehensive income for the year	-	-	209,872	209,872
Dividends paid	-	-	(197,943)	(197,943)
At 31 October 2023	199	33,906	161,198	195,303

For year ended 31 October 2022

	Called up share capital £000s	Share premium £000s	Retained earnings £000s	Total equity £000s
At 1 November 2021	199	33,906	138,335	172,440
Profit and total comprehensive income for the year	-	-	10,934	10,934
Dividends paid	-	-	-	-
At 31 October 2022	199	33,906	149,269	183,374

The notes to the Financial Statements on pages 16 to 31 are an integral part of these Financial Statements.

Statement of Cash Flows

For year ended 31 October 2023

	Note	2023 £000s	2022 £000s
Cash flows from operating activities			
Cash generated from operations	17	211,057	2,934
Taxation paid		(1,099)	(717)
Finance income received	4	2,942	1,083
Net cash inflow from operating activities		212,900	3,300
Cash flows from financing activities			
Dividends paid	6	(197,943)	-
Payment of lease liabilities		-	(2,313)
Finance charge paid	4	-	(6)
Net cash used in financing activities		(197,943)	(2,319)
Net increase in cash and cash equivalents		14,957	981
Cash and cash equivalents at beginning of the year		69,878	68,897
Cash and cash equivalents at end of the year	12	84,835	69,878

The Company did not have any overdrafts repayable on demand at the end of each accounting year.

The notes to the Financial Statements on pages 16 to 31 are an integral part of these Financial Statements.

Notes to the Financial Statements

1. Significant Accounting Policies

Basis of accounting

BlueBay Asset Management (Services) Ltd (the "Company") is a limited company and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The Company's registered office is 100 Bishopsgate, London, EC2N 4AA.

The Company's principal activity is described in the Strategic Report on page 3.

The profit allocation from BBAM LLP is included in 'operating income'.

The significant accounting policies applied in the preparation of the Financial Statements are summarised below.

a) Basis of preparation

The Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Financial Statements have been prepared under the historical cost convention. The Financial Statements have been prepared on a going concern basis.

b) Basis of consolidation exemption

In accordance with the provisions of Section 401 of the Companies Act 2006 the Company was, at the end of the year, a wholly-owned subsidiary of another company incorporated outside the United Kingdom and is not required to produce, and has not published, Consolidated Financial Statements. Details of the Company's investments in subsidiaries are set out in note 10 and note 19.

c) Going concern

The Directors have, at the time of approving the Financial Statements, a reasonable expectation that the Company 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.

d) Impact of new accounting standards

At the date of authorisation of these Financial Statements, there were no standards and interpretations relevant to the Company's operation that were issued by the IASB that are mandatory for the Company's annual accounting periods beginning 1 November 2022.

e) Critical accounting estimates and judgements

The preparation of the Financial Statements in conformity with IAS requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The Company has no amounts which require significant estimate or judgments. If in the future such estimates and assumptions, which are based on management's best judgement at the date of preparation of the Financial Statements, deviate from actual circumstances, the original estimates and assumptions, such as accruals, and provisions will be modified as appropriate in the period in which the circumstances change.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

f) Leasehold improvements

Leasehold improvements are recognised at cost, less accumulated depreciation and any recognised impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repair and maintenance expenditures are charged to the Income Statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to reduce the cost of each asset to its residual value over five years.

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Income Statement.

g) Investments in subsidiaries

Investments in subsidiaries are held at cost, less provision for impairment.

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost. The impairment in loans and receivables is calculated using the expected credit loss model. Expected credit losses on trade receivables are calculated on the simplified approach based on historic default rates and adjusted for forward looking estimates. The initial amount of the provision and subsequent changes are recognised in the Income Statement in administrative expenses.

i) Cash and cash equivalents

Cash and cash equivalents comprise deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or less.

j) Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently at amortised cost.

k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Management reassesses the amounts of these provisions at each Statement of Financial Position date in order to ensure that they are measured at the current best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date. Any difference between the amounts previously recognised and the current estimates is recognised immediately in the Income Statement.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

l) Leases

For the period 1 Nov 2022 to 10 May 2023 on the Statement of Financial Position, a ROU asset was recognised within right of use asset and the corresponding lease liability recorded for the discounted amount of expected future rental payments. The Income Statement includes the lease imputed interest expense and ROU asset depreciation as the lease expense. In May 2023 the Company's leases expired.

The Company elected to utilise all of the transition practical expedients, electing to not apply the requirements of IFRS 16 to short-term leases of 12 months or less and to leases to which the underlying asset is of low value.

m) Operating income

The operating income earned in the United Kingdom of the Company is the allocation of profit from BBAM LLP. The Company holds 51% of the voting rights and Class A shares in BBAM LLP.

n) Foreign currency translation

(i) Functional and presentation currency

The Financial Statements are presented in Pounds Sterling ("GBP"), which is the Company's functional and presentation currency and the currency in which the Company's assets, liabilities and funding are predominantly denominated.

(ii) Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in other income/expense in the Income Statement.

The following exchange rates were used to convert monetary items on the Statement of Financial Position which are not denominated in GBP.

Currency	2023	2022
GBP/USD	1.2153	1.1466
GBP/EUR	1.1483	1.1606

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

o) Taxation

(i) Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in shareholders' equity or Comprehensive Income, in which case it is recognised in the Statement of Changes in Equity or Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the period, using rates enacted or substantively enacted at the Statement of Financial position date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on all taxable and deductible temporary differences at the Balance Sheet date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

p) Dividend distribution

Dividend distributions to the Company's shareholders are recognised in the Company's Financial Statements in the period in which the dividend is declared or approved by the Company's shareholders.

q) Share capital and share premium

Ordinary shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the share premium account.

r) Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

s) Net finance income

Net finance income includes interest income and charges on cash and cash equivalents, interest income from intercompany loans and interest expense on ROU assets. Net finance income is recognised on an accrual basis.

Notes to the Financial Statements (continued)

2. Operating income – BBAM LLP profit allocation, Other income and Foreign exchange losses

	2023 £000s	2022 £000s
Operating income – BBAM LLP profit allocation	47,415	6,968
Rental income	196	1,055
Other income	196	1,055

Foreign exchange losses include the following items:

Net foreign exchange loss recognised	-	(6)
Foreign exchange losses	-	(6)

3. Administrative expenses

	Note	2023 £000s	2022 £000s
The following items have been included in administrative expenses:			
Depreciation	8	73	151
Depreciation of right of use asset	9	-	2,145

Audit and non-audit fees

	2023 £000s	2022 £000s
Fees payable to the Company's Auditors for the audit of the Financial Statements	49	49

No remuneration was paid to the Directors of the Company for their services (2022:£nil).

4. Finance income and charge

	2023 £000s	2022 £000s
Finance income:		
Interest on cash deposits	2,686	781
Bank interest	120	34
Interest on intercompany loan	136	268
Finance charge		
Interest expense – Lease liability	-	(4)
Interest on underpaid tax	(46)	(2)
Net finance income	2,896	1,077

Notes to the Financial Statements (continued)**5. Taxation**

Analysis of charge in the year:

	2023	2022
	£000s	£000s
Current tax:		
UK corporation tax on profits for the year	1,756	444
Adjustments to tax charge in respect of previous years	1,216	111
Total current tax	2,972	555
Deferred tax:		
Origination and reversal of temporary differences	(184)	(168)
Adjustments in respect of previous years	9	(2)
Adjustments in respect of change in tax rate	(4)	(13)
Total deferred tax	(179)	(183)
Total tax expense	2,793	372

Following the enactment of Finance Act 2021 the standard UK corporation tax rate remained at 19% before it increased to 25% from 1 April 2023.

Accordingly, the Company's taxable profits for this accounting year are taxed at 22.52%. The deferred tax balance recognised at the statutory rate of 25% to reflect the expected impact on future reversals of temporary differences.

The tax on the Company's profit before tax differs from amounts that would arise using the effective UK tax rate applicable to profits of the Company, as follows:

	2023	2022
	£000s	£000s
Profit on ordinary activities before tax	212,666	11,306
Theoretical tax charge at UK rate of 22.52% (2022: 19%)	47,887	2,147
Effects of:		
Expenses not deductible for tax purposes	6	3
Adjustment in respect of previous period	1,225	111
Adjustments in respect of change in tax rate	(4)	(13)
Non-taxable dividend from BBAMIL	(37,136)	(1,876)
Non-taxable gain on transfer of BBAM LLP business	(9,101)	-
Non-taxable dilapidation provision reversal	(84)	-
Total tax expense	2,793	372

6. Dividends

	2023	2022
	£000s	£000s
Dividends paid	(197,943)	-
Dividends received	164,916	9,866

The Board is not proposing to declare a dividend at the Board Meeting on 30 January 2024 relating to the current financial year.

The dividends paid in year were 99.65 pence per share (2022: nil pence per share).

Notes to the Financial Statements (continued)

7. Financial risk management

(a) Credit risk management

Credit risk is the possibility that the Company may suffer a loss from the failure of one of its counterparties to meet their contractual obligations. The Company is primarily exposed to credit risk in respect of amounts owed by related parties and from cash deposits with banks.

Financial assets subject to credit risk are:

	Note	2023 £000s	2022 £000s
Cash and cash equivalents	12	4,835	14,878
Cash and cash equivalents held with related party	12	80,000	55,000
Trade receivables	11	48,066	39,110
Total		132,901	108,988

(i) Counterparty credit rating

The counterparty rating of the Company's financial assets subject to counterparty risk and neither past due nor impaired was as follows:

	A- ¹ or better %	Not rated %
As at 31 October 2023		
Cash and cash equivalents	100	-
Amounts owed by related parties	-	100
Other trade receivables	-	100
As at 31 October 2022		
Cash and cash equivalents	100	-
Amounts owed by related parties	-	100
Other trade receivables	-	100

(ii) Concentrations of credit risk

The Company's largest counterparty exposure at the end of each year is as follows:

	2023 £000s	2022 £000s
AA- ¹ rated bank	80,000	55,000
A- ¹ rated bank	4,835	14,878

¹ Standard & Poor's ratings

The amount of these exposures can change significantly each month. Trade receivables are considered to have minimal credit risk exposure as the majority of these receivables relate to amounts owed by subsidiaries.

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

(b) Market risk management

(i) Foreign exchange risk

The Company's financial assets and liabilities are denominated in the following currencies:

As at 31 October 2023:

Financial assets

			US		
	Note	Sterling £000s	Dollar £000s	Other £000s	Total £000s
Cash and cash equivalents	12	84,828	6	1	84,835
Trade and other receivables less than one year ¹	11	48,066	-	-	48,066
Total financial assets		132,894	6	1	132,901

¹ Includes prepayments which are not subject to foreign exchange risk.

Financial liabilities

			US		
	Note	Sterling £000s	Dollar £000s	Other £000s	Total £000s
Trade and other payables less than one year ²	13	2,318	-	-	2,318
Total financial liabilities		2,318	-	-	2,318

² Includes accruals which are not subject to foreign exchange risk.

As at 31 October 2022:

Financial assets

			US		
	Note	Sterling £000s	Dollar £000s	Other £000s	Total £000s
Cash and cash equivalents	12	69,870	7	1	69,878
Trade and other receivables more than one year	11	10,000	-	-	10,000
Trade and other receivables less than one year ¹	11	39,110	-	-	39,110
Total financial assets		118,980	7	1	118,988

¹ Includes prepayments which are not subject to foreign exchange risk.

Financial liabilities

			US		
	Note	Sterling £000s	Dollar £000s	Other £000s	Total £000s
Trade and other payables less than one year ²	13	647	-	-	647
Total financial liabilities		647	-	-	647

² Includes accruals which are not subject to foreign exchange risk.

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

(b) Market risk management (continued)

(ii) Foreign exchange risk (continued)

Financial liabilities comprise of current trade payables and accruals. They do not include provisions which are explicitly excluded from the definition of a financial instrument under IFRS 7.

The Company estimates, by recalculating the Balance Sheet values of financial assets and liabilities denominated in foreign currencies, that at 31 October 2023, if the foreign currency rates applicable to the Company's financial assets and liabilities strengthened/(weakened) by 100 basis point against sterling, with all other variables held constant, pre-tax profit for the year would have increased/(decreased) by £nil/(£nil) respectively, principally as a result of the increased/(decrease) in assets and liabilities denominated in foreign currencies (2022: pre-tax profit will have increased/(decreased) by £nil/(£nil) respectively).

(iii) Interest rate risk

Interest rate risk is the risk arising from unexpected or untoward movements in interest rates. The Company's monetary assets which attract interest rate risk are cash balances which are held at a floating rate. There is no interest rate risk for investments at fair value through profit and loss.

At 31 October 2023, if interest rates had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been £643,000 higher (2022: £644,000 higher), if interest rates had decreased to nil basis points the post-tax profit would have been £2,280,000 lower (2022: £877,000 lower).

(c) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances.

(i) Financial assets and liabilities

The table below analyses the Company's financial assets and liabilities. The amounts disclosed are the contractual undiscounted cash flows. Balances due are equal to their carry amounts as the impact of discounting is not significant.

Financial assets	Note	2023 £000s	2022 £000s
Cash and cash equivalents	12	84,835	69,878
Trade and other receivables non-current	11	-	10,000
Trade receivables -current ¹	11	48,066	39,110
Total financial assets		132,901	118,988

¹ Includes £nil (2022: £937,000) prepayments which are not subject to liquidity risk

Financial liabilities	Note	2023 £000s	2022 £000s
Trade and other payables ²	13	2,318	647
Total financial liabilities		2,318	647

² Includes £45,000 (2022: £174,000) accruals which are not subject to liquidity risk

The Company's total financial assets exceed its total financial liabilities by 57:1 (2022: 184:1).

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

(c) Liquidity risk management (continued)

(ii) Capital commitments and contingent liabilities

The Company did not have any capital commitments or contingent liabilities during the year (2022: £nil).

(d) Classes of financial instruments

As at 31 October 2023

	Note	Financial assets at amortised cost £000s	Total £000s
Financial assets			
Cash and cash equivalents	12	84,835	84,835
Trade and other receivables due within one year	11	48,066	47,854
Total financial assets		132,901	132,689

	Note	Financial liabilities at amortised cost £000s	Total £000s
Financial liabilities			
Trade and other payables due within one year	13	2,318	2,318

As at 31 October 2022

	Note	Financial assets at amortised cost £000s	Total £000s
Financial assets			
Cash and cash equivalents	12	69,878	69,878
Trade and other receivables due after more than one year	11	10,000	10,000
Trade and other receivables due within one year	11	39,110	39,079
Total financial assets		118,988	118,957

Notes to the Financial Statements (continued)**7. Financial risk management** (continued)**(d) Classes of financial instruments** (continued)

	Note	Financial liabilities at amortised cost £000s	Total £000s
Financial liabilities			
Trade and other payables due within one year	13	647	647

Financial liabilities comprise trade payables and accruals which are payable within one year and which are not explicitly excluded from the definition of a financial instrument under IFRS 7.

(e) Capital management

The Company uses its capital to support the growth of the business, to provide it with a cushion to shield it from adverse market conditions and to ensure that it is at all times able to meet any regulatory capital requirements arising from its subsidiaries.

As one of the Company's subsidiaries, BBAM LLP, is regulated by the Financial Conduct Authority ("FCA"), the group of companies headed by the Company is therefore subject to consolidated regulatory capital requirements. The BlueBay group was in compliance with the consolidated capital requirements as set out by the FCA throughout the current year.

Once these requirements have been met, available capital may be used to pay dividends to shareholders, to provide funding for new business initiatives and to provide seed capital for new funds.

8. Leasehold Improvements

	2023 £000s	2022 £000s
Cost		
At beginning of the year	2,515	2,515
Additions	-	-
At the ending of the year	2,515	2,515
Accumulated Depreciation		
At beginning of the year	2,442	2,291
Depreciation charge	73	151
At the ending of the year	2,515	2,442
Net book amount at 31 October	-	73

Notes to the Financial Statements (continued)

9. Right of use asset

	2023 £000s	2022 £000s
Right of use asset		
Cost		
At beginning of the year	10,550	10,550
Disposal	(10,550)	-
At the ending of the year	-	10,550
Accumulated Depreciation		
At beginning of the year	10,550	8,405
Depreciation charge	-	2,145
Disposal	(10,550)	-
At the ending of the year	-	10,550
Net book amount at 31 October	-	-

Right of use asset was disposed of in 2023 as the Company vacated the building during the year.

10. Investments in Subsidiaries

	2023 £000s	2022 £000s
Cost less impairment:		
At the beginning of year	66,833	66,833
At the ending of the year	66,833	66,833

No impairment provisions were made against the investments during the year and therefore, cost of investments is equal to net book value.

11. Trade and other receivables

	2023 £000s	2022 £000s
Amounts owed by subsidiaries	47,601	37,571
Amounts owed by affiliated entities	465	581
VAT receivable	-	21
Prepayments	-	937
Total amounts falling due within one year	48,066	39,110
Rolling Credit Facility ('RCF') to subsidiary	-	10,000
Total amounts falling due after one year	-	10,000
Trade Receivables	48,066	49,110

12. Cash and cash equivalents

	2023 £000s	2022 £000s
Cash at bank	84,835	69,878

Notes to the Financial Statements (continued)

13. Trade and other payables

	2023 £000s	2022 £000s
Amounts owed to subsidiaries	-	32
Amounts owed to affiliated entities	2,062	440
VAT payable	99	-
Other payables	34	1
Accruals	123	174
Total trade and other payables due within one year	2,318	647
Trade Payables	2,318	647

14. Provisions

	2023 £000s	2022 £000s
Provisions	-	1,500

During the current year, the dilapidation provision was decreased by £1,500,000 (2022:£nil increase). These costs were realised when the Company vacated the office building in 2023.

15. Deferred tax liability

The corporate tax rate change from 19% to 25% from 1 April 2023 has now been substantively enacted. The change affects the deferred tax balance, with deferred tax balance recognised at the average statutory rate of 24.3% to reflect the expected impact on future reversals of temporary differences.

Deferred tax assets have been recognised where the tax deduction in the current period has exceeded the current forecast taxable profits. The recognition of the deferred tax asset is based on the probability that the Company will derive taxable profits in the future.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net. The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction) during the period are shown below.

(a) Deferred tax liability

The movement on the deferred tax account is as follows:

	Temporary differences 2023 £000s	Temporary differences 2022 £000s
At beginning of the year	(879)	(1,062)
Income Statement credit	184	168
Prior year adjustment	(9)	2
Effect of changes in tax rates	4	13
At the ending of the year	(700)	(879)

Notes to the Financial Statements (continued)

15. Deferred tax liability (continued)

(a) Deferred tax liability (continued)

An analysis of the deferred taxation is as follows:

	2023 £000s	2022 £000s
Accelerated depreciation for tax purposes	136	145
Difference due to allocation of taxable profits of BBAM LLP	(836)	(1,024)
Total deferred tax liability	(700)	(879)

16. Called up share capital and share premium

	Number of shares	Ordinary shares £000s	Share premium £000s
At 31 October 2022	198,635,001	199	33,906
At 31 October 2023	198,635,001	199	33,906

	31 October 2023 Number	31 October 2023 Number	31 October 2023 £000s	31 October 2022 £000s
Allotted, called up and fully paid				
Ordinary shares of £0.001 each	198,635,001	198,635,001	199	199

Ordinary shares in issue in the Company rank pari passu. All of the ordinary shares in issue carry the same right to receive dividends and other distributions declared, made or paid by the Company. All of the ordinary shares have equal voting rights.

17. Cash generated from operations

	2023 £000s	2022 £000s
Operating profit for the year	209,769	10,229
Adjustments for:		
Depreciation	73	2,296
	73	2,296
Changes in working capital:		
Decrease/(increase) in receivables	1,044	(9,411)
Increase/(decrease) in payables	1,671	(180)
Decrease in provisions	(1,500)	-
	1,215	(9,591)
Cash generated from operations	211,057	2,934

Notes to the Financial Statements (continued)

18. Related party transactions

The following transactions were carried out with related parties:

(a) Transactions and balances with related entities during the year

The below table outlines the related party relationships which existed during the financial year.

Description of relationship	Description of service	Description of transactions
The Company is a Member of BBAM LLP, it has 51% voting rights	Profit allocation due from BBAM LLP	Profit allocation from BBAM LLP classified as operating income
RBC Europe Limited ("RBCEL") is an affiliate of the Company	Cash is held on deposit with RBCEL	Interest is received from RBCEL for the cash held on deposit during the year (note 7a)
The Company is the parent of BBAMIL	Provision of financial support	Receipt of dividend from BBAMIL
The Company is a subsidiary of Royal Bank Holding Inc. ("RBHI")	Dividends	Dividend payment of £197,943,000 in the period
Loan facility of £25 million provided to BBAM LLP	Intercompany loan	Repayment received of £10,000,000 during the year. The balance outstanding at 31 October 2023 was £nil
The Company is the parent of BBAM Corp	Provision of financial support	No transactions in the period
Loan facility of £30 million provided to BBAM Corp	Intercompany loan	Drawdown and repayment paid/received of £15,000,000 during the year. The balance outstanding at 31 October 2023 was £nil
GAM UK is an affiliate of the Company	Payment of invoices for leased premises	The balance outstanding at 31 October 2023 was £2,062,000

Transactions between the Company and related parties are disclosed below.

31 October 2023

	Operating income £000s	Finance income £000s	Other income £000s	Cash and cash equivalents £000s	Amounts owed by related parties £000s	Amounts owed to related parties £000s	Dividends (paid)/received £000s
Immediate parent	-	-	-	-	-	-	(197,943)
Subsidiaries of the Company	47,415	136	-	-	47,601	-	164,916
Affiliated entities	-	2,686	196	80,000	465	2,062	-

Notes to the Financial Statements (continued)

18. Related party transactions (continued)

31 October 2022

	Operating income £000s	Finance income £000s	Other income £000s	Cash and cash equivalents £000s	Amounts owed by related parties £000s	Amounts owed to related parties £000s	Dividends received £000s
Subsidiaries of the Company	6,968	268	-	-	47,571	32	9,866
Affiliated entities	-	781	1,055	55,000	581	440	-

All transactions with related parties were on an arm's length basis.

19. Principal Company investments

The names of the principal investments of the Company, together with the Company's controlling interest and voting rights are given below. The Company controls 51% of the voting rights in BBAM LLP and is entitled to 100% of net assets. BBAMIL, BBAM LLP and BBAM Corp are directly owned subsidiaries of the Company. The other subsidiaries within the Group are subsidiaries of BBAMIL.

Principal operating subsidiaries	Country of incorporation	Effective Company interest %
BlueBay Asset Management LLP ¹	United Kingdom	51% voting rights / 100% net assets
BlueBay Funds Management Company S.A. ¹	Luxembourg	100
BlueBay Asset Management International Limited ³	United Kingdom	100
BlueBay Asset Management AG ³	Switzerland	100
BlueBay Asset Management Corporation Ltd ²	United Kingdom	100

¹Asset manager, ²Service company, ³Sales office.

The Company's Jersey domiciled Employee Benefit Trust, BlueBay Asset Management Ltd Employee Benefit Trust, is also considered to be subsidiary under IFRS.

The registered addresses for the Company's principal operating subsidiaries are shown below.

United Kingdom	100 Bishopsgate, London, EC2N 4AA
Luxembourg	Royal Grace Building, 4 Boulevard Royal L-2449 Luxembourg
Switzerland	Lintheschergasse 15, 8001 Zürich

20. Parent Company and ultimate controlling party

The Company's ultimate parent Company is the Royal Bank of Canada, incorporated in Canada, which is also the parent undertaking of the smallest and largest group, which includes the Company, for which Group's Financial Statements are prepared. Copies of the Group Financial Statements of Royal Bank of Canada are available at 100 Bishopsgate, London, EC2N 4AA.