

Renshaw Bay (UK) Limited

Registered Number: 07471504

Annual Report and Consolidated Financial Statements

For the year ended 31 December 2015

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Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

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Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Group Information

Directors

J Rupert
F Goedhuis
E Michotte (alternate director with respect to J Rupert)

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants
7 More London
London
SE1 2RT

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Lloyds Bank Plc
10 Gresham Street
London
EC2V 7AE

Registered office

4th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Directors' Report

The Directors present their report and the audited consolidated financial statements for Renshaw Bay (UK) Limited (the "Company") and of the Group for the year ended 31 December 2015.

Principal activities

The principal activity of the Company is to act as the Managing Member of its subsidiary Renshaw Bay LLP.

The principal activity of the Group during the year was the provision of investment management, investment advisory and marketing support services in respect of various funds and investment accounts.

Results for the year and dividends

The Group's total comprehensive profit for the year amounted to £3,276,148 (2014: £5,141,296 loss). The Company's loss after tax for the year amounted to £13,543,768 (2014: £54,067). The Directors do not recommend the payment of a dividend (2014: £Nil).

Review of business

The result for the year, and the financial position at the year end, were considered satisfactory by the Directors.

The Company is managing member of its subsidiary undertaking, Renshaw Bay LLP, and has no business other than in connection with that role.

On 26 February 2015 it was announced that W Winters, the then CEO of the Group, would join Standard Chartered Bank to take over as its group CEO in June 2015. The Company and its parent company, Renshaw Bay Ltd.¹, agreed with Mr Winters that he would resign all group directorships, including of the Company, with effect from 9 June 2015. Over the following months, the Directors, in conjunction with the members of Renshaw Bay LLP and other key stakeholders, considered various opportunities for the future of the Company and its business.

On 9 August 2015, Renshaw Bay LLP and Renshaw Bay Ltd. (the "Sellers") agreed the sale of the principal assets of their real estate finance business to companies in the group headed by GAM Holding AG (the "GAM Sale"). The GAM Sale was completed on 2 October 2015. The assets transferred included entities relevant to the real estate finance business, all real estate finance investment management contracts and all relevant client and investor relationships, and, in addition, the real estate finance investment team transferred to the GAM group. The Sellers agreed to cease further real estate finance business activity. The principal consideration for the sale was made up of upfront cash payments and contingent annual amounts over a period of five years based on a defined earn-out.

Renshaw Bay LLP's structured finance asset management business was substantially wound down in the second half of 2015, and, since 30 December, 2015, Renshaw Bay LLP has not acted as Alternative Investment Fund Manager of any Alternative Investment Funds, as such terms are defined in the FUND sourcebook of the FCA Handbook.

In the second half of 2015, the number of Renshaw Bay LLP's personnel was reduced very substantially. The personnel whose employment or membership was terminated during 2015 included members of the structured finance investment team, and a significant number of non-investment personnel directly involved in the provision of Renshaw Bay LLP's services under its investment mandates across both its real estate finance and structured finance activities, between which there was substantial operational overlap, both at the level of Renshaw Bay LLP's Investment Committee and Valuation Committee as well as in all other operational areas of Renshaw Bay LLP.

¹ See Note 1

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Directors' Report (continued)

At the year end, Renshaw Bay LLP had one investment advisory mandate in connection with a structured finance asset, although this mandate was terminated on 18 March 2016. Renshaw Bay LLP also maintained contractual arrangements related to marketing-support for certain third party funds, which are continuing at the date of this report.

The Directors have determined that it is not appropriate to show discontinued operations separately in these financial statements as the parts of the business that have been discontinued during the year cannot be separated, operationally, from other parts of the business.

Directors

The Directors who held office during the year and up to the date of this report were:

F Goedhuis
*E Michotte
J Rupert
W Winters (resigned 9 June 2015)

*Denotes alternate director with respect to J Rupert

Directors' indemnities

The Group and Company has qualifying third party indemnity provisions for the benefit of the Company's Directors and the members of Renshaw Bay LLP, which remain in force at the date of this report.

Principal risks and uncertainties

The principal risks and uncertainties of the Company and of the Group relate primarily to financial risk, the management of which is detailed in note 3 of the financial statements.

Going concern

Although Renshaw Bay LLP's real estate finance activities have ceased, the arrangements under which it provides marketing support are continuing, including the attendant revenue-stream. The Directors are satisfied that the Company's assets are sufficient to enable them to have a reasonable expectation that the Company and the Group will have adequate resources to meet its liabilities for the next 12 months. Although the Directors will keep the Company's and the Group's business plan under review, the Directors do not intend the Company or Group to cease operations within that period. Accordingly, these financial statements have been prepared on the going concern basis.

Strategic report

The Group has taken advantage of the small companies exemption under Section 414(B) of the Companies Act 2006 not to prepare a strategic report.

Disclosure of information to the auditors

The Directors who were members of the board at the time of approving the Directors' report are listed on page 2. Each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- Each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

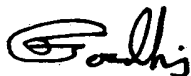
Renshaw Bay (UK) Limited
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Directors' Report (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the board meeting held to approve these financial statements.

On behalf of the board



F Goedhuis
Director
19 April 2016

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the 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 Group and the Company and of the profit or loss of the Company and Group for that period. In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare financial statements in accordance with IFRSs as issued by the IASB;
- Follow suitable accounting standards subject to material departures being disclosed and explained in the accounts; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Independent Auditors' Report to the Directors of Renshaw Bay (UK) Limited

Report on the financial statements

Our opinion

In our opinion:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2015 and of the Group's profit and the Company's loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and parent Company financial statements (the "financial statements"), which are prepared by Renshaw Bay (UK) Limited, comprise:

- the consolidated and Company statement of financial position as at 31 December 2015;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Renshaw Bay (UK) Limited
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For the year ended 31 December 2015

Independent Auditors' Report to the Directors of Renshaw Bay (UK) Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's Directors 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.



Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 April 2016

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Consolidated Statement of Financial Position as at 31 December 2015

	Notes	2015 £	2014 £
Assets			
Non-current assets			
Property, plant and equipment	5	2,376	324,495
Intangible assets	6	-	979,966
Investments	7	58,130	-
Trade and other receivables	9	1,000,000	-
Total non-current assets		1,060,506	1,304,461
Current assets			
Trade and other receivables	9	1,810,436	3,081,573
Cash and cash equivalents	8	9,661,908	7,273,057
Total current assets		11,472,344	10,354,630
Total assets		12,532,580	11,659,091
Liabilities			
Current liabilities			
Trade and other payables	10	440,517	1,744,584
Provisions	11	-	777,325
Total current liabilities		440,517	2,521,909
Non-current liabilities			
Trade and other payables	10	20,000	130,000
Provisions	11	-	257,699
Total non-current liabilities		20,000	387,699
Total liabilities		460,517	2,909,608
Equity			
Share capital	12	29,420,001	29,420,001
Accumulated losses	13	(17,347,668)	(20,594,323)
Total equity attributable to owners of the parent Company		12,072,333	8,825,678
Non-controlling interests in equity	14	-	(76,195)
Total equity		12,072,333	8,749,483
Total equity and liabilities		12,532,580	11,659,091

The financial statements on pages 8 to 31 were approved by the Board of Directors on 18 April 2016 and signed on its behalf by:

F Goedhuis
Director
19 April 2016



The notes on pages 13 to 31 are an integral part of these consolidated financial statements


Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Company Statement of Financial Position as at 31 December 2015

	Notes	2015 £	2014 £
Assets			
Non-current assets			
Property, plant and equipment	5	365	279,403
Investments	7	<u>14,249,978</u>	<u>27,989,944</u>
Total non-current assets		14,250,343	28,269,347
Current assets			
Trade and other receivables	9	549,746	294,649
Cash and cash equivalents	8	<u>174,726</u>	<u>236,698</u>
Total current assets		724,472	531,347
Total assets		14,974,815	28,800,694
Liabilities			
Current liabilities			
Trade and other payables	10	<u>37,903</u>	<u>320,014</u>
Total current liabilities		37,903	320,014
Equity			
Share capital	12	29,420,001	29,420,001
Accumulated losses	13	<u>(14,483,089)</u>	<u>(939,321)</u>
Total equity		14,936,912	28,480,680
Total equity and liabilities		14,974,815	28,800,694

The financial statements on pages 8 to 31 were approved by the Board of Directors on 19 April 2016 and signed on its behalf by:

F Goedhuis
Director
19 April 2016



The notes on pages 13 to 31 are an integral part of these consolidated financial statements

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Consolidated Statement of Comprehensive Income

	Notes	2015 £	2014 £
Revenue		6,253,223	6,055,128
Expenses			
Personnel expenses	16	(7,330,371)	(8,251,926)
General and administrative expenses	17	(2,816,475)	(2,741,785)
Depreciation	5	(138,047)	(198,111)
Total operating expenses		(10,284,893)	(11,191,822)
Profit on disposal of business unit	21	6,875,740	-
Finance income	19	6,851	9,170
Finance expense	20	(18,874)	(13,772)
Profit/(loss) before income tax		2,832,047	(5,141,296)
Income tax	22	444,101	-
Profit/(loss) and total comprehensive profit/(loss) for the year		3,276,148	(5,141,296)
<u>Attributable to</u>			
Owners of the parent		3,276,148	(5,141,296)
Non-controlling interests	14	-	-
Profit/(loss) and total comprehensive profit/(loss) for the year		3,276,148	(5,141,296)

There is no other comprehensive income for the year.

The notes on pages 13 to 31 are an integral part of these consolidated financial statements.

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Consolidated Statement of Changes in Equity

Year to 31 December 2015

	<u>Attributable to owners of the parent</u>			Non-	
	Share	Accumulated	Total	controlling	Total equity
	capital	losses		interests	
	£	£	£	£	£
Balance as at 1 January 2014	25,420,001	(15,441,229)	9,978,772	(104,063)	9,874,709
Issue of share capital	4,000,000	-	4,000,000	-	4,000,000
Loss and total comprehensive loss for the year	-	(5,141,296)	(5,141,296)	-	(5,141,296)
Allocation of losses	-	(11,798)	(11,798)	27,868	16,070
Balance as at 31 December 2014	<u>29,420,001</u>	<u>(20,594,323)</u>	<u>8,825,678</u>	<u>(76,195)</u>	<u>8,749,483</u>
Balance at 1 January 2015	<u>29,420,001</u>	<u>(20,594,323)</u>	<u>8,825,678</u>	<u>(76,195)</u>	<u>8,749,483</u>
Profit and total comprehensive income for the year	-	3,276,148	3,276,148	-	3,276,148
Allocation of profits	-	(29,493)	(29,493)	76,195	46,702
Balance as at 31 December 2015	<u>29,420,001</u>	<u>(17,347,668)</u>	<u>12,072,333</u>	<u>-</u>	<u>12,072,333</u>

The notes on pages 13 to 31 are an integral part of these consolidated financial statements.

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Consolidated Cash Flow Statement

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash utilised from operations	23	(3,259,311)	(5,362,597)
Net cash outflow due to operating activities		(3,259,311)	(5,362,597)
Cash flow from investing activities			
Purchase of fixed assets	5	-	(9,657)
Proceeds from sale of fixed assets		21,469	-
Purchase of intangible assets	6	(173,726)	(1,035,024)
Interest income	19	6,851	9,170
Interest expense	20	(18,874)	(13,772)
Proceeds on disposal of business unit	21	5,875,740	-
Net cash inflow/(outflow) from investing activities		5,711,460	(1,049,283)
Cash flows from financing activities			
Capital contributions received from shareholders	12	-	4,000,000
Capital contributions received from non-controlling interests		10,000	-
Repayment of capital to non-controlling interests		(73,298)	-
Net cash (outflow)/inflow from financing activities		(63,298)	4,000,000
Net increase)/(decrease) in cash and cash equivalents		2,388,851	(2,411,880)
Cash and cash equivalents at beginning of the year	8	7,273,057	9,684,937
Cash and cash equivalents at the end of the year	8	9,661,908	7,273,057

The notes on pages 13 to 31 are an integral part of these consolidated financial statements.

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Notes to the Financial Statements

1 General information

Renshaw Bay (UK) Limited (the 'Company') and its subsidiary, Renshaw Bay LLP, (together, the 'Group') provide investment management and advisory services to various funds and investment vehicles. Renshaw Bay LLP became authorised as a CPM BIPRU Firm (under which authorisation it acted as an Alternative Investment Fund Manager or 'AIFM') on 04 August 2014 and is regulated by the Financial Conduct Authority. Renshaw Bay LLP is authorised to conduct investment activities.

The Company is a limited company, incorporated and domiciled in England and Wales. The address of its registered office is 4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS.

Renshaw Bay Ltd., a company incorporated and domiciled in Guernsey, is the immediate parent undertaking and ultimate controlling party of the Company.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements, which have been consistently applied to all the periods presented, are set out below.

2.1 Basis of presentation

The Group's consolidated financial statements for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income. Accordingly, the consolidated financial statements comprise a consolidated and Company only statement of financial position, a consolidated statement of comprehensive income, a consolidated statement of changes in equity, a consolidated cash flow statement, and related notes.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention.

The Group classifies its expenses by the nature of expense method.

The disclosures on risks from financial instruments are presented in the financial risk management report contained in note 3.

The consolidated cash flow statement shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities. Cash and cash equivalents are disclosed in note 8 of the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies. Any changes to assumptions may have a significant impact on the financial statements for the period over which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's financial statements, therefore, present the financial position and results fairly.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Notes to the Financial Statements (continued)

Standards, amendments and interpretations effective on or after 1 January 2015

There are no standards, amendments and interpretations, which became effective for the first time for the financial period beginning on or after 1 January 2015 that would be expected to have a material impact on Renshaw Bay LLP.

Standards and interpretations issued but not yet adopted

IFRS 9 Financial Instruments

IFRS 9 replaces parts of IAS 39 that addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The standard is expected to become effective for annual periods beginning January 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 will replace IAS 18 and IAS 11 and applies to all contracts with customers except leases, financial instruments and insurance contracts. The standard will establish a more systematic approach for revenue measurement and recognition.

The standard is expected to become effective for annual periods beginning January 2018.

Both IFRS 9 and IFRS 15 are subject to endorsement from the European Union. Accordingly, the standards have not been applied in preparing these financial statements. The standards are relevant for the Group but are not expected to have significant effect on the financial statements.

The Group is currently considering the implications of these standards, assessing the impact that these standards will have on the financial position and performance and the timing of their adoption. Based on the preliminary analysis, no material impact is expected.

Early adoption of standards

The Group did not adopt new or amended standards in 2015 that have yet to become effective.

Renshaw Bay (UK) Limited
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For the year ended 31 December 2015

Notes to the Financial Statements (continued)

2.2 Consolidation

The consolidated financial statements were prepared as of the Company's reporting date.

Subsidiaries

The consolidated financial statements of the Group comprise the financial statements of the Company and all consolidated subsidiaries (note 28).

Subsidiaries are companies in which the Group directly or indirectly holds the majority of the voting rights, where it determines their financial and business policies and is able to exercise control over them to benefit from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. An entity is fully consolidated from the date on which control is transferred to the Group. An entity is removed from that consolidation from the date on which the Group ceases to control that entity.

Inter-company transactions, balances and intra-group gains on transactions between group companies are eliminated. Intra-group losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Accounting and valuation methods for similar transactions and other occurrences under similar circumstances are consistent across all consolidated entities.

Transactions and non-controlling interests

Interests in the equity of subsidiaries not attributable to the parent are reported in consolidated equity as non-controlling interests. Profits or losses attributable to non-controlling interests are reported in the consolidated statement of income as profit or loss attributable to non-controlling interests.

2.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured in Pounds Sterling, being the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pounds Sterling, which is the Company's functional and the Group's presentation currency.

Transactions and balances

Foreign currency transactions that are transactions denominated, or that requires settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the relevant transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

Renshaw Bay (UK) Limited
Company Number: 07471504
For the year ended 31 December 2015

Notes to the Financial Statements (continued)

2.3 Foreign currency translation (continued)

All foreign exchange gains and losses recognised in the income statement are presented net in the consolidated income statement within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Group companies

The subsidiary has the same functional currency as the Company.

2.4 Revenue recognition

Revenue, which is stated net of value added tax, represents fees receivable from the supply of investment management and advisory services, and placement fees from sourcing additional investment.

2.5 Employee benefits

A defined contribution plan is a post-employment benefit plan under which Renshaw Bay LLP pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees. This plan was terminated on 31 March 2016.

2.6 Interest

Interest received and payable are recognised on an accruals basis.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.8 Trade and other receivables

Trade and other receivables are recognised at cost less any provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the original carrying amount and the recoverable amount and this difference is recognised in the statement of comprehensive income.

2.9 Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest and are recognised on an accruals basis.

2.10 Provisions

Provisions recognised are in respect of success fees payable to placement agents arising from past events where it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated.

Movements in the provision are recognised through the income statement.

Notes to the Financial Statements (continued)

2.11 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. The leases entered into by the Group are operating leases. The total payments made under operating leases are charged to other operating expenses in the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place (See note 24).

The operating lease incentive is accounted for in accordance to SIC 15 and is recognised in the income statement on a straight line basis over the period of the lease.

2.12 Property, plant and equipment

All property, plant and equipment used by the parent or its subsidiaries are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation of assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Leasehold improvements: over the remainder of the lease
- Computer equipment: 3 years
- Office equipment: 3 years
- Furniture and fixtures: 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the consolidated statement of financial position. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other operating expenses in the consolidated income statement.

2.13 Intangible asset

Intangible asset relates to the capitalisation of success fee payable to a placement agent. The asset is recognised at cost and amortised on a straight line basis over the life of the investment vehicle. The charge to the profit and loss account is offset against the management fee income received from investors in the investment vehicle.

2.14 Investments

Investments in subsidiary undertakings are stated at cost less any permanent diminution in value.

Notes to the Financial Statements (continued)

2.15 Corporate tax

Current income tax

Current income tax charge is calculated on the basis of the applicable tax law in the jurisdiction in which it is generated by the Group's activities (See note 18). It is recognised as an expense for the period except to the extent that such current tax is charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity. Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against any existing current tax balance.

Where tax losses can be relieved only by being carried forward and applied against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the consolidated statement of financial position.

Deferred income tax

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statement of financial position and that are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from prior period unutilised losses, which Renshaw Bay (UK) Ltd can reasonably expect to utilise in future periods. The full deferred tax asset on brought forward tax losses has not been recognised given that there is uncertainty as to whether sufficient taxable profits will arise in the future.

2.16 Deferred compensation

The Group has operated a remuneration policy whereby a portion of the total compensation for eligible members and employees of Renshaw Bay LLP is deferred over a three year vesting period and is subject to forfeiture. Any amounts not expensed would be disclosed as contingent liability within note 25 of the financial statements.

3 Financial risk management

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign currency, interest rate and price risk), credit risk and liquidity risk.

3.1 Market risk

Market risk is the risk that market conditions lead to a reduction in the value of the funds under management and revenues earned by the Group. As the Group does not actively trade in markets, there is no direct market risk.

3.1.1 Foreign exchange risk

The Group's functional currency is Pound Sterling and therefore it is exposed to fluctuations in currencies other than Pound Sterling which it transacts in. The Group receives income and incurs expenses in currencies other than Pound Sterling. Where possible, non Pound Sterling income is used to cover non Pound Sterling expenses, any surplus non Pound Sterling amounts are converted to Pound Sterling as they arise in order to minimise the Group's foreign exchange risk.

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Notes to the Financial Statements (continued)

3.1.2 Price risk

The Group does not actively trade in markets and therefore is not exposed to either commodity price or equity price risks.

3.1.3 Interest rate risk

Interest rate risk is the risk that changes in interest rates will result in higher financing costs or reduced income from the Group's interest bearing financial assets and liabilities.

The Group's interest rate risk on interest income arises from deposits held with counterparties. The interest rate risk arising on interest income is immaterial.

The Group does not have any borrowings and finances its operations through capital contributions made by its parent company.

3.2 Credit risk

Credit risk is the risk that counterparties, customers or clients of the Group default in payments owed to the Group that could result in the Group suffering a loss.

The Group's core business is primarily to advise and / or manage investment funds, or to advise other Group companies on investment decisions. As a result the Group is not exposed to any material third party credit risk as the majority of the receivables are due from related companies.

3.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of cash requirements from contractual commitments or other cash flows. The Group manages liquidity by maintaining sufficient cash with banks to meet its on-going commitments.

As at 31 December 2015, the Group held cash at bank amounting to £9,661,908 (2014: £7,273,057) and had financial liabilities of £440,517 (2014: £1,744,584) which are due to mature within 3 months of the balance sheet date.

3.3.1 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, members of Renshaw Bay LLP and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Renshaw Bay LLP is subject to FCA capital requirements and accordingly maintains sufficient capital resources to meet this requirement. Further to this the group maintains sufficient capital to meeting FCA capital requirements and to support the Group's risk appetite and economic capital requirements. The Group regards its equity as shown in the reserves as capital.

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Notes to the Financial Statements (continued)

4 Critical accounting estimates and judgments

The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management's judgement, which necessarily have to be made in the course of preparation of the consolidated financial statements.

The Group determines estimates and assumptions that affect the reported amounts of assets and liabilities for the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard.

Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. The application of accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

No estimates are considered critical in the preparation of these financial statements.

5 Property, plant and equipment

Group	Leasehold improvements £	Computer equipment £	Office equipment £	Furniture and fixtures £	Total £
Cost					
Opening balance at 1 January 2015	509,699	207,048	45,266	40,117	802,130
Additions during the year	-	-	-	-	-
Disposals during the year	(509,699)	(62,113)	(15,102)	(14,511)	(601,425)
Balance as at 31 December 2015	-	144,935	30,164	25,606	200,705
Accumulated depreciation					
Opening balance as at 1 January 2015	254,849	157,617	35,383	29,786	477,635
Charge for the year	79,091	41,229	8,442	9,285	138,047
Eliminated on disposal for the year	(333,940)	(55,922)	(13,661)	(13,830)	(417,353)
Balance as at 31 December 2015	-	142,924	30,164	25,241	198,329
Net book value at 31 December 2015	-	2,011	-	365	2,376
Net book value at 31 December 2014	254,850	49,431	9,883	10,331	324,495

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Notes to the Financial Statements (continued)

5 Property, plant and equipment (continued)

Company	Leasehold improvements £	Computer equipment £	Office equipment £	Furniture and fixtures £	Total £
Cost					
Opening balance at 1 January 2015	509,699	62,994	8,852	40,117	621,662
Additions during the year	-	-	-	-	-
Disposals during the year	(509,699)	-	(8,852)	(14,511)	(533,062)
Balance as at 31 December 2015	-	62,994	-	25,606	88,600
Accumulated depreciation					
Opening balance as at 1 January 2015	254,849	50,745	6,879	29,786	342,259
Charge for the year	79,091	12,249	1,904	9,285	102,529
Eliminated on disposal for the year	(333,940)	-	(8,783)	(13,830)	(356,553)
Balance as at 31 December 2015	-	62,994	-	25,241	88,235
Net book value at 31 December 2015	-	-	-	365	365
Net book value at 31 December 2014	254,850	12,249	1,973	10,331	279,403

6 Intangible assets

Group	Success fee £
Cost	
Opening balance at 1 January 2015	1,035,024
Additions during the year	173,726
Disposals during the year	(1,208,750)
Balance as at 31 December 2015	-
Accumulated amortisation	
Opening balance at 1 January 2015	55,058
Charge for the year	143,430
Eliminated on disposal for the year	(198,488)
Balance as at 31 December 2015	-
Net book value at 31 December 2015	-
Net book value at 31 December 2014	979,966

The success fee is recognised at cost less amortisation. Further details are provided at Note 12.

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Notes to the Financial Statements (continued)

7 Investments

	2015	2014
	£	£
Group		
At 1 January	-	-
Additions	55,650	-
Revaluation gains	2,480	-
At 31 December	<u>58,130</u>	<u>-</u>

The investments are limited partner interests in RB St James's Place L.P and RB St James's Place 2 L.P, which reverted to Renshaw Bay LLP in connection with the vesting terms of the original awards under Renshaw Bay LLP's deferred compensation scheme.

	2015	2014
	£	£
Company		
At 1 January	27,989,944	23,270,000
Additions	-	4,719,944
Less impairments	(13,739,966)	-
At 31 December	<u>14,249,978</u>	<u>27,989,944</u>

The investment represents the Company's capital interest in its subsidiary undertaking, Renshaw Bay LLP, a limited liability partnership incorporated in the United Kingdom in which it acts as the Managing Member and holds 99.93% (2014: 99.54%) of the voting rights. The subsidiary's principal activity is the provision of investment management, investment advisory and marketing support services in respect of various funds and investment accounts.

During the year, the Company made no capital contribution (2014: £4,719,944) into Renshaw Bay LLP.

8 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances:

	Group 2015	Company 2015	Group 2014	Company 2014
	£	£	£	£
Cash at bank	<u>9,661,908</u>	<u>174,726</u>	<u>7,273,057</u>	<u>236,698</u>
Total cash and cash equivalents	<u>9,661,908</u>	<u>174,726</u>	<u>7,273,057</u>	<u>236,698</u>

The fair value of cash and cash equivalents approximates to the book value due to the short term maturity of these instruments.

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9 Trade and other receivables

Due within one year	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Amounts due from Renshaw Bay Ltd.	-	-	1,772,836	-
Amounts due from Renshaw Bay LLP	-	52,985	-	-
Amounts due from other related parties (Note 26)	58,402	-	16,854	-
Other receivables	495,009	33,743	352,335	34,667
Deferred tax (Note 23)	445,488	445,488	-	-
Prepayments and accrued income	811,537	17,530	939,548	259,982
Total trade and other receivables	1,810,436	549,746	3,081,573	294,649

Amounts due from Group entities are unsecured, interest free and repayable on demand.

Due within one year	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Other receivables	1,000,000	-	-	-
Total trade and other receivables	1,000,000	-	-	-

£1,000,000 of the upfront cash consideration received by the Renshaw Bay LLP under the GAM Sale was placed in escrow to satisfy potential claims under the transaction documentation that are notified within three years of completion. In view of the nature of the warranties and future obligations under the transaction documentation, the Directors judge the likelihood of any such claim under the transaction documentation to be remote.

10 Trade and other payables

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Current				
Amounts due to Renshaw Bay Ltd.	73,091	-	-	-
Amounts due to Renshaw Bay LLP	-	-	-	9,352
Amounts due to other related parties (Note 26)	-	-	29,683	-
Trade payables	25,991	-	144,686	36,111
Other payables	130	-	66,166	-
Corporation tax (Note 23)	1,387	1,387	-	-
Other taxes and social security costs	115,107	10,266	107,952	-
Accrued expenses	224,811	26,250	1,396,097	274,551
	440,517	37,903	1,744,584	320,014
Non-current				
Other payables	20,000	-	130,000	-
	20,000	-	130,000	-
Total trade and other payables	460,517	37,903	1,874,584	320,014

Trade payables and amounts due to group entities are unsecured, interest free and payable in the short term.

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Notes to the Financial Statements (continued)

11 Provisions

	Success fee £
Group	
At 1 January 2015	1,035,024
Provided for during the year	173,726
Disposals during the year	(1,208,750)
At 31 December 2015	-
	2015
Analysis of total provisions:	£
Current	-
Non-current	-
Total provisions	-
	2014
	£
Current	777,325
Non-current	257,699
Total provisions	1,035,024

The success fee related to fees payable to a third party placement agent that supported fundraising for the real estate finance business of Renshaw Bay LLP up to 27 February 2015. The future benefit of this intangible asset was transferred to companies in the group headed by GAM Holding AG as part of the GAM Sale.

12 Share capital

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Allotted, called up and fully paid				
29,420,001 (2014: 29,420,001) ordinary shares of £1 each	<u>29,420,001</u>	<u>29,420,001</u>	<u>29,420,001</u>	<u>29,420,001</u>

During the year there were no share allotments (2014: 4,000,000).

13 Accumulated Losses

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
At 1 January	(20,594,323)	(939,321)	(15,441,229)	(885,254)
Profit/(loss) for the year	3,276,148	196,198	(5,141,296)	(54,067)
Allocation of losses	29,493	-	(11,798)	-
Investment Impairment	-	(13,739,966)	-	-
At 31 December	(17,347,668)	(14,483,089)	(20,594,323)	(939,321)

The allocation of losses relates to losses allocated to former members of Renshaw Bay LLP in excess of their capital contributions.

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Notes to the Financial Statements (continued)

14 Non-controlling interests

Non-controlling interests represents the interests of the other members of Renshaw Bay LLP.

	2015	2014
Group	£	£
At 1 January	(76,195)	(104,063)
Losses attributed to former non-controlling interests	76,195	27,868
At 31 December	-	(76,195)

15 Directors' emoluments

The Directors did not receive or waive any remuneration in respect of services provided to the Group during the year (2014: £Nil).

16 Personnel expenses

	2015	2014
Group	£	£
Wages and salaries	6,536,426	7,553,980
Social security costs	359,602	351,614
Redundancy costs	186,024	-
Other staff costs	248,319	346,332
Total personnel expenses	7,330,371	8,251,926

The monthly average number of employees during the year (excluding Directors)

	24	32
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17 General and administrative expenses

	2015	2014
Group	£	£
Property expenses	894,156	953,333
Office expenses	119,455	121,836
Travel and entertainment	86,245	274,128
IT systems and market data	697,408	560,327
Legal and professional	413,879	541,298
Royalties	-	250,000
Other expenses	605,332	40,863
Total general and administrative expenses	2,816,475	2,741,785

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Notes to the Financial Statements (continued)

18 Operating profit/(loss)

The following items have been included in arriving at operating profit/(loss):

	2015	2014
	£	£
Group		
Operating lease rentals payable on property	268,049	497,055
Auditors' remuneration:		
-fees payable to the auditors for the audit of the parent company and consolidated financial statements	6,825	6,825
-fees payable to the auditors for the audit of the subsidiary financial statements	33,600	33,600
-fees payable to the auditors for other services – tax services	42,500	48,773
-fees payable to the auditors for other services – regulatory services	5,250	5,250
Depreciation	138,047	198,111
Foreign exchange (gains)/losses	<u>(66,034)</u>	<u>(23,303)</u>

19 Finance income

	2015	2014
	£	£
Interest received	<u>6,851</u>	<u>9,170</u>
Total finance income	<u>6,851</u>	<u>9,170</u>

20 Finance expense

	2015	2014
	£	£
Interest payable	<u>18,874</u>	<u>13,772</u>
Total finance expense	<u>18,874</u>	<u>13,772</u>

21 Profit on disposal of business unit

	2015	2014
	£	£
Gross proceeds	7,400,000	-
Directly attributable costs	<u>(524,260)</u>	<u>-</u>
Profit on disposal of business unit	<u>6,875,740</u>	<u>-</u>

As noted under "Review of business" on page 1 above, on 9 August 2015, Renshaw Bay LLP and Renshaw Bay Ltd. (the "Sellers") agreed the sale of the principal assets of their real estate finance business to companies in the group headed by GAM Holding AG (the "GAM Sale"). The GAM Sale was completed on 2 October 2015. The assets transferred included entities relevant to the real estate finance business, all real estate finance investment management contracts and all relevant client and investor relationships, and, in addition, Renshaw Bay LLP's real estate finance investment team transferred to the GAM group.

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Notes to the Financial Statements (continued)

21 Profit on disposal of business unit (continued)

The Sellers agreed to cease further real estate finance business activity. Renshaw Bay LLP's principal consideration for the sale was made up of upfront cash payments totalling £7,400,000 and contingent annual amounts over a period of five years based on an earn-out defined in terms of revenues and costs of the business transferred. In view of their uncertain nature, the Directors have determined to treat such potential future payments and such performance-related payments as contingent assets. £1,000,000 of the upfront cash payment was placed in escrow to satisfy potential claims under the transaction documentation that are notified within three years of completion. In view of the nature of the warranties and future obligations under the transaction documentation, the Directors judge the likelihood of any such claim under the transaction documentation to be remote, and, in view of this judgement, have determined to recognise the full £7,400,000 (less transaction expenses) on the statement of financial position.

22 Income Tax

	2015	2014
Group	£	£
Current tax:		
Current income tax expense	1,387	-
Deferred tax		
Origination and timing differences (see below)	(445,488)	-
Total income tax	(444,101)	-

The tax on the Group's profit/(loss) before tax differs from the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015	2014
	£	£
Profit/(Loss) before corporation tax	2,832,047	(5,141,296)
Tax expense calculated at standard corporation tax rate in the UK of 20.25%(2014: 21.5%)	573,490	(1,105,379)
Effects of:		
Expenses not deductible for tax purposes	775,209	680,179
Depreciation in excess of capital allowances	-	37,179
Tax losses for which no deferred income tax asset was recognised	-	388,021
Losses attributable to non-controlling interests	(5,446)	-
Amounts exempt from tax	35,585	-
Amounts not recognised for tax purposes	(1,837,048)	-
Tax rate changes	14,109	-
Tax charge	(444,101)	-

A tax credit of £444,101 has been recognised in the Statement of Comprehensive Income and therefore appears as a positive balance on the face of Statement of Comprehensive Income. This tax credit has been booked primarily due to the tax asset recognised in the current year related to the recognition of unutilised brought forward tax losses.

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Notes to the Financial Statements (continued)

22 Income Tax (continued)

The Group had a deferred tax asset included in trade and other receivables as follows:

	2015 £	2014 £
Group		
At 1 January	-	-
Deferred tax credited to Statement of Comprehensive Income	445,488	-
Total deferred tax	445,488	-

	2015 £	2014 £
Group		
The deferred tax provision is made up as follows:		
Unutilised losses	445,488	-
	445,488	-

The Group also had tax losses and other temporary differences of £2,592,680 for which no deferred tax asset has been recognised.

23 Cash utilised from operations

	2015 £	2014 £
Profit/(Loss) before income tax	2,832,047	(5,141,296)
Adjustments for:		
- finance income	(6,851)	(9,170)
- finance expense	18,874	13,772
- depreciation	138,047	198,111
- disposal of business unit	(6,875,740)	-
- amortisation	143,430	55,058
- loss on disposal of property, plant and equipment	162,603	-
- write off of intangible asset	1,010,262	-
- write off of provisions	(486,563)	-
- revaluation gain on investments	(2,480)	-
- investment arising as a result of personnel leaving Renshaw Bay LLP	(55,650)	-
Changes in working capital:		
- trade and other receivables	1,716,625	(972,423)
- trade and other payables	(1,305,454)	(541,673)
- provisions	(548,461)	1,035,024
Cash utilised from operations	(3,259,311)	(5,362,597)

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Notes to the Financial Statements (continued)

24 Commitments

Capital commitments

At 31 December 2015, the Group was not committed to any capital expenditure.

Operating lease commitments

Following the disposal of the business unit and subsequent restructuring, the Group sold its operating lease, which was due to expire on 28 May 2022 subject to a break clause at any time after 28 May 2017. The comparatives reflect the Group's lease commitments under this lease. The Group subsequently entered into an office space rental agreement on 29 September, which was terminated with effect 31 January 2016.

Property	0 – 1 year	1 – 5 years	> 5 years	Total
	£	£	£	£
At 31 December 2015	6,733	£Nil	£Nil	6,733
At 31 December 2014	596,310	844,772	£Nil	1,441,082

The above analysis for 31 December 2014 represents future cash flow obligations arising from property lease arrangements which differ from the amounts expensed in the Consolidated Statement of Comprehensive Income due to an amount equivalent to a 10 month rent-free period being amortised over the duration of the lease period.

25 Contingent liabilities

In prior years, as part of Renshaw Bay LLP's remuneration policy, a portion of the total compensation was awarded in the form of investments in Renshaw Bay-managed funds, and subject to deferral and forfeiture. Renshaw Bay LLP recognised the expense over the three year vesting period. The terms of the agreements with the eligible members and employees stated that payments would depend primarily on whether the individual remained in the employment or membership of Renshaw Bay LLP. As a result of the changes to the business in 2015 the scheme is no longer active, and all deferred interests either became vested in the individuals or were forfeited and reverted to the ownership of Renshaw Bay LLP. As at 31 December 2015, the value of the interests so forfeited that had reverted to the ownership of Renshaw Bay LLP was £58,130.

For the year ended 31 December 2015, the total compensation deferred and not reflected in these financial statements was £Nil (2014: £681,585).

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Notes to the Financial Statements (continued)

26 Related party transactions

Renshaw Bay Ltd., an entity incorporated in Guernsey, is the immediate parent undertaking and ultimate controlling party of the Company. During the year, the Group earned management fees of £2,252,562 (2014: £3,847,388) in respect of investment management and advisory services provided to Renshaw Bay Ltd. The fees receivable have been offset by intercompany settlements of £3,531,271 and expenses incurred by Renshaw Bay Ltd. on behalf of the Group of £567,218 (2014: £54,746). At the year end £73,091 (2014: £1,772,836) was still owed to the Group.

RB SFO 1 Ltd, an entity incorporated in the United Kingdom, is a wholly owned subsidiary of the Group's ultimate controlling party, Renshaw Bay Ltd. During the year, the Group incurred expenses on behalf of RB SFO 1 Ltd in the amount of £4,109 (2014: £13) which are offset by VAT refunds collected amounting to £496 (2014: £496) and settlements received. At the year end there were no amounts outstanding (2014: £183 was owed to the Group).

RB SFO 2 Ltd, an entity incorporated in the United Kingdom, is a wholly owned subsidiary of the Group's ultimate controlling party, Renshaw Bay Ltd. During the year, the Group incurred expenses on behalf of RB SFO 2 Ltd in the amount of £4,109 (2014: £13) which are offset by VAT refunds collected amounting to £496 (2014: £496) and settlements received. At the year end there were no amounts outstanding (2014: £183 was owed to the Group).

RB SFO LLP, an entity incorporated in the United Kingdom, is a wholly owned subsidiary of the Group's ultimate controlling party, Renshaw Bay Ltd. During the year, the Group earned management fees of £1,655,148 (2014: £673,042) in respect of investment management and advisory services provided to RB SFO LLP. At the year end there were no amounts outstanding to the Group (2014: £29,217 was owed to RB SFO LLP).

RB REFS 1 Ltd, an entity incorporated in the United Kingdom, was, until its transfer to the GAM group on completion of the GAM sale on 2 October 2015, a wholly owned subsidiary of the Group's ultimate controlling party, Renshaw Bay Ltd. During the year, the Group incurred expenses on behalf of RB REFS 1 Ltd in the amount of £13 (2014: £Nil) which were offset by VAT refunds collected by the Group amounting to £50 (2014: £50) on behalf of RB REFS 1 Ltd and settlements received. At the year end there were no amounts outstanding (2014: £50 was owed to RB REFS 1 Ltd).

RB REFS 2 Ltd, an entity incorporated in the United Kingdom, was, until its transfer to the GAM group on completion of the GAM sale on 2 October 2015, a wholly owned subsidiary of the Group's ultimate controlling party, Renshaw Bay Ltd. During the year the Group incurred expenses on behalf of RB REFS 2 Ltd in the amount of £13 (2014: £Nil) which were offset by VAT refunds collected by the Group amounting to £50 (2014: £50) on behalf of RB REFS 1 Ltd and settlements received. At the year end there were no amounts outstanding (2014: £50 was owed to RB REFS 2 Ltd).

RB GP4 LLP, an entity incorporated in the United Kingdom, was, until its transfer to the GAM group on completion of the GAM Sale on 2 October 2015, a wholly owned subsidiary of the group's ultimate controlling party, Renshaw Bay Ltd. During the year the group earned management fees totalling £115,255 (2014: £9,948). At the year end there were no amounts outstanding (2014: £Nil).

Renshaw Bay Advisors LLC, an entity incorporated in the USA, is a wholly owned subsidiary of the Group's ultimate controlling party, Renshaw Bay Ltd. During the year, the Group incurred expenses on behalf of Renshaw Bay Advisors LLC in the amount of £41,549 (2014: £323,166). At the year end £58,402 (2014: £16,854) was still owed to the Group.

During the year, the Group engaged the services of a recruitment agency in which the wife of one of the members of Renshaw Bay LLP is a partner. The cost of services provided to the Group amounted to £40,000 (2014: £60,000). At the year end no amounts were outstanding (2014: £Nil).