

Renshaw Bay LLP

Registered Number: OC362386

Members' Report and Financial Statements

For the year ended 31 December 2015

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Renshaw Bay LLP
Registered number OC362386
For the year ended 31 December 2015

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Renshaw Bay LLP
Registered number OC362386
For the year ended 31 December 2015

Administrative Information

Members

R Berliand
A Gulati
Renshaw Bay (UK) Limited

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
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 LLP
Registered number OC362386
For the year ended 31 December 2015

Members' Report

The members present their report and the audited financial statements for Renshaw Bay LLP ('the Partnership') for the year ended 31 December 2015.

Principal activities

The principal activity of the Partnership 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 allocations to members

The profit for the year available for division among members was £3,079,950 pursuant to the amended Partnership agreement dated 12 August 2013 (2014: loss £5,087,229) as shown on page 7. The Partnership's statement of financial position shows total members' interests of £11,458,384 (2014: £8,379,395) which is in line with the members' expectations.

Review of business

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

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

On 9 August 2015, the Partnership 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 general partner 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 Partnership's 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.

The Partnership's structured finance asset management business was substantially wound down in the second half of 2015, and, since 30 December 2015, the Partnership 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 the Partnership'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 the Partnership'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 the Partnership's Investment Committee and Valuation Committee as well as in all other operational areas of the Partnership.

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

¹ See Note 23.

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Members' Report (continued)

Review of business (continued)

The members 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.

Going Concern

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

Members

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

E Ciampichetti (retired 30 October 2015)
A Gordon (retired 2 October 2015)
P Groundwater (retired 31 December 2015)
A Gulati *
I Farinola (retired 2 October 2015)
A Johnson (retired 31 December 2015)
J Rickert (retired 2 October 2015)
P Rosenbauer (retired 20 October 2015)
B Sankey (retired 31 December 2015)
V Thirunamachandran (retired 31 December 2015)
M Williamson (retired 29 May 2015)
W Winters (retired 9 June 2015)
R Berliand *(appointed 7 July 2015)
Renshaw Bay (UK) Limited *
Brumaire Investments Limited (retired 9 June 2015)

* denotes a designated member at the date of this report.

Renshaw Bay (UK) Limited is the Managing Member of the Partnership.

Members' indemnities

The Partnership has qualifying third party indemnity provisions for the benefit of its members which remain in force at the date of this report.

Members' profit allocation

Any profits are shared among the members as decided by the Managing Member and governed by the amended Partnership agreement dated 12 August 2013.

Policy for members' drawings, subscriptions and repayment of members' capital

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the amended Partnership agreement dated 12 August 2013, and their respective terms of admission.

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For the year ended 31 December 2015

Members' Report (continued)

Financial risk management

The financial risk management of the Partnership is detailed in note 3 of the Partnership's financial statements.

Pillar 3

Details of the Partnership's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") are posted on www.renshawbay.com.

UK Stewardship Code

Details of the Partnership's commitment to the UK Stewardship code, required under Rule 2.2.3R of the Financial Conduct Authority's Conduct of Business Sourcebook are posted on www.renshawbay.com.

Remuneration code disclosures

Details of the Partnership's unaudited remuneration code disclosures, required under Rule 11.5.18 and SYSC 19A of the Financial Conduct Authority's Conduct of Business Sourcebook are posted on www.renshawbay.com.

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the Partnership financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Renshaw Bay LLP
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Members' Report (continued)

Disclosure of information to the auditors

The members who were members of the Partnership at the time of approving the members' report are listed on page 1. Each of these members confirms that:

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

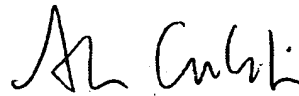
Independent auditors

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

On behalf of the members



R Berliand
Designated Member
19 April 2016



A Gulati
Designated Member
19 April 2016

Renshaw Bay LLP
Registered number OC362386
For the year ended 31 December 2015

Independent Auditors' Report to the members of Renshaw Bay LLP

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the limited liability Partnership's affairs as at 31 December 2015 and of its profit 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

What we have audited

The financial statements, which are prepared by Renshaw Bay LLP, comprise:

- the statement of financial position as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the 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 members 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 limited liability Partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the designated members; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Members' Report and financial statements 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.

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For the year ended 31 December 2015

Independent Auditors' Report to the members of Renshaw Bay LLP (continued)

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 as applicable to limited liability partnerships 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

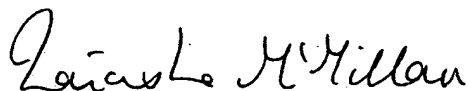
Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the statement of members' responsibilities set out on page 3, the members 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 opinion, has been prepared for and only for the members of the Partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, 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.



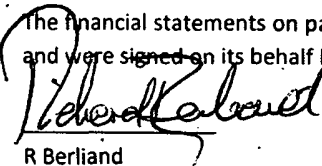
Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 April 2016

Renshaw Bay LLP
Registered number OC362386
As at 31 December 2015

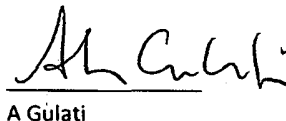
Statement of Financial Position

	Note	2015 £	2014 £
Assets			
Non-current assets			
Property, plant and equipment	5	2,011	45,092
Intangible assets	6	-	979,966
Investments	7	58,130	-
Trade and other receivables	9	1,000,000	-
Total non-current assets		1,060,141	1,025,058
Current assets			
Trade and other receivables	9	1,313,675	2,821,590
Amounts due from members	12	-	9,352
Cash and cash equivalents	8	9,487,182	7,036,359
Total current assets		10,800,857	9,867,301
Total assets		11,860,998	10,892,359
Liabilities			
Current liabilities			
Trade and other payables	10	402,614	1,468,588
Amounts due to members	12	52,985	-
Provisions	11	-	777,325
Total current liabilities		455,599	2,245,913
Non-current liabilities			
Members' capital	12	20,000	130,000
Provisions	11	-	257,699
Total non-current liabilities		20,000	387,699
Capital and reserves			
Members' capital	12	27,952,449	27,952,449
Other reserves	12	(16,567,050)	(19,693,702)
Total members' equity	12	11,385,399	8,258,747
Total equity and liabilities		11,860,998	10,892,359
Total members' interests			
Members' equity	12	11,385,399	8,258,747
Members' capital classified as a liability	12	20,000	130,000
Amounts due to members	12	52,985	-
Amounts due from members	12	-	(9,352)
	12	11,458,384	8,379,395

The financial statements on pages 7 to 25 were approved by the members of the Partnership on 19 April 2016 and were signed on its behalf by:


R Berliand

Designated member


A Gulati

Designated Member

The notes on pages 11 to 25 are an integral part of these financial statements.

Renshaw Bay LLP
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Statement of Comprehensive Income

	Note	2015 £	2014 £
Revenue		6,253,223	6,055,128
Expenses			
Personnel expenses	13	(3,908,577)	(5,133,759)
General and administrative expenses	14	(2,671,033)	(2,827,430)
Depreciation	5	(35,518)	(55,335)
Total operating expenses		(6,615,128)	(8,016,524)
Operating loss	15	(361,905)	(1,961,396)
Profit on GAM sale	18	6,875,740	-
Finance income	16	6,783	6,106
Finance expense	17	(18,874)	(13,772)
Profit/(loss) for the financial year before members' remuneration and profit shares		6,501,744	(1,969,062)
Members' remuneration charged as an expense		(3,421,794)	(3,118,167)
Profit/(loss) available for distribution to members in accordance with the Partnership Agreement		3,079,950	(5,087,229)

There is no other comprehensive income for the year.

The notes on pages 11 to 25 are an integral part of these financial statements.

Renshaw Bay LLP
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Statement of Changes in Equity

Year to 31 December 2015

	Note	Members' equity £	Other reserves £	Total members' equity £
Balance as at 31 December 2013		16,219,750	(7,609,788)	8,609,962
Members capital introduced	12	4,719,944	-	4,719,944
Reclassification of other reserves		7,012,755	(7,012,755)	-
Loss for the year		-	(5,087,229)	(5,087,229)
Allocation of losses		-	16,070	16,070
Balance as at 31 December 2014		27,952,449	(19,693,702)	8,258,747
Members capital introduced	12	-	-	-
Reclassification of other reserves		-	-	-
Profit for the year		-	3,079,950	3,079,950
Allocation of losses		-	46,702	46,702
Balance as at 31 December 2015		27,952,449	(16,567,505)	11,385,399

The notes on pages 11 to 25 are an integral part of these financial statements.

Renshaw Bay LLP
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Statement of Cash Flows

	Note	2015 £	2014 £
Cash flow from operating activities			
Cash utilised from operations	20	(3,243,209)	(5,831,724)
Net cash outflow from operating activities		(3,243,209)	(5,831,724)
Cash flow from investing activities			
Purchase of fixed assets	5	-	(9,657)
Proceeds from sale of fixed assets		5,070	-
Purchase of intangible assets	6	(173,726)	(1,035,024)
Interest income	16	6,783	6,106
Interest expense	17	(18,874)	(13,772)
Proceeds received on disposal of GAM Sale	18	5,875,740	-
Net cash inflow/(outflow) from investing activities		5,694,993	(1,052,347)
Cash flows from financing activities			
Capital contributions received from members	12	10,000	4,719,944
Repayment of capital to members	12	(73,298)	-
Other transactions with members	12	62,337	(31,866)
Net cash (outflow)/inflow from financing activities		(961)	4,688,078
Net increase/(decrease) in cash and cash equivalents		2,450,823	(2,195,993)
Cash and cash equivalents at beginning of the year		7,036,359	9,232,352
Cash and cash equivalents at the end of the year	7	9,487,182	7,036,359

The notes on pages 11 to 25 are an integral part of these financial statements.

Renshaw Bay LLP
Partnership number OC362386
For the year ended 31 December 2015

Notes to the Financial Statements

1. Reporting entity

Renshaw Bay LLP (the "Partnership") is a limited liability partnership formed in England and Wales.

The address of its registered office is 4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS. The Partnership's principal activities are that of providing investment management and advisory services to various investors. The Partnership 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. The Partnership is authorised to conduct investment activities.

2. Summary of significant accounting policies

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

2.1 Basis of presentation

The Partnership's 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, the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 and where appropriate the Statement of Recommended Practice – "Accounting by Limited Liability Partnerships" issued in March 2010. They have been prepared on the going concern basis, under the historical cost convention and are presented in Pounds Sterling.

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

The statement of cash flow shows the changes in cash and cash equivalents arising during the year from operating activities, investing activities and financing activities.

The cash flows from operating, investing and financing activities are determined by using the indirect method.

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 Partnership'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 Partnership'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 financial statements are disclosed in note 4.

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 the Partnership.

Notes to the Financial Statements (continued)

2.1 Basis of presentation (continued)

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 Partnership but are not expected to have significant effect on the financial statements.

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

2.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Partnership are measured in Pounds Sterling, being the currency of the primary economic environment in which the Partnership operates (the functional currency).

Transactions and balances

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

Notes to the Financial Statements (continued)

2.2 Foreign currency translation (continued)

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated using 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 statement of comprehensive income.

2.3 Revenue recognition

Revenue represents fees receivable from the supply of investment management and advisory services, and placement fees for sourcing additional investment. These are recognised net of Value Added Tax.

Revenue is accounted for on an accruals basis.

2.4 Employee benefits

The Partnership operates a defined contribution scheme for the benefit of its employees, under which the Partnership pays fixed contributions into a separate entity and will have no legal obligation to pay further amounts. Contributions payable are charged to the income statement in the year they are payable. The scheme was terminated on 31 March 2016.

2.5 Interest

Interest receivable and payable are recognised on an accruals basis.

2.6 Cash and cash equivalents

For the purpose of the statement of cash flow, 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.

2.7 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 Partnership 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.

2.8 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.

2.9 Provisions

Provisions recognised are in respect of success fee 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 provisions are recognised through the income statement.

Notes to the Financial Statements (continued)

2.10 Property, plant and equipment

All property, plant and equipment used by the Partnership 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 Partnership 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:

- Computer equipment: 3 years
- Office equipment: 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the 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 statement of comprehensive income.

2.11 Intangible assets

Intangible assets relate to the capitalisation of success fee payable to placement agents. The assets are 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.

2.12 Taxation

No taxation is reflected in the financial statements as tax is borne by the individual members in a personal capacity on their attributable profit shares and not the Partnership.

2.13 Deferred compensation

The LLP has operated a remuneration policy whereby a portion of the total compensation for eligible members and employees is deferred over a three year vesting period and is subject to forfeiture. Any amounts not expensed would be disclosed as contingent liability with note 21 of the financial statements.

2.14 Members' remuneration

Members' drawings are charged as a remuneration expense.

The allocation of profits is governed by Schedule 2 of the amended Partnership agreement dated 12 August 2013.

Notes to the Financial Statements (continued)

2.15 Members' capital

Members' capital that is not automatically repayable on retirement is classified as equity. Members' capital that is automatically repayable on retirement is classified as a liability. Members' capital, whether classified as equity or a liability are not interest bearing.

3. Financial risk management

The Partnership's activities expose it to a variety of financial risks, such as foreign exchange, credit, liquidity and interest rate risk.

3.1 Foreign exchange risk

The Partnership's functional currency is Pound Sterling and therefore it is exposed to fluctuations in currencies other than Pound Sterling which it transacts in. The Partnership 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 Partnership's foreign exchange risk.

3.2 Credit risk

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

The Partnership's core business is primarily to advise and / or manage investment funds, or to advise other Renshaw Bay companies on investment decisions. As a result the Partnership 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 Partnership is unable to meet its obligations when they fall due as a result of cash requirements from contractual commitments or other cash flows.

The Partnership assesses its exposure to liquidity risk as part of its ICAAP process and maintains regulatory capital to cover the assessed risk of adverse changes in the value of the firm's assets. The Partnership also maintains appropriate cash reserves to meet funding requirements if necessary.

3.4 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 Partnership. As the Partnership does not actively trade in markets, there is no direct market risk.

3.5 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 Partnership's interest bearing financial assets and liabilities.

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

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

Notes to the Financial Statements (continued)

3.6 Capital management

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

The Partnership is subject to FCA capital requirements and accordingly maintains sufficient capital resources to meet this requirement and to support the Partnership's risk appetite and economic capital requirements.

4. Critical accounting estimates and judgments

The Partnership'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 financial statements.

The Partnership 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 Partnership'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

	Computer equipment £	Office equipment £	Total £
Cost			
Opening balance at 1 January 2015	144,054	36,414	180,468
Additions during the year	-	-	-
Disposals during the year	(62,113)	(6,250)	(68,363)
Balance as at 31 December 2015	81,941	30,164	112,105
Accumulated depreciation			
Opening balance at 1 January 2015	106,872	28,504	135,376
Charge for the year	28,980	6,538	35,518
Disposal for the year	(55,922)	(4,878)	(60,800)
Balance as at 31 December 2015	79,930	30,164	110,094
Net book value at 31 December 2015	2,011	-	2,011
Net book value at 31 December 2014	37,182	7,910	45,092

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Notes to the Financial Statements (continued)

6. Intangible assets

	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. This success fee related to fees payable to a third party placement agent that supported fundraising for the real estate finance business 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,

7. Investments

	2015 £	2014 £
Additions	55,650	-
Revaluation gain	2,480	-
Total investments	58,130	-

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 the Partnership in connection with the vesting terms of the original awards under the Partnership's deferred compensation scheme.

8. Cash and cash equivalents

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

	2015 £	2014 £
Cash at bank	9,487,182	7,036,359
Total cash and cash equivalents	9,487,182	7,036,359

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

Notes to the Financial Statements (continued)

9. Trade and other receivables

Due within one year	2015	2014
	£	£
Amounts due from Renshaw Bay Ltd	-	1,772,836
Amounts due from other related parties (Note 22)	58,402	16,853
Other receivables	461,266	352,335
Prepayments and accrued income	794,007	679,566
Total trade and other receivables	1,313,675	2,821,590

Amounts due from other Renshaw Bay entities are unsecured, interest free and repayable on demand.

Due after one year	2015	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 Partnership 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 members judge the likelihood of any such claim under the transaction documentation to be remote.

10. Trade and other payables

	2015	2014
	£	£
Trade payables	25,991	108,575
Amounts due to Renshaw Bay Ltd	73,091	-
Amounts due to other related parties (Note 22)	-	29,683
Other payables	130	100,832
Other taxes and social security costs	104,841	107,952
Accrued expenses	198,561	1,121,546
Total trade and other payables	402,614	1,468,588

Trade payables are unsecured, interest free and payable in the short term.

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Notes to the Financial Statements (continued)

11. Provisions

	Success fee £
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	-

Analysis of total provisions:

	2015 £	2014 £
Current	-	777,325
Non-current	-	257,699
Total provisions	-	1,035,024

Provisions recognised in 2014 were in respect of success fee payable to a placement agent. See Note 6.

12. Equity

	Members' other interests			Loans and other debts due to members less any amounts due (from)/to members	
	Members' capital classified as equity	Other reserves	Total		Total
	£	£	£	£	£
Balance as at 31 December 2013	16,219,750	(7,609,788)	8,609,962	172,514	8,782,476
Loss for the financial year available for division among members pursuant to the amended Partnership agreement dated 12 August 2013.	-	(1,969,062)	(1,969,062)	-	(1,969,062)
Members' interests after loss for the year	16,219,750	(9,578,850)	6,640,900	172,514	6,813,414
Introduced by members	4,719,944	-	4,719,944	-	4,719,944
Reclassification of other reserves	7,012,755	(7,012,755)	-	-	-
Members' remuneration charged as an expense	-	(3,118,167)	(3,118,167)	-	(3,118,167)
Capital returned	-	-	-	(3,930)	(3,930)
Allocation of losses	-	16,070	16,070	(16,070)	-
Other movements	-	-	-	(31,866)	(31,866)
Amounts due to members					
Members' capital classified as a liability				130,000	
Amounts due from members				(9,352)	
Balance as at 31 December 2014	27,952,449	(19,693,702)	8,258,747	120,648	8,379,395

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Notes to the Financial Statements (continued)

12. Equity (continued)

	Members' other interests		Total	Loans and other debts due to members less any amounts due (from)/to members	Total
	Members' capital classified as equity	Other reserves			
	£	£	£	£	£
Balance as at 31 December 2014	27,952,449	(19,693,702)	8,258,747	120,648	8,379,395
Profit for the financial year available for division among members pursuant to the amended Partnership agreement dated 12 August 2013	-	6,501,744	6,501,744	-	6,501,744
Members' interests after profit for the year	27,952,449	(13,191,958)	14,760,491	120,648	14,881,139
Introduced by members	-	-	-	10,000	10,000
Reclassification of other reserves	-	-	-	-	-
Members' remuneration charged as an expense	-	(3,421,794)	(3,421,794)	-	(3,421,794)
Capital returned	-	-	-	(120,000)	(120,000)
Allocation of Losses	-	46,702	46,702	-	46,702
Other movements	-	-	-	62,337	62,337
Amounts due to members	-	-	-	52,985	52,985
Members' capital classified as a liability	-	-	-	20,000	20,000
Balance as at 31 December 2015	27,952,449	(16,567,050)	11,385,399	72,985	11,458,384

In the event of winding up, the unsecured creditors of the Partnership will be paid before members' items under 'loans and other debts due to members' are paid.

The allocation of losses relates to losses allocated to former members of the Partnership in excess of their capital contributions.

Notes to the Financial Statements (continued)

13. Personnel expenses

	2015	2014
	£	£
Wages and salaries	3,114,632	4,435,813
Social security costs	359,602	351,614
Redundancy costs	186,024	-
Other staff costs	248,319	346,332
Total personnel expenses	3,908,577	5,133,759
The monthly average number of employees during the year	24	32

14. General and administrative expenses

	2015	2014
	£	£
Property expenses	14,716	18,692
Office expenses	119,070	121,836
Travel and entertainment	86,245	274,128
IT systems and market data	696,996	560,327
Legal and professional	329,717	484,770
Recharges from Renshaw Bay (UK) Limited	981,969	1,077,419
Royalties	-	250,000
Other expenses	442,320	40,258
Total general and administrative expenses	2,671,033	2,827,430

15. Operating loss

The following items have been included in arriving at operating loss:

	2015	2014
	£	£
Auditors' remuneration:		
- fees payable to the auditors for audit of financial statements	33,600	33,600
- fees payable to the auditors for other services – tax services	30,000	44,431
- fees payable to the auditors for other services – regulatory services	5,250	5,520
Depreciation	35,518	55,335
Foreign exchange gain	(66,034)	(20,945)

16. Finance income

	2015	2014
	£	£
Interest received	6,783	6,106
Total finance income	6,783	6,106

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Notes to the Financial Statements (continued)

17. Finance expense

	2015	2014
	£	£
Interest payable	18,874	13,772
Total finance expense	18,874	13,772

18. Profit on disposal of business unit

	2015	2014
	£	£
Net disposal consideration	6,875,740	-
Net Profit	6,875,740	-

As noted under "Review of business" on page 1 above, on 9 August 2015, the Partnership 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 Partnership's real estate finance investment team transferred to the GAM group. The Sellers agreed to cease further real estate finance business activity. The Partnership'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 members 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 members 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.

19. Members' remuneration

	2015	2014
	£	£
Profit/(loss) for the financial year available for distribution among members pursuant to the amended Partnership agreement dated 12 August 2013	3,079,950	(5,087,229)
The average number of members during the year	12	16

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Notes to the Financial Statements (continued)

20. Cash utilised from operations

	2015	2014
	£	£
Profit/(Loss) before income tax	3,079,950	(5,087,229)
Adjustments for:		
- finance income	(6,783)	(6,106)
- finance expense	18,874	13,772
- depreciation	35,518	55,335
- disposal of business unit	(6,875,740)	-
- amortisation	143,430	55,058
- loss on disposal of property, plant and equipment	2,493	-
- revaluation gain in investments	(2,480)	-
- investment arising as a result of personnel leaving the Partnership	(55,650)	-
- write off of intangible asset	1,010,262	-
- write off of provisions	(486,563)	-
Changes in working capital:		
- trade and other receivables	1,507,915	(1,707,024)
- trade and other payables	(1,065,974)	(190,554)
- provisions	(548,461)	1,035,024
Cash utilised from operations	(3,243,209)	(5,831,724)

21. Contingent liabilities

In prior years, as part of the Partnerships' 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. The Partnership 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 the Partnership. 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 the Partnership. As at 31 December 2015, the value of the interests so forfeited that had reverted to the ownership of the Partnership 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).

22. Related party transactions

Renshaw Bay Ltd, an entity incorporated in Guernsey, is the ultimate controlling party of the Partnership. During the year, the Partnership 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 Partnership of £567,218 (2014: £54,746 incurred by Renshaw Bay Ltd on behalf of the Partnership). At the year end £73,091 was owed by the Partnership (2014: £1,772,836 was still owed to the Partnership).

Renshaw Bay (UK) Limited is the Managing Member and immediate parent undertaking of the Partnership. During the year, Renshaw Bay (UK) Limited recharged expenses to the Partnership amounting to £981,969 (2014: £1,077,419). The amounts receivable were offset by funding provided by the Partnership. At the year end £52,985 was still owed by the Partnership (2014: £9,352 was owed by Renshaw Bay (UK) Limited).

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Notes to the Financial Statements (continued)

22. Related party transactions (continued)

Renshaw Bay Advisors LLC, an entity incorporated in the USA, is a wholly owned subsidiary of the Partnerships' ultimate controlling party, Renshaw Bay Ltd. During the year, the Partnership 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: £16,853) was still owed to the Partnership.

RB SFO 1 Ltd, an entity incorporated in the United Kingdom, is a wholly owned subsidiary of the Partnerships' ultimate controlling party, Renshaw Bay Ltd. During the year, the Partnership 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 Partnership).

RB SFO 2 Ltd, an entity incorporated in the United Kingdom, is a wholly owned subsidiary of the Partnerships' ultimate controlling party, Renshaw Bay Ltd. During the year, the Partnership 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 Partnership).

RB SFO LLP, an entity incorporated in the United Kingdom, is a wholly owned subsidiary of the Partnerships' ultimate controlling party, Renshaw Bay Ltd. During the year, the Partnership 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 Partnership (2014: £29,217 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 Partnerships' ultimate controlling party, Renshaw Bay Ltd. During the year the Partnership incurred expenses on behalf of RB REFS 1 Ltd in the amount of £13 (2014: £Nil) which were offset by VAT refunds collected amounting to £50 (2014: £Nil) on behalf of RB REFS 1 Ltd and settlements received. At the year end there were no amounts outstanding (2014: £50).

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 Partnerships' ultimate controlling party, Renshaw Bay Ltd. During the year the Partnership incurred expenses on behalf of RB REFS 2 Ltd in the amount of £13 (2014: £Nil) which were offset by VAT refunds collected amounting to £50 (2014: £Nil) on behalf of RB REFS 2 Ltd and settlements received. At the year end there were no amounts outstanding (2014: £50).

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 Partnerships' ultimate controlling party, Renshaw Bay Ltd. During the year the Partnership earned management fees totalling £115,255 (2014: £9,948). At the year end there were no amounts outstanding (2014: £Nil).

During the year, the Partnership engaged the services of a recruitment agency in which the wife of one of the former members of the Partnership is a partner. The cost of the services provided to the Partnership amounted to £40,000 (2014: £35,000). At the year end no amounts were outstanding (2014: £Nil).

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Notes to the Financial Statements (continued)

23. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Renshaw Bay (UK) Limited. This is the smallest group for which consolidated financial statements are prepared.

The ultimate parent undertaking and controlling party is Renshaw Bay Ltd, an entity incorporated in Guernsey. The registered office address of the ultimate parent company is, Redwood House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA.

24. Commitments

As at 31 December 2015, the Partnership was not committed to any capital or operating lease expenditure.

25. Approval of financial statements

The financial statements were authorised for issue on 18 April 2016 by the designated members.