

BlueBay Asset Management LLP

Annual Report and Financial Statements

For the year ended 31 October 2020

Registered number: OC370085

BlueBay Asset Management LLP Annual Report and Financial Statements 2020

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Members' Report

The Members of BlueBay Asset Management LLP ("the LLP") present their Annual Report on the affairs of the LLP, together with the Audited Financial Statements and auditor's report, for the year ended 31 October 2020.

Principal Activity

The principal activity of the LLP is the provision of investment management and advisory services to institutions and high net worth individuals.

The LLP is authorised and regulated by the Financial Conduct Authority ("FCA"). The LLP's Pillar 3 disclosures are available on its website at www.bluebay.com.

Business Review

Revenue for the year was £157,839,000 compared with £188,526,000 for the previous year.

Profit for the year available for profit share among the Members was £22,223,000 compared with £117,575,000 in the previous year.

As at 31 October 2020, the LLP's assets under management were US\$67.0 billion, an increase of 11.3% from the assets under management of US\$60.2 billion at 31 October 2019.

The Members preparations for Brexit commenced in August 2016, ahead of the UK's departure from the European Union on 31 January 2020. BlueBay has completed its preparations for Brexit and as a result does not anticipate any material constraints on its ability to provide services to either UK or EU clients post-Brexit.

Compliance with section 172 of the Companies Act 2006

We, the Board Members of the LLP consider, both individually and collectively, that we have acted in a way that we consider is in line with the requirements of s. 172 of the Companies Act 2006 ("the Act"), which is in good faith and promotes the success of the LLP both for the benefit of the Members as a whole, whilst taking into consideration the remaining stakeholders contained within s. 172 (1) (a - f) of the Act, when taking decisions as a Board during the period 1 November 2019 to 31 October 2020.

The following stakeholders, as defined in s. 172 of the Act, have been identified as key for the BlueBay Group ("the Group"):

- Customers;
- Community/environment;
- Members;
- Regulators; and
- Third-party service provider.

The BlueBay Group is headed by the Board of the LLP, which meets at least quarterly and is a very experienced and diverse Board, comprising of two Independent Non-Executive Board Members, four Non-Executive Board Members and three Executive Board Members. The Board receives appropriate information in a timely manner ahead of each Board Meeting, in addition to many of the Independent Non-Executive Board Members and the Non-Executive Board Members meeting with Management separately to Board Members throughout the year, with a very open dialogue.

The purpose, culture and values that the Board has established, in line with the Group, guide how the factors of s. 172 are applied in its decision making, particularly to ensure that the Board promotes success for shareholders; and below sets out how the Board have considered the matters set out in s. 172 of the Act in Board discussions, decision making and how they affect the development and implementation of strategy in line with the Group; and what the Board and Management plan to do in the future.

Members' Report (continued)

Compliance with section 172 of the Companies Act 2006 (continued)

High standards of business conduct:

- Culture and values - The BlueBay Group believe it is its culture and integrity that sets it apart. To us, this means a deep understanding of our clients' needs, and the collaboration of strong talent. We are continuously evolving in our efforts to offer compelling investment propositions to clients through relevant products with the goal of superior performance. A key element of this is to attract and retain high quality staff who share our goal and vision.
- The firm takes Anti-Money Laundering ("AML") seriously, with clear policies in place and one hundred percent of staff had undertaken Compliance Training (including AML) within the deadline.
- Pursuant to the Modern Slavery Act 2015, the Board reviews a Modern Slavery Statement annually, which is posted on the firm's website.
- Pursuant to the Business Payment Practices and Performance Regulations, the Board reviews and publishes information about its payment practices.
- Impact of the LLP's operations on the community and the environment;
- The BlueBay Group recognises the impact that its activities may have on the wider community and environment, which it takes seriously.
- The BlueBay Group created a Corporate Responsibility Committee ("CRC") during 2020, which is a Group wide initiative for all entities within the BlueBay Group, which is responsible for proposing, implementing, monitoring and reporting on the BlueBay Group's Corporate Responsibility Framework to the Management Committee and the LLP Board and there are four pillars which make up the CRC Framework:
 - o Responsibility to Our People;
 - o Responsibility for Our Conduct;
 - o Responsibility to Our Communities; and
 - o Responsibility for Our Environment.
- The Responsibility to Our Communities Pillar has two priorities; (i) Active participant in the communities in which we operate; and (ii) Using our capabilities to assist the communities in which we operate; with the Charity Committee acting as a working group that feeds into the CRC and assists with the pillar.
- The Responsibility to Our Environment Pillar has two priorities; (i) Understand the impact of our operations on the physical environment; and (ii) Where possible remove, minimise or mitigate our impact on the environment.

Engagement with our clients:

- Delivering long term investment performance for the BlueBay Group's client base is critical to the firm's success as an active fixed income specialist, structured to deliver outcomes tailored for investors seeking to enhance the returns of their portfolios.
- The Board is kept informed of the engagement with clients through the Chief Investment Officer's Update which is tabled at every Board Meeting, and such discussions were a focus during the additional Board Meetings that were held during COVID-19.
- The BlueBay Group established a Conflicts of Interest Committee in 2017 to reinforce governance and oversight of the identification, management and monitoring of conflicts of interest within the BlueBay Group's business.
- Engaging with our Sole Shareholder:
- To support the BlueBay Group's Sole Shareholder with a long-term investment plan, it is important for the BlueBay Group to fulfil its strategic plan.
- The Board has Non-Executive Board Members that represent the sole Shareholder, which enables direct engagement with the Shareholder.
- During COVID-19 there was increased engagement with the Sole Shareholder to keep them informed on how the pandemic was impacting the BlueBay Group and what action was being taken to mitigate such impact both on performance and the working conditions/environment of its staff.

Members' Report (continued)

Compliance with section 172 of the Companies Act 2006 (continued)

Engaging with our Regulators:

- The BlueBay Group operates in a number of jurisdictions, with a number of different regulators.
- The Compliance Team have strong working relationships with the regulators and where appropriate are involved in deep dives, industry body working groups, consultations, etc.
- No enforcement actions were brought against the BlueBay Group during the reporting period.

Engaging with third-party service providers:

- The BlueBay Group uses the services of a number of third-party service providers across business functions and there were no material/significant changes in any outsourced agreements wherein a service/key process/activity had been delegated to a third party to be performed within their environment, which would otherwise be undertaken by BlueBay itself.
- Periodic due diligence is performed on all key third-party service providers and the results are reported to the BlueBay Group's Operating Committee.
- To understand the impact of COVID-19 on key third parties, a set of questionnaires related to COVID-19 action/impact/mitigation were sent to the BlueBay Group's key third parties, with the results assessed and no significant/material findings being identified from the assessment.

Planned Action for the coming year:

The BlueBay Group will be undertaking a review of its Board Agendas, Board Papers and Board Minutes in the coming year, with a view to tailoring its template Board Agendas and Board Packs to include reminders of s.172 of the Act.

In addition, a refresher training for the Board on s.172 of the Act will be arranged for the coming year.

Going Concern

The Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Further details regarding the adoption of the going concern basis can be found in the significant accounting policies in the notes to the Financial Statements.

On 11 March 2020, the World Health Organisation characterised COVID 19 as a pandemic due to the level of spread and severity of the disease. As governments around the world introduced emergency measures in response to the pandemic, the LLP's own response has been closely coordinated with RBC group guidelines and regional public health guidance. To date the LLP has not experienced any significant adverse financial impact from COVID 19, however management are continuing to monitor developments through its risk management framework. Where required, employees have successfully transitioned to working from home with minimal disruption throughout the pandemic.

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

Members' Report (continued)

Key Performance Indicators

The key performance indicators considered by the Members in appraising the performance of the LLP include projections and forecast for the income and expenditure, considering the performance of the underlying investment funds from which the revenue is ultimately derived, regulatory capital position of the LLP and other management information.

Streamlined Energy and Carbon Reporting

In accordance with the Streamlined Energy and Carbon Reporting ('SECR') regulations the LLP is required to publish its annual global emissions. The reporting period is 1 November 2019 to 31 October 2020, which represents the first year of reporting. The LLP has taken the exemption to report prior period emissions in the first period of reporting.

The LLP discloses its annual global emissions using "tonnes of CO2 equivalent"

	Tonnes of CO ² 2020
Scope 3 – Air travel	433.9
Total	433.9

Tonnes of CO2 per employee* in the year was 1.4.

*Members of the LLP and employees of BlueBay Asset Management Corporation Ltd.

The LLP follows ISO14064:1 standard for its reporting and takes operational control approach to reporting. The conversion rate of units is taken from the Government conversion factors 2020 and are detailed below:

Scope 3 emissions have been calculated using the estimated emissions of business flights.

As set out in the 'Compliance with section 172 of the Companies Act 2006' of the Members report the BlueBay Group created a Corporate Responsibility Committee during the year, which initiatives include the energy efficiency of the LLP. Such initiatives include the use of virtual meetings, alternative transport and flight types to reduce the LLP's Scope 3 emissions.

UK Stewardship Code

Details of the LLP's commitment to the UK Stewardship Code required under rule 2.2.3R of the Financial Conduct Authority's Conduct of Business Sourcebook is available on its website at www.bluebay.com.

Designated Members

The designated Members (as defined in the Limited Liability Partnerships Act 2000) up to the date of this report were:

- BlueBay Asset Management (Services) Ltd ("BBAM Services") – served throughout the period; and
- James Brace – served throughout the period.

Members' Report (continued)

Members' drawings and subscription and repayment of capital

The Partnership Agreement of the LLP governs Members' drawings, subscriptions and repayments of Members' capital. The capital of the LLP is divided into Class A units and Class B units. The Board of the LLP determines Members' capital contribution for Class A unitholders. Members who are Class B unitholders contribute £20,000. The Board of the LLP has the discretion to allow Members to make drawings in advance of the end of the financial year in anticipation of their profit entitlements for such financial year. A member does not have the right directly or indirectly to receive back any part of the amount standing to the credit of its capital contribution account except at the discretion of the Management Committee of the LLP or on ceasing to be a member only in circumstances where an equal amount of capital is contributed by the remaining Members.

The voting rights between the Class A and Class B unitholders are divided 51% and 49% respectively.

Statement of disclosure of information to the Auditor

Each of the persons who is a Member at the date of approval of these Financial Statements confirms that:

- So far as the Member is aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- The Member has taken all the steps that he or she ought to have taken as a Member in order to make himself/herself aware of any relevant audit information and to establish that the LLP's Auditors are aware of that information.

Auditor

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

Approved by the Members and signed on their behalf by:



Luc Leclercq

On behalf of BlueBay Asset Management (Services) Ltd (Designated Member)
3 February 2021

Members' Responsibilities Statement

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

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the Members to prepare Financial Statements for each financial year. Under that law the Members have prepared the Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, as applied to limited liability partnerships, the Members must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the Financial Statements, the Members are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

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

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

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 October 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 October 2020; the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Members' Responsibilities Statement set out on page 6, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the 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.

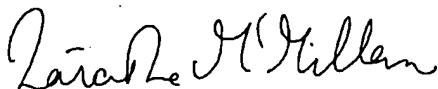
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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.



Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 February 2021

BlueBay Asset Management LLP Annual Report and Financial Statements 2020

Income Statement

For the year ended 31 October 2020

	Notes	2020 £000s	2019 £000s
Revenue	2	157,839	188,526
Cost of sales – commissions		(1,071)	(3,178)
Gross profit		156,768	185,348
Other income		1,954	-
Foreign exchange gains / (losses)	4	1,306	(1,260)
Administrative expenses		(138,295)	(141,074)
Operating profit	3	21,733	43,014
Finance income	6	528	481
Net gain on sale of subsidiary	7, 10	-	74,164
Profit before tax for the financial year available for discretionary profit share among the Members		22,261	117,659
Taxation	8	(38)	(84)
Profit for the financial year available for discretionary profit share among the Members		22,223	117,575

The notes to the Financial Statements are on pages 14 to 32 are an integral part of these Financial Statements.

All activities are derived from continuing operations.

Statement of Comprehensive Income

For the year ended 31 October 2020

	2020 £000s	2019 £000s
Profit for the year available for discretionary profit share among the Members	22,223	117,575
Items that may subsequently be reclassified to profit or loss:		
Cash flow hedges		
Hedging net (losses) / gains arising during the year	(481)	41
Reclassification to Income Statement	(1,305)	1,745
Movement on cash flow hedges	(1,786)	1,786
Total comprehensive income for the year available for discretionary profit share among the Members	20,437	119,361

All amounts relate to continuing operations.

The notes to the Financial Statements are on pages 14 to 32 are an integral part of these Financial Statements.

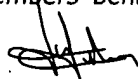
Statement of Financial Position

As at 31 October 2020

	Notes	2020 £000s	2019 £000s
Assets			
Current assets			
Trade and other receivables	11	30,780	32,828
Amounts due from Members		10,049	13,437
Financial assets at fair value through profit or loss	12	11,080	2,663
Cash and cash equivalents	13	41,965	140,333
Total current assets		93,874	189,261
Total assets		93,874	189,261
Liabilities			
Current liabilities			
Trade and other payables	14	(15,541)	(13,910)
Amounts due to Members		(7,950)	(7,501)
Financial liabilities at fair value through profit or loss	15	-	(109)
Total current liabilities		(23,491)	(21,520)
Net assets attributable to Members		70,383	167,741
Represented by:			
Members' Other Interests			
Members' capital classified as equity		48,160	48,380
Fair value reserve		-	1,786
Other reserves		22,223	117,575
Total		70,383	167,741
Total Members' interests:			
Members' capital classified as equity		48,160	48,380
Cash flow hedge reserve		-	1,786
Other reserves		22,223	117,575
Amounts due to Members		7,950	7,501
Amounts due from Members		(10,049)	(13,437)
Total		68,284	161,805

The significant accounting policies and notes on pages 14 to 32 are an integral part of these Financial Statements.

The Financial Statements of BlueBay Asset Management LLP (registered number OC370085) were approved by the Members and authorised for issue on 2 February 2021. They were signed on the Members' behalf by:



Luc Leclercq

On behalf of BlueBay Asset Management (Services) Ltd (Designated Member)
3 February 2021

Statement of Changes in Equity

As at 31 October 2020

	Members' capital classified as equity £000s	Cash flow hedge reserve £000s	Other reserves £000s	Total £000s
Balance at 1 November 2019	48,380	1,786	117,575	167,741
Introduction of member's capital	20	-	-	20
Return of Member's capital	(240)	-	-	(240)
Allocation of prior year profit	-	-	(117,575)	(117,575)
Fair value losses on derivatives designated in cash flow hedges	-	(481)	-	(481)
Fair value gains on cash flow hedges transferred to the Income Statement	-	(1,305)	-	(1,305)
Profit for the year available for discretionary profit share among Members	-	-	22,223	22,223
Balance at 31 October 2020	48,160	-	22,223	70,383

	Members' capital classified as equity £000s	Cash flow hedge reserve £000s	Other reserves £000s	Total £000s
Balance at 1 November 2018	48,460	-	51,342	99,802
Return of Member's capital	(80)	-	-	(80)
Allocation of prior year profit	-	-	(51,342)	(51,342)
Fair value gains on derivatives designated in cash flow hedges	-	41	-	41
Fair value losses on cash flow hedges transferred to the Income Statement	-	1,745	-	1,745
Profit for the year available for discretionary profit share among Members	-	-	117,575	117,575
Balance at 31 October 2019	48,380	1,786	117,575	167,741

The notes to the Financial Statements on pages 14 to 32 are an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 October 2020

	Notes	2020 £000s	2019 £000s
Cash flows from operating activities			
Cash generated from operations	16	23,577	39,715
Net interest income		501	500
Taxation paid		(119)	-
Net cash generated from operating activities		23,959	40,215
Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss		(10,171)	(861)
Sale of financial assets at fair value through profit or loss		1,802	-
Investment to subsidiary undertaking	10	-	(3,500)
Proceeds from disposal of subsidiary	10	-	81,839
Net cash (used in) / generated from investing activities		(8,369)	77,478
Cash flows used in financing activities			
Introduction of Members' capital		20	-
Return of Members' capital		(240)	(80)
Members' drawings		(113,738)	(48,900)
Net cash used in financing activities		(113,958)	(48,980)
Net (decrease) / increase in cash and cash equivalents		(98,368)	68,713
Cash and cash equivalents at the beginning of the year		140,333	71,620
Cash and cash equivalents at the end of the year	13	41,965	140,333

The notes to the financial statements are on pages 14 to 32 are an integral part of these Financial Statements.

Notes to the Financial Statements

1. Significant Accounting Policies

Basis of accounting

BlueBay Asset Management LLP ("the LLP") is a limited liability partnership and is domiciled and incorporated in the United Kingdom under the Limited Liability Partnerships Act 2000. The LLP's registered office is 77 Grosvenor Street, London W1K 3JR.

The results of investment management activities are reflected in the Financial Statements as performance fees and management fees and associated receivables.

The significant accounting policies applied in the preparation of the Financial Statements are summarised below. These policies have been consistently applied in the current and prior year.

a) Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the requirements of the Companies Act of 2006 as applied to limited liability partnership by the Limited Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulation 2008.

The Financial Statements have been prepared under the historical cost convention, except for the measurement at fair value of investments that are held at fair value through profit or loss. The Financial Statements have been prepared on a going concern basis.

b) Going concern

The Members have, at the time of approving the Financial Statements, a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus they have adopted the going concern basis of accounting in preparing the Financial Statements.

c) Impact of new accounting standards

The following Standards and Interpretations came into effect in the period and are applied in these Financial Statements:

- (i) IFRS 16 – Leases - Effective for periods beginning on or after 1 January 2019
The LLP has assessed the impact of IFRS 16 and no adjustments will be required in the results of the LLP based on its current activities.
- (ii) IFRIC 23 – Uncertainty over Income Tax Treatments – Effective 1 January 2019
The interpretation provides clarification as to how the recognition and measurement requirements of IAS 12 Income Tax should be applied. The LLP assessed the impact of IFRIC 23 and has had no material impact to its Financial Statements.

At the date of authorisation of these Financial Statements, there were no standards and interpretations relevant to the LLP's operation that were issued by the IASB that are mandatory for the LLP's annual accounting periods beginning 1 November 2020.

d) Critical accounting estimates and judgements

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgement at the date of preparation of the Financial Statements, deviate from actual circumstances, the original estimates and assumptions, such as Accruals, provisions and estimates of useful life, will be modified as appropriate in the period in which the circumstances change. The Members are not aware of any significant uncertainty in the preparation of the Financial Statements.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

e) Trade receivables

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

f) Cash and cash equivalents

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

g) Trade and other payables

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

h) Provisions

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

i) Income recognition

(i) Revenue

Revenue comprises the fair value for the provision of services, net of any value added tax, rebates and discounts. Revenue is recognised as follows:

- (a) Management fees – which include all non-performance related fees, are recognised in the period in which the services are rendered.
- (b) Performance fees – are calculated by reference to the appreciation in the net asset value of the relevant fund during the performance period. Performance fees are only recognised once they can be measured reliably. The LLP can only reliably measure a performance fee when the net asset value of the relevant fund can be accurately calculated for the end of the performance fee period. Performance fees are not recognised where performance fee periods end after the LLP's Statement of Financial Position date, since the net asset value could move significantly between these two dates, as a result of market movements.
- (c) Rebates – represent amounts paid by the LLP to investors in the funds based on the initial management and performance fee charged by the LLP (percentage of rebate varying depending on contracts).

(ii) Finance income

Net finance income includes interest income on cash and cash equivalents and interest expense on overdue tax, recognised on an accrual basis.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

j) Commission payments

The LLP operates a number of distribution agreements. Commission payments made to intermediaries for ongoing services under these distribution agreements are charged to the Income Statement as a cost of sale in the period in which the service is provided. There are no arrangements where commission payments are not for ongoing services.

k) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

Currency	2020	2019
GBP/USD	1.2958	1.2953
GBP/EUR	1.1123	1.1614

l) Investments

(i) Classification

Investments are classified as Financial Assets at Fair Value through Profit and Loss (FVPL) in accordance with IFRS 9. These investments relate to a Collateralised Loan Offering ('CLO') which is managed by the LLP. The CLO is held until redemption and classified as debt instruments under the 'other' business model, in accordance with IFRS 9.

(ii) Recognition and Measurement

Purchases and sales of investments are recognised on trade-date, the date on which the LLP commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the LLP has transferred substantially all the risks and rewards of ownership.

The CLO is valued based on quoted market prices or dealer price quotations traded in active market on the Statement of Financial Position date. Unrealised gains and losses arising from changes in fair value are recognised through profit and loss.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

l) Investments (continued)

Investments are classified in accordance with the following three-level hierarchy for fair value measurement disclosure, as follows:

- o Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- o Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- o Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

m) Investments in subsidiaries

Investments in subsidiaries are held at cost, less provision for impairment. Gains / losses from disposal of subsidiaries are recognised in the Income Statement.

n) Forward currency contracts

The LLP minimises the foreign exchange risk of the material outstanding fees receivable balance in foreign currency on a monthly basis by way of currency forward contract arrangements.

Currency forward contracts represent commitments to sell or purchase foreign or domestic currency and forwards are contractual obligations to receive or pay amounts based on changes in currency rates at a future date at a specified price.

Currency forward contracts are initially recognised in the Statement of Financial Position at fair value and subsequently measured at their fair value on each balance sheet date. Changes in fair value are recognised in profit or loss unless cash flow hedge accounting is applied.

Cash hedges

The LLP also minimises foreign exchange risk of future forecasted fees receivable in foreign currency by way of currency forward contract arrangements.

Where the hedging relationship is classified as a cash flow hedge, to the extent that the hedge is effective, changes in the fair value of the hedging instrument will be recognised directly in Other Comprehensive Income rather than in the Income Statement, with the ineffective portion immediately recognised in the Income Statement. When the hedged item impacts net profit or loss, the relevant portion of the accumulated gains and losses recognised in Other Comprehensive Income will be recycled to the Income Statement when the hedged item impacts net profit or loss for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting in accordance with IAS 39. At that point in time, any cumulative gain or loss on the hedging instrument recognised in Other Comprehensive Income is kept in Other Comprehensive Income until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Other Comprehensive Income is transferred to net profit or loss for the period.

Notes to the Financial Statements (continued)**1. Significant Accounting Policies** (continued)**o) Members' Capital**

Members' Capital is only repayable upon retirement or at the discretion of the Management Committee, provided the overall capital of the LLP is not diminished and accordingly, is classified as equity.

A division of profits that is discretionary on the part of the LLP is recognised as an appropriation of equity when the division occurs.

2. Revenue

Revenue and profit for the year available for profit share among Members are attributable to the LLP's principal activity and sole class of business being the provision of investment management and advisory services to institutions and high net worth individuals.

Although the LLP's offices are located in London, investment management income is generated in the jurisdiction either where fund product entities are registered or where clients who mandate the LLP through segregated accounts are domiciled.

The revenue stated below is net of rebates which were £6,758,000 in 2020 (2019: £7,857,000).

The geographical breakdown of revenue is as follows:

	2020 £000s	2019 £000s
Europe		
Luxembourg	77,417	114,220
United Kingdom	14,385	12,278
Rest of Europe	10,564	17,375
The Americas		
Cayman Islands	24,342	20,783
United States of America	6,963	3,366
Canada	21,195	18,743
Rest of the World	2,973	1,761
	157,839	188,526

The breakdown of revenue by revenue type is as follows:

	Notes	2020 £000s	2019 £000s
Third party management fees		44,975	42,811
Third party performance fees		6,534	87
Fees from affiliated entities	18	104,007	141,431
Performance fees from affiliates	18	2,323	4,197
		157,839	188,526

Notes to the Financial Statements (continued)

3. Operating profit

Audit and non-audit fees

	2020 £000s	2019 £000s
Audit of the Financial Statements	123	109
Other amounts pursuant to legislation	10	10
Other assurance services	84	85
Total Auditor's remuneration	217	204

4. Foreign exchange gains / (losses)

	2020 £000s	2019 £000s
Foreign exchange gain / (loss) recognised	1,253	(664)
(Losses) / gains on forward contracts	(1,252)	1,149
Fair value gains / (losses) on cash flow hedges transferred to the Income Statement	1,305	(1,745)
Net foreign exchange gains / (losses) recognised	1,306	(1,260)

5. Members' remuneration

The amount of profits to be distributed is determined after the Financial Statements have been finalised and approved by the Members. The profits are then shared amongst the Members, including BlueBay Asset Management (Services) Ltd ("BBAM Services"), after the end of the financial period in accordance with agreed profit sharing arrangements.

Members do not receive any interest on their capital contributions or any remuneration other than their share of profits in accordance with the Partnership Agreement.

On 1 November 2019, 19 Members ceased their membership of the LLP and transferred over to BlueBay Asset Management Corporation Limited as employees. This event reduced the number of Class B unitholders from 19 to 8, with the split of voting rights between the Class A and Class B unitholders remaining at 51% and 49% respectively.

The average number of Members during the year to 31 October 2020 was 8 (2019: 20).

The highest paid member during the year to 31 October 2020 was BlueBay Asset Management (Services) Ltd which was distributed £7,869,000 (2019: £89,258,000).

Notes to the Financial Statements (continued)

6. Finance income

	2020 £000s	2019 £000s
Interest on cash and cash equivalents	452	481
Interest from CLO	76	-
Finance income	528	481

7. Net gain on sale of subsidiary

	2020 £000s	2019 £000s
Gain on disposal of subsidiary (note 10)	-	78,339
Costs directly associated with disposal of subsidiary	-	(4,175)
Net gain on sale of subsidiary	-	74,164

8. Taxation

Analysis of tax charge:

	2020 £000s	2019 £000s
Germany and Australia corporation tax	38	84

In the UK, tax payable on the allocation of profits to Members is the personal liability of the Members and hence is not shown in these Financial Statements.

Reconciliation of tax charge:

	2020 £000s	2019 £000s
Profit for the financial year before taxation	22,261	117,659
Less amounts subject to tax in the hands of Members	(22,153)	(117,395)
Profit subject to taxation	108	264
At weighted average tax rate in Germany and Australia of 31.9% (2019: 31.9%)	34	84
Prior year adjustment	4	-
Total tax expense	38	84

Notes to the Financial Statements (continued)**9. Financial risk management****Credit risk management**

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

Financial assets subject to credit risk are:

	Notes	2020 £000s	2019 £000s
Cash and cash equivalents with external parties		21,965	20,333
Related party cash and cash equivalents	18	20,000	120,000
Total cash and cash equivalents		41,965	140,333
Amounts owed by affiliated entities	18	4,636	10,219
Other trade receivables ¹	11	26,144	22,609
Total trade receivables		30,780	32,828
Amounts due from Members	18	10,049	13,437
Total amounts due from Members		10,049	13,437
Forward foreign exchange contracts	12	-	1,802
Investment in CLO	12	11,080	861
Total financial assets		11,080	2,663
Total		93,874	189,261

¹ Includes prepayments which are not subject to credit risk

(i) Counterparty credit rating

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

	A-1 or better %	B- or better %	Not rated %
31 October 2020			
Cash and cash equivalents	100.0	-	-
Amounts owed by related parties	-	-	100.0
Other trade receivables	-	-	100.0
Amounts due from Members	-	-	100.0
Investment in CLO	75.0	12.5	12.5

Notes to the Financial Statements (continued)**9. Financial risk management** (continued)**Credit risk management** (continued)

(i) Counterparty credit rating (continued)

31 October 2019	A-¹ or better %	Not rated %
Cash and cash equivalents	100.0	-
Amounts owed by related parties	-	100.0
Other trade receivables	-	100.0
Amounts due from Members	-	100.0
Forward foreign exchange contracts	100.0	-
Investment in CLO	-	100.0

¹ Standard & Poor's ratings

(ii) Ageing and impairment of financial assets according to the contractual due date

Other trade receivables relate to management and performance fees owed by funds and segregated mandates managed by the LLP. The ageing profile of amounts owed by these counterparties at the end of the year is as follows:

	As at 31 October 2020 £000s	As at 31 October 2019 £000s
Not older than 30 days	28,384	29,738
Older than 30 days not older than 60 days	558	-
Older than 60 days not older than 90 days	48	-
Older than 90 days	1,790	3,090
Total	30,780	32,828

Amounts not older than 30 days are neither past due nor impaired as these amounts are recoverable.

Amounts older than 30 days are past due but not impaired. This represents 2.3% of the total fees outstanding (at 31 October 2019: 1.7%). Factors considered in determining whether impairment as taken place include the deterioration in the credit quality of a counterparty and knowledge of specific events that could influence a debtor's ability to repay an amount due. No impairments were recorded on items exposed to credit risk in either the current or comparative financial year.

The maximum credit exposure is equivalent to the carrying/fair value of the balances shown.

Amounts due from Members are expected to be settled via profit allocations.

(iii) Concentrations of credit risk

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

	31 October 2020 £000s	31 October 2019 £000s
AA- ¹ rated bank	20,000	120,000
A- ¹ rated bank	21,965	20,333

¹ Standard & Poor's ratings

The amount of these exposures can change significantly each month.

Notes to the Financial Statements (continued)**9. Financial risk management (continued)****Market risk****(i) Foreign exchange risk**

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

As at 31 October 2020

Financial assets	Notes	Sterling £000s	US Dollar £000s	Euro £000s	Other £000s	Total £000s
Cash and cash equivalents	13	37,955	1,513	564	1,933	41,965
Trade and other receivables ¹	11	8,456	6,344	11,524	4,456	30,780
Amounts due from Members		10,049	-	-	-	10,049
Investment in CLO	12	-	-	11,080	-	11,080
Total financial assets		56,460	7,857	23,168	6,389	93,874

¹ Includes £3,484,000 of prepayments which are not subject to foreign exchange risk

Financial liabilities	Notes	Sterling £000s	US Dollar £000s	Euro £000s	Other £000s	Total £000s
Trade and other payables due within one year ²	14	10,219	4,507	54	761	15,541
Amounts due to Members		7,950	-	-	-	7,950
Total financial liabilities		18,169	4,507	54	761	23,491

² Includes £1,618,000 of accruals which are not subject to foreign exchange risk

As at 31 October 2019

Financial assets	Notes	Sterling £000s	US Dollar £000s	Euro £000s	Other £000s	Total £000s
Cash and cash equivalents	13	131,340	3,412	5,054	527	140,333
Trade and other receivables ¹	11	6,903	5,242	16,710	3,973	32,828
Amounts due from Members		13,437	-	-	-	13,437
Forward foreign exchange contracts	12	1,802	-	-	-	1,802
Investment in CLO	12	-	-	861	-	861
Total financial assets		153,482	8,654	22,625	4,500	189,261

¹ Includes £3,011,000 prepayments which are not subject to foreign exchange risk

Notes to the Financial Statements (continued)**9. Financial risk management (continued)****Market risk (continued)****(i) Foreign exchange risk (continued)****As at 31 October 2019**

Financial liabilities	Notes	Sterling £000s	US Dollar £000s	Euro £000s	Other £000s	Total £000s
Trade and other payables due within one year ²	14	9,002	1,795	1,961	1,152	13,910
Amounts due to Members		7,501	-	-	-	7,501
Forward foreign exchange contracts	15	109	-	-	-	109
Total financial liabilities		16,612	1,795	1,961	1,152	21,520

² Includes £3,525,000 accruals which are not subject to foreign exchange risk

Financial liabilities comprise of current trade payables and accruals, amount due to Members and forward foreign exchange contracts. They do not include provisions which are explicitly excluded from the definition of a financial instrument under IFRS 7.

The LLP estimates, by recalculating the balance sheet values of financial assets and liabilities denominated in foreign currencies, that at 31 October 2020, if the foreign currency rates applicable to the LLP's financial assets and liabilities strengthened/(weakened) by 100 basis point against sterling, with all other variables held constant, pre-tax profit for the year would have (decreased)/increased by (£8,000)/£8,000 respectively, principally as a result of the (decrease)/increase in assets and liabilities denominated in foreign currencies (at 31 October 2019: (£264,000)/£264,000).

(ii) Interest rate risk

Interest rate risk is the risk arising from unexpected or untoward movements in interest rates. The LLP's monetary assets which attract interest rate risk are cash balances which are held at a floating rate and the investment in CLO.

At 31 October 2020, if interest rates had been 100 basis points higher with all other variables held constant, post-tax profit for the year would have been £678,000 higher (at 31 October 2019: £629,000 higher), if interest rates had decreased to nil basis points the post-tax profit would have been £528,000 lower (31 October 2019: £481,000 lower).

Liquidity risk management

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

Notes to the Financial Statements (continued)

9. Financial risk management (continued)

Liquidity risk management (continued)

(i) Financial assets and liabilities

The table below analyses the LLP's financial assets and liabilities. The amounts disclosed are the contractual undiscounted cash flows.

Financial assets	Notes	31 October 2020 £000s	31 October 2019 £000s
Cash and cash equivalents	13	41,965	140,333
Amounts due from Members		10,049	13,437
Trade and other receivables ¹	11	30,780	32,828
Forward foreign exchange contracts	12	-	1,802
Investment in CLO	12	11,080	861
Total financial assets		93,874	189,261

¹ Includes prepayments of £3,484,000 (2019: 3,011,000) which are not subject to liquidity risk

Financial liabilities	31 October 2020 £000s	31 October 2019 £000s
Less than 30 days	12,898	8,368
Greater than 30 days less than 60 days	1,736	3,584
Greater than 60 days less than 90 days	1,052	1,520
Greater than 90 days but less than 120 days	-	-
Greater than 120 days but less than 180 days	-	-
Greater than 180 days	7,805	8,048
Total financial liabilities²	23,491	21,520

² Includes accruals of £1,618,000 (2019: £3,525,000) which are not subject to liquidity risk

The LLP's total financial assets exceed its total financial liabilities in the ratio 4.0:1 (31 October 2019: 8.8:1).

(ii) Commitments

Capital commitments and contingent liabilities

The LLP is the manager for the CLO which was issued in the year. The LLP has nil commitments as at 31 October 2020 (31 October 2019: €11,250,000).

The LLP had no contingent liabilities as at 31 October 2020 (31 October 2019: nil).

Notes to the Financial Statements (continued)**9. Financial risk management** (continued)**Classes of financial instruments****As at 31 October 2020:**

	Notes	Held at Fair value £000s	Held at amortised cost £000s	Total £000s
Financial assets				
Cash and cash equivalents	13	-	41,965	41,965
Amounts due from Members		-	10,049	10,049
Trade and other receivables	11	-	30,780	30,780
Forward foreign exchange contracts	12	-	-	-
Investment in CLO	12	11,080	-	11,080
Total financial assets		11,080	82,794	93,874
Financial liabilities				
Trade and other payables	14	-	15,541	15,541
Amounts due to Members		-	7,950	7,950
Total financial liabilities		-	23,491	23,491

As at 31 October 2019:

	Notes	Held at Fair value £000s	Held at amortised cost £000s	Total £000s
Financial assets				
Cash and cash equivalents	13	-	140,333	140,333
Amounts due from Members		-	13,437	13,437
Trade and other receivables	11	-	32,828	32,828
Forward foreign exchange contracts	12	1,802	-	1,802
Investment in CLO	12	861	-	861
Total financial assets		2,663	186,598	189,261
Financial liabilities				
Trade and other payables	14	-	13,910	13,910
Amounts due to Members		-	7,501	7,501
Forward foreign exchange contracts	12	109	-	109
Total financial liabilities		109	21,411	21,520

Notes to the Financial Statements (continued)**9. Financial risk management (continued)****Classes of financial instruments (continued)**

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

Capital management

The LLP uses its capital to support the growth of the business, to provide it with a cushion to shield it from adverse market conditions and to ensure that it is at all times able to meet its regulatory capital requirements. In accordance with the requirements of the Internal Capital Adequacy Assessment Process ("ICAAP"), the potential adverse effects of specific individual and combinations of operational risks have been assessed. In addition, using multi-year financial models, a number of potential adverse scenarios have been analysed in order to determine their effect on the LLP's capital.

The LLP has been in compliance with the minimum regulatory capital requirements set by the Financial Conduct Authority at all times during the year.

Once these requirements have been met, available capital may be used to make profit distributions to Members, to provide funding for the LLP's deferred compensation programmes and to provide funding for new business initiatives.

10. Investment in subsidiaries

	Notes	2020 £000s	2019 £000s
At 1 November 2019 and 2018		-	-
Investment in subsidiary		-	3,500
Disposal of subsidiary		-	(81,839)
Gain on disposal on subsidiary	7	-	78,339
At 31 October 2019 and 2020		-	-

11. Trade and other receivables

	Notes	2020 £000s	2019 £000s
Amounts owed by affiliated entities	18	4,017	8,300
Other trade receivables		11,939	9,778
Other receivables		3,479	1,349
Other affiliated entities receivables	18	619	1,919
Amounts owed by related parties	18	7,242	8,020
VAT receivable		-	451
Prepayments		3,484	3,011
Total amounts falling due within one year		30,780	32,828

Trade receivables are held with the objective to collect contractual cash flow and are measured at amortised cost less provisions for estimated credit losses and impairments. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balance, historical credit loss experience and forward-looking considerations. Further details of credit risk are disclosed in note 9.

Due to the short-term nature of the current trade and other receivables falling due within one year, their carrying amount is the same as their fair value.

Notes to the Financial Statements (continued)**12. Financial assets**

	Notes	At fair value through profit and loss £000s	At fair value through other comprehensive income £000s	Total £000s
As at 31 October 2020				
Investment in CLO		11,080	-	11,080
Total financial assets		11,080	-	11,080

Financial assets as at 31 October 2020 were classified as Level 2.

	Notes	At fair value through profit and loss £000s	At fair value through other comprehensive income £000s	Total £000s
As at 31 October 2019				
Forward foreign exchange contracts	17	16	1,786	1,802
Investment in CLO		861	-	861
Total financial assets		877	1,786	2,663

Financial assets as at 31 October 2019 were classified as Level 2.

Level 2 includes the fair value of investment in CLO and open currency forwards. Where the LLP has the ability to redeem its investment at the published market prices and broker quotes. The financial asset is classified as Level 2.

13. Cash and cash equivalents

	31 October 2020 £000s	31 October 2019 £000s
Cash at bank	41,965	140,333

Notes to the Financial Statements (continued)**14. Trade and other payables**

	Notes	31 October 2020 £000s	31 October 2019 £000s
Amounts due to related parties	18	13,090	8,721
Rebates and commissions payable		761	1,609
Other payables		72	55
Accruals		1,618	3,525
Total amounts falling due within one year		15,541	13,910

15. Financial liabilities**31 October 2020**

	Notes	At fair value through profit and loss £000s	At fair value through other comprehensive income £000s	Total £000s
Forward foreign exchange contracts	17	-	-	-
Total financial liabilities		-	-	-

31 October 2019

	Notes	At fair value through profit and loss £000s	At fair value through other comprehensive income £000s	Total £000s
Forward foreign exchange contracts	18	109	-	109
Total financial liabilities		109	-	109

16. Cash generated from operations

	Year ended 31 October 2020 £000s	Year ended 31 October 2019 £000s
Operating profit for the year	21,733	43,014
Net (gains) / losses on financial assets	(1,943)	93
Changes in working capital:		
Decrease in trade and other receivables	2,075	7,803
Increase / (decrease) in trade and other payables	1,712	(11,195)
	3,787	(3,392)
Cash generated from operations	23,577	39,715

Notes to the Financial Statements (continued)**17. Derivatives**

The currency forward contracts are held at fair value. The maturity of the contracts at the period end date is 1 month (2019: 1 to 12 months).

31 October 2020

	At fair value through profit and loss £000s	At fair value through other comprehensive income £000s	Total £000s
Fair value of open currency forwards - Assets	-	-	-
Fair value of open currency forwards - Liabilities	-	-	-
Notional value of open currency forwards	-	-	31,282

31 October 2019

	At fair value through profit and loss £000s	At fair value through other comprehensive income £000s	Total £000s
Fair value of open currency forwards - Assets	16	1,786	1,802
Fair value of open currency forwards - Liabilities	(109)	-	(109)
Notional value of open currency forwards	29,930	27,312	57,242

18. Related party transactions

The following transactions were carried out with related parties:

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

During the year the following categories of related party transactions occurred:

Description of relationship	Description of service	Description of transactions
Funds managed by the LLP and related through key management personnel (including common Directors). Key management personnel are able to significantly influence (but not control) the financial and operating policy decisions of such Funds	Provision of investment management and investment services	Management and performance fees earned for year to 31 October 2020
Investment management fees from BlueBay Funds Management Company SA	Fees for the provision of investment management services to funds for which BlueBay Funds Management Company SA is the lead manager	Management fees earned

Notes to the Financial Statements (continued)**18. Related party transactions** (continued)**(a) Transactions and balances with related entities during the year** (continued)

Description of relationship	Description of service	Description of transactions
Service fees paid to BlueBay Asset Management USA LLC, BlueBay Asset Management Corporation Limited, BlueBay Asset Management International Limited and BlueBay Asset Management AG	Intercompany fees	Fees for distribution support, execution and research provided by affiliate entities
Investment advisory fees from RBC Global Asset Management Inc. and RBC Global Asset Management (U.S) Inc.	Investment advisory fees from RBC for provision of investment management and investment services, net of any compensation payments where applicable	Net management fees earned
Cash on deposit with RBC Europe Limited	Cash on deposit	Interest earned on cash deposit
Collaboration agreement with RBC Global Asset Management (U.S) Inc. (RBC GAM)	A collaboration fee is paid to RBC GAM in instances where the client has been sourced by RBC GAM	Collaboration fee paid
A referral agreement with RBC Global Asset Management Inc. (RBC GAM) on behalf of its operating division, Philips, Hager & North Investment Management (PH&N)	A referral fee is paid to PH&N in instances where the client has been sourced by PH&N	Referral fee paid

Transactions between the LLP and related parties are disclosed below.

31 October 2020

	Revenue £000s	Cost of sales £000s	Finance income £000s	Gain on sale of subsidiary income £000s	Cash and cash equivalents £000s	Amounts owed by related parties £000s	Amounts owed to related parties £000s	Profit share for the year £000s
Affiliated entities	106,330	(1,007)	420	-	20,000	4,636	-	-
Members of the LLP	-	-	-	-	-	10,049	7,950	22,223
Other related parties	-	-	-	-	-	7,242	13,090	-
Subsidiary	-	-	-	-	-	-	-	-

Notes to the Financial Statements (continued)**18. Related party transactions** (continued)**(a) Transactions and balances with related entities during the year** (continued)**31 October 2019**

	Revenue £000s	Cost of sales £000s	Finance income £000s	Gain on sale of subsidiary income £000s	Cash and cash equivalents £000s	Amounts owed by related parties £000s	Amounts owed to related parties £000s	Profit share for the year £000s
Affiliated entities	145,628	1,122	422	-	120,000	10,219	-	-
Members of the LLP	-	-	-	-	-	13,437	7,501	117,575
Other related parties	-	-	-	-	-	8,020	8,721	-
Subsidiary	-	-	-	78,339	-	-	-	-

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

(b) Key Members compensation

Remuneration of key Members is as follows:

	2020 £000s	2019 £000s
Profit allocation	14,354	13,342

(c) Non-Executive Members of the LLP's Board

Fees paid to non-executive Members of the LLP's Board, who are not Members of the LLP are as follows:

	2020 £000s	2019 £000s
Non-Executive Board Member fees	209	181

19. Ultimate Parent Company

The LLP's ultimate Parent Company is Royal Bank of Canada, incorporated in Canada, which is also the Parent undertaking of the smallest and largest Group, which includes the LLP for which Group accounts are prepared. Copies of the Group Financial Statements of Royal Bank of Canada are available at 100 Bishopsgate, London EC2M 1GT.