

Registered number: OC399786

Rye Bay Capital LLP
Report And Financial Statements
30 November 2021

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Rye Bay Capital LLP

INFORMATION

Designated Members	Daniel Martin Rye Bay Capital Services (UK) Limited Ian Bickerstaffe
LLP registered number	OC399786
Registered office	10 Brook Street London W1S 1BG
Independent auditors	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street London WC2B 5AH

MEMBERS' REPORT
For the Year Ended 30 November 2021

The members present their annual report together with the audited financial statements of Rye Bay Capital LLP (the "LLP") for the year ended 30 November 2021.

Principal activities

The principal activity of the LLP is to provide investment management services. It is authorised and regulated by the Financial Conduct Authority ("FCA").

Designated Members

Daniel Martin, Ian Bickerstaffe and Rye Bay Capital Services (UK) Limited were designated members of the LLP throughout the year.

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

Members share profits and losses in accordance with agreed profit sharing agreements. Members' capital and drawings are determined by the regulatory capital requirements of the FCA and any trading needs of the LLP. Capital contributed may not be repaid except where allowed under FCA rules.

Pillar III disclosures

The firm has documented the disclosures required by the FCA under BIPRU 11. These are available at www.ryebaycapital.com

Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEMBERS' REPORT (CONTINUED)
For the Year Ended 30 November 2021

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

This report was approved by the members on 13th January 2022 and signed on their behalf by:



Daniel Martin
Designated member

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RYE BAY CAPITAL LLP**

Opinion

We have audited the financial statements of Rye Bay Capital LLP (the 'LLP') for the year ended 30 November 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Reconciliation of Members' Interests and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 30 November 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RYE BAY CAPITAL LLP (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the LLP's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the LLP's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the LLP's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the LLP operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the LLP. The key laws and regulations we considered in this context included the UK Companies Act 2006 (as applied to limited liability partnerships) and the Financial Services and Markets Act 2000.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the LLP for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RYE BAY CAPITAL LLP (CONTINUED)**

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The LLP was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the LLP and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the LLP.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Vipond (Senior Statutory Auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants & Statutory Auditor

16 Great Queen Street
London
WC2B 5AH

13 January 2022

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 November 2021

	Note	2021 £	2020 £
Turnover	3	17,983,460	14,168,414
Administrative expenses		(2,029,828)	(2,048,336)
Operating profit	4	15,953,632	12,120,078
Interest receivable and similar income		209	9,467
Profit for the year before members' remuneration and profit shares		15,953,841	12,129,545
Profit for the year before members' remuneration and profit shares		15,953,841	12,129,545
Members' remuneration charged as an expense		(767,168)	(806,110)
Profit for the financial year available for discretionary division among members		15,186,673	11,323,435

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 10 to 13 form part of these financial statements.

BALANCE SHEET
As at 30 November 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	6	490,545	660,195
Cash at bank and in hand		2,664,330	4,653,228
		<u>3,154,875</u>	<u>5,313,423</u>
Creditors: amounts falling due within one year	7	(167,822)	(117,425)
Net current assets		2,987,053	5,195,998
Net assets attributable to members		2,987,053	5,195,998
Represented by:			
Loans and other debts due to members within one year			
Other amounts		2,491,258	4,700,203
Members' other interests			
Members' capital classified as equity		495,795	495,795
		<u>2,987,053</u>	<u>5,195,998</u>
Total members' interests			
Loans and other debts due to members		2,491,258	4,700,203
Members' other interests		495,795	495,795
		<u>2,987,053</u>	<u>5,195,998</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 13th January 2022



Daniel Martin
Designated member

The notes on pages 10 to 13 form part of these financial statements.

RECONCILIATION OF MEMBERS' INTERESTS
For the Year Ended 30 November 2021

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Amounts due to members				5,481,049	5,481,049	
Balance at 1 December 2019	485,795	-	485,795	5,481,049	5,481,049	5,966,844
Members' remuneration charged as an expense	-	-	-	806,110	806,110	806,110
Profit for the year available for discretionary division among members	-	11,323,435	11,323,435	-	-	11,323,435
Members' interests after profit for the year	485,795	11,323,435	11,809,230	6,287,159	6,287,159	18,096,389
Other division of profits	-	(11,323,435)	(11,323,435)	11,323,435	11,323,435	-
Amounts introduced by members	10,000	-	10,000	-	-	10,000
Drawings	-	-	-	(12,910,391)	(12,910,391)	(12,910,391)
Amounts due to members				4,700,203	4,700,203	
Balance at 30 November 2020	495,795	-	495,795	4,700,203	4,700,203	5,195,998
Members' remuneration charged as an expense	-	-	-	767,168	767,168	767,168
Profit for the year available for discretionary division among members	-	15,186,673	15,186,673	-	-	15,186,673
Members' interests after profit for the year	495,795	15,186,673	15,682,468	5,467,371	5,467,371	21,149,839
Other division of profits	-	(15,186,673)	(15,186,673)	15,186,673	15,186,673	-
Drawings	-	-	-	(18,162,786)	(18,162,786)	(18,162,786)
Amounts due to members				2,491,258	2,491,258	
Balance at 30 November 2021	495,795	-	495,795	2,491,258	2,491,258	2,987,053

The notes on pages 10 to 13 form part of these financial statements.

The ability of the members of the LLP to reduce the amount of members' other interests is restricted by the regulatory capital requirements of the FCA.

STATEMENT OF CASH FLOWS
For the Year Ended 30 November 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	15,186,673	11,323,435
Adjustments for:		
Members' remuneration charged as an expense	767,168	806,110
Interest received	(209)	(9,467)
Decrease in debtors	169,650	233,402
Increase/(decrease) in creditors	50,397	(174,234)
Net cash generated from operating activities before transactions with members	<u>16,173,679</u>	<u>12,179,246</u>
Cash flows from investing activities		
Interest received	209	9,467
Net cash from investing activities	<u>209</u>	<u>9,467</u>
Cash flows from financing activities		
Members' capital contributed	-	10,000
Distribution paid to members	(18,162,786)	(12,910,391)
Net cash used in financing activities	<u>(18,162,786)</u>	<u>(12,900,391)</u>
Net decrease in cash and cash equivalents	<u>(1,988,898)</u>	<u>(711,678)</u>
Cash and cash equivalents at beginning of year	4,653,228	5,364,906
Cash and cash equivalents at the end of year	<u><u>2,664,330</u></u>	<u><u>4,653,228</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>2,664,330</u></u>	<u><u>4,653,228</u></u>

The notes on pages 10 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 November 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

Rye Bay Capital LLP is a limited liability partnership incorporated in the UK and registered in England and Wales.

The LLP's registered address is 10 Brook Street, London, W1S 1BG.

The LLP's principal activity is the provision of investment management services.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies (see note 2).

1.2 Going concern

The financial liquidity position of the LLP is such that it is well placed to manage its business risks successfully. The members expect that the LLP will have available resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting has been adopted in preparing the annual financial statements.

1.3 Revenue

Revenue represents fees receivable during the period for investment management services. Management fees are recognised over the period over which management services are provided. Performance fees, which are based on the investment performance achieved relative to predefined benchmarks, are recognised as revenue at the end of the period over which the performance is measured.

1.4 Financial instruments

The LLP does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The LLP does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment. The LLP's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings. Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the LLP only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 November 2021

1. Accounting policies (continued)

1.5 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is the pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.6 Members' profit allocations

The LLP agreement (and supplements) provides that certain amounts are paid to the members each year. These amounts are included as an expense in the profit and loss account after arriving at "profit for the financial year before members remuneration and profit shares". A members' discretionary share in the profit or loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within "other reserves".

1.7 Tax provision

No provision for tax has been made as each member will be responsible for their own tax liability.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The designated members do not consider there to be any key accounting estimates or judgements that materially effect the financial statements.

3. Turnover

The whole of the turnover is attributable to the LLP's principal activity and arose within the United Kingdom.

4. Operating profit

The audit fee is borne by Rye Bay Capital Services (UK) Limited and recharged to the LLP.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 November 2021

5. Information in relation to members

	2021 Number	2020 Number
The average number of members during the year was	<u>7</u>	<u>8</u>
	2021 £	2020 £
The amount of profit attributable to the member with the largest entitlement was	<u>10,336,659</u>	<u>7,643,540</u>

6. Debtors

	2021 £	2020 £
Other debtors	97,780	112,096
Prepayments and accrued income	392,765	548,099
	<u>490,545</u>	<u>660,195</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other creditors	167,822	117,425
	<u>167,822</u>	<u>117,425</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 November 2021

8. Analysis of Net Debt

	At 1 December 2020 £	Arising from cash flows £	Other non- cash changes £	At 30 November 2021 £
Cash at bank and in hand	4,653,228	(1,988,898)	-	2,664,330
Net debt (before members' debt)	4,653,228	(1,988,898)	-	2,664,330
<i>Loans and other debts due to members</i>				
Other amounts due to members	(4,700,203)	18,162,786	(15,953,841)	(2,491,258)
	<u>(46,975)</u>	<u>16,173,888</u>	<u>(15,953,841)</u>	<u>173,072</u>

9. Related party transactions

During the year the LLP was recharged expenses of £2,023,589 (2020: £2,040,233) by Rye Bay Capital Services (UK) Limited, the corporate member. As at the year end £67,595 (2020: £4,317 due from) was due to the corporate member.

10. Controlling party

Daniel Martin is the ultimate controlling party.