

**York Capital Management Europe (UK)  
Advisors, LLP**

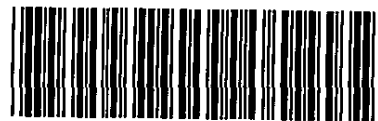
Report and Financial Statements

Year Ended

31 December 2012

Registered Number OC328382

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# **York Capital Management Europe (UK) Advisors, LLP**

**Report and financial statements  
for the year ended 31 December 2012**

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## **Designated members**

York Capital Management UK Advisors Limited  
C Reyntjens

## **Registered office**

23 Savile Row, 4<sup>th</sup> Floor, London, W1S 2ET

## **Partnership registration number**

OC328382

## **Auditors**

BDO LLP, Prospect Place, 85 Great North Road, Hatfield, Herts, AL9 5BS

# **York Capital Management Europe (UK) Advisors, LLP**

## **Report of the members for the year to 31 December 2012**

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The members present their report together with the financial statements for the year ended 31 December 2012

### **Results**

The profit and loss account is set out on page 6 and shows the profit for the year

### **Principal activities, review of business and future developments**

The principal activity of York Capital Management Europe (UK) Advisors, LLP (YCM UK or the Partnership) during the year was the provision of advisory services. There have been no changes in the Partnership's activities during the year under review. The Partnership is majority owned by its managing member York Capital Management UK Advisors Limited (YCM UK Ltd).

YCM UK provides certain investment advisory, trade execution and administrative services to (i) York Capital Management (US) Advisors, L P (YCM US Advisors), (ii) York European Opportunities Master Fund, L P (YEOMFLP), and (iii) York European Focus Master Fund, L P (YEFMFLP). YCM UK is authorised and regulated by the Financial Conduct Authority (FCA).

YCM UK Ltd is a wholly-owned subsidiary of YCM Master Holdings II, L P (YCMHII). YCM US Advisors is a U S subsidiary of YCMHII. YEOMFLP and YEFMFLP are exempted limited partnerships organised under the laws of the Cayman Islands with the primary purpose of achieving certain investment objectives, of which certain U S affiliates of YCMHII act as general partners.

Assets under management of YEOMFLP and YEFMFLP decreased from approximately US\$2.7 billion at 31 December 2011 to approximately US\$2.4 billion at 31 December 2012.

There have been no events since the balance sheet date that materially affect the financial position of the Partnership.

### **Designated members**

The members during the year were:

York Capital Management UK Advisors Limited  
C Reyntjens  
J Fosina (appointed 5 December 2011, resigned 18 June 2012)

### **Pillar 3 disclosures**

Details of the pillar 3 disclosures of the limited liability partnership, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") will be published on the firm's website.

[www.kinetic-partners.com/Regulatoryconsultingcompliance/Hosteddisclosures/TermsconditionsYorkcapitalmgtpillar3/](http://www.kinetic-partners.com/Regulatoryconsultingcompliance/Hosteddisclosures/TermsconditionsYorkcapitalmgtpillar3/)

### **Policy on members' drawings and the subscription and repayment of members' capital**

The members' drawing policy allows each member to draw a proportion of their profit share subject to the cash requirements of the business. The profit apportioned to each member is determined by the managing member and may not be proportionate to the relevant members' capital share in the partnership.

Members are permitted to make drawings in advance of the financial year end in anticipation of their profit entitlement for such financial year. If these advance drawings exceed the relevant members' distribution in respect of a financial year then such member shall have a debit distribution account and this shall reduce any net income (loss) allocation in subsequent financial years. The Managing member may in their discretion service a written demand of repayment to the relevant member in which they have to make a cash repayment within ten business days of service of such written demand.

The members shall contribute such sum of capital to the limited liability partnership (if any) as shall be agreed between the members.

# **York Capital Management Europe (UK) Advisors, LLP**

## **Report of the members for the year ended 31 December 2012 (continued)**

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### **Policy on members' drawings and the subscription and repayment of members' capital (continued)**

No member shall be required to make additional capital contributions to the limited liability partnership other than when the corporate member increases their capital contribution in accordance with the business contribution terms. Each member other than the Corporate member shall, at the written request of the Managing member, make an additional capital contribution to the partnership in an amount equal to their original contribution divided by the corporate members contribution prior to the increase multiplied by the amount of the increase corporate members

No member shall have the right, directly or indirectly, to withdraw or receive back any credit amounts outstanding on their loan account, except under the following circumstances

- 1 The member has ceased to be a member and an equal amount of capital has been contributed by the remaining member, or
- 2 The partnership has terminated and dissolved, or
- 3 The partnership has ceased to be authorised to carry on regulated activities, or if they have not ceased to be so authorised, the partnership notwithstanding such payment, remain in compliance with applicable accounting and regulations requirements and if required, the FCA has consented to such repayment

### **Members' responsibilities**

The members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulation

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations 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 these regulations 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 these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 Limited Liability Partnership will continue in business

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, 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 Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They 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.

## **York Capital Management Europe (UK) Advisors, LLP**

**Report of the members  
for the year ended 31 December 2012 (continued)**

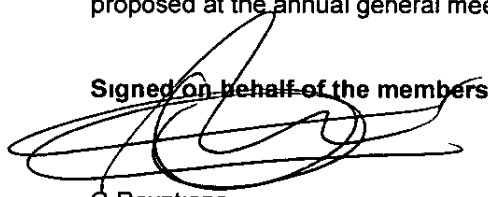
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### **Auditors**

All the current members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Limited Liability Partnership auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**Signed on behalf of the members**

A large, stylized handwritten signature in black ink, appearing to be 'C. Reyntjens', is written over the text 'Signed on behalf of the members'.

C Reyntjens  
**Designated Member**

24 April 2013

# **York Capital Management Europe (UK) Advisors, LLP**

## **Independent auditor's report**

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### **TO THE MEMBERS OF YORK CAPITAL MANAGEMENT EUROPE (UK) ADVISORS, LLP**

We have audited the financial statements of York Capital Management Europe (UK) Advisors, LLP for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's 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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of members and auditors**

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2012 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 the Companies Act 2006) Regulations 2008.

### **Opinion on other matters**

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

## York Capital Management Europe (UK) Advisors, LLP

### Independent auditor's report (Continued)

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 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



*George Brooks (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Hatfield  
United Kingdom*

Date *26 April 2013*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# York Capital Management Europe (UK) Advisors, LLP

## Profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover and gross profit	2	21,912,719	18,281,564
Administrative expenses		14,412,539	12,208,837
Operating profit	3	7,500,180	6,072,727
Interest receivable		4,403	3,132
Profit for financial period before members' remuneration and profit share		7,504,583	6,075,859
Profit for the financial period before members' remuneration and profit shares		7,504,583	6,075,859
Members' remuneration charged as an expense	9	-	-
Profit for the period available for discretionary division among members		7,504,583	6,075,859

All amounts relate to continuing activities

All recognised gains and losses in the current year and prior period are included in the profit and loss account

The notes on pages 9 to 15 form part of these financial statements



# York Capital Management Europe (UK) Advisors, LLP

## Balance sheet at 31 December 2012

<b>Registered Number OC328382</b>	<b>Note</b>	<b>2012 £</b>	<b>2012 £</b>	<b>2011 £</b>	<b>2011 £</b>
<b>Fixed assets</b>					
Tangible fixed assets	6		1,076,194		1,224,051
<b>Current assets</b>					
Debtors - due within one year	7	8,044,690		417,394	
Debtors - due after more than one year	7	1,190,094		1,452,662	
		<u>9,234,784</u>		<u>1,870,056</u>	
Cash at bank and in hand		3,123,017		10,280,270	
		<u>12,357,801</u>		<u>12,150,326</u>	
<b>Creditors, amounts falling due within one year</b>	8	12,013,995		11,954,377	
<b>Net current assets</b>			<u>343,806</u>		<u>195,949</u>
<b>Net assets attributable to members</b>			<u>1,420,000</u>		<u>1,420,000</u>
<b>Represented by:</b>					
Members' capital classified as equity under FRS 25	9		1,420,000		1,420,000
			<u>1,420,000</u>		<u>1,420,000</u>
<b>Total members' interests</b>					
Members other interests			1,420,000		1,420,000
Amounts due to members			10,462,006		5,779,474
	9		<u>11,882,006</u>		<u>7,199,474</u>

The financial statements were approved by the Members, authorised for issued on 24 April 2013 and are signed on their behalf by



C Reyntjens  
Designated member

The notes on pages 9 to 15 form part of these financial statements

# York Capital Management Europe (UK) Advisors, LLP

## Cash flow statement for the year ended 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
<b>Net cash (outflow)/inflow from operating activities</b>	14		(4,286,534)		16,881,450
<b>Returns on investments and servicing of finance</b>					
Interest received			4,403		3,132
<b>Capital expenditure</b>					
Purchase of tangible fixed assets			(53,071)		(1,247,675)
<b>Transactions with members</b>					
Capital contributions by members		-		120,000	
Members drawings		(2,822,051)		(6,911,732)	
			(2,822,051)		(6,791,732)
<b>(Decrease)/increase in cash</b>	16		(7,157,253)		8,845,175

The notes on pages 9 to 15 form part of these financial statements

# York Capital Management Europe (UK) Advisors, LLP

## Notes forming part of the financial statements for the year ended 31 December 2012

### 1 Accounting policies

The financial statements of York Capital Management Europe (UK) Advisors, LLP (YCM UK or the Partnership) have been prepared under the historical cost convention and are in accordance with applicable accounting standards, and the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued in March 2010), which have been applied consistently

The following principal accounting policies have been applied

#### *Turnover*

Turnover represents service fee income, which is accrued on a monthly basis under the terms of the advisory agreements for the provision of management, administrative and research functions. Under the terms of the advisory service contract, a discretionary service fee bonus is also due to the Partnership at the end of each year based on the quality of the services provided

Turnover is recognised on an accruals basis

#### *Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates

Leasehold improvements	-	Over the term of the lease
Fixtures and fittings	-	Five years straight line
Office and computer equipment	-	Three to five years straight line

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

#### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits

#### *Leased assets*

All existing leases entered into by the company are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate

## York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

### 2 Turnover

	2012 £	2011 £
Analysis by geographical market		
Americas	<b>21,912,719</b>	18,281,564

Turnover is wholly attributable to the principal activity of the limited liability partnership

### 3 Operating profit

This has been arrived at after charging

	2012 £	2011 £
Depreciation	200,928	195,745
Fees payable to the limited liability partnership auditor for auditing the limited liability partnerships accounts	18,500	27,500
Fees payable to the limited liability partnerships auditor for other services		
- Accountancy and FSA compliance	13,000	14,000
- Partnership tax returns	6,500	7,250
Exchange differences	22,673	146,230

### 4 Employees and members

Staff costs consist of

	2012 £	2011 £
Wages and salaries	10,658,161	7,900,934
Social security costs	1,328,913	955,778
Other pension costs	-	(16,734)
	<b>11,987,074</b>	8,839,978

There were 17 employees during the period excluding members (2011 - 14)

Members' remuneration for the period amounted to £Nil (2011 - £Nil)

# York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

## 5 Members' share of profits

Profits for discretionary division shall be allocated between the members in such proportions as determined by the managing member

The average number of members during the year was 2 (2011 - 2) The highest paid member of the Partnership received £4,642,000 (2011 - £3,802,662) of discretionary profit share in relation to the year ended 31 December 2012

## 6 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office and computer equipment £	Total £
<i>Cost</i>				
At 1 January 2012	866,284	274,547	283,967	1,424,798
Additions	53,071	-	-	53,071
Disposal	-	-	(105,031)	(105,031)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	<b>919,355</b>	<b>274,547</b>	<b>178,936</b>	<b>1,372,838</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2012	21,028	13,727	165,992	200,747
Depreciation for period	97,240	54,910	48,778	200,928
On disposal	-	-	(105,031)	(105,031)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	<b>118,268</b>	<b>68,637</b>	<b>109,739</b>	<b>296,644</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2012	<b>801,087</b>	<b>205,910</b>	<b>69,197</b>	<b>1,076,194</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	<b>845,256</b>	<b>260,820</b>	<b>117,975</b>	<b>1,224,051</b>
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# York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements  
for the year ended 31 December 2012 (continued)

## 7 Debtors

	2012 £	2011 £
<i>Amounts receivable within one year</i>		
Amounts owed by associated undertakings	7,262,408	-
Other debtors	377,568	233,471
Prepayments and accrued income	404,714	183,923
	<hr/>	<hr/>
	8,044,690	417,394
<i>Amounts receivable after more than one year</i>		
Other debtors	1,190,094	1,452,662
	<hr/>	<hr/>
	9,234,784	1,870,056
	<hr/>	<hr/>

## 8 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts due to members	10,462,006	5,779,474
Amounts due to associated undertakings	-	4,602,403
Other taxes and social security	-	246,795
Other creditors	396,794	493,943
Accruals and deferred income	1,155,195	831,762
	<hr/>	<hr/>
	12,013,995	11,954,377
	<hr/>	<hr/>

Amounts due to members will rank equally with other creditors on a winding up of the Partnership and relate to undrawn profit distributions

## 9 Members' interests

	Members' capital £	Other reserves £	Amounts due to members £	Total £
Members interests at 1 January 2012	1,420,000	-	5,779,474	7,199,474
Profit for the year available for division among members	-	7,504,583	-	7,504,583
Amounts distributed to members	-	(7,504,583)	7,504,583	-
Cash drawings	-	-	(2,822,051)	(2,822,051)
	<hr/>	<hr/>	<hr/>	<hr/>
Members interests at 31 December 2012	1,420,000	-	10,462,006	11,882,006
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# York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

## 10 Related party disclosures

<i>Related party transactions and balances</i>	<b>Sales to related parties £</b>	<b>Amounts owed from related party £</b>	<b>Amounts owed to related party £</b>
<b>2012</b>			
York European Opportunities Master Fund, L P	10,739,354	98,257	-
York European Focus Master Fund, L P	1,634,726	10,742	-
York Capital Management (US) Advisors, L P	9,538,639	7,262,408	-
C Reyntjens	-	-	4,389,000
York Capital Management UK Advisors Limited	-	-	6,073,006
JGD Management Corp	-	-	-
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<b>2011</b>			
York European Opportunities Master Fund, L P	15,370,157	115,780	-
York European Focus Master Fund, L P	2,911,407	16,169	-
York Capital Management (US) Advisors, L P	-	-	4,601,576
C Reyntjens	-	-	2,023,000
York Capital Management UK Advisors Limited	-	-	3,756,474
JGD Management Corp	-	-	827
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York Capital Management (US) Advisors, L P (YCM US Advisors) is controlled by YCM Master Holdings II, L P (YCMMLII), a Delaware limited liability partnership in the United States of America YCMMLII is the parent of York Capital Management UK Advisors Limited (YCM UK Ltd), a designated member of the Partnership Rent and rates of £Nil (2011 - £385,830) were paid to YCM UK Ltd

C Reyntjens is a designated member of the Partnership In addition to the above amounts, included in accruals and deferred income is £5,550 (2011 - £Nil) payable to C Reyntjens in respect of expenses

JGD Management Corp was related by common control

York European Opportunities Master Fund, L P and York European Focus Master Fund, L P are investment partnerships of which U S affiliates of YCMMLII act as general partners

## 11 Ultimate controlling party

The Partnership is controlled by YCMMLII, by virtue of their shareholding in YCM UK Ltd, a designated member of the Partnership

The largest group in which the results of the Partnership are consolidated is that headed by YCMMLII The smallest group in which the results of the Partnership are consolidated is that headed by YCM UK Ltd The accounts of YCM UK Ltd are available to the public and may be obtained from Companies House

## 12 Major non-cash transactions

Dunng the prior year the Partnership transferred to YCM US Advisors £2,000,000 of YCM UK Ltd's 2010 distribution

# York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

## 13 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below -

Operating leases which expire	Land and buildings 2012 £	Land and buildings 2011 £
After five years	890,376	622,370

## 14 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	7,500,180	6,072,727
Depreciation of tangible fixed assets	200,928	195,745
(Increase)/decrease in debtors	(7,364,728)	4,654,095
(Decrease)/increase in creditors	(4,622,914)	5,958,883
	<u>(4,286,534)</u>	<u>16,881,450</u>

## 15 Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
(Decrease)/increase in cash	(7,157,253)	8,845,175
Cash inflow for changes in debt	2,822,051	6,838,946
	<u>(4,335,202)</u>	<u>15,684,121</u>
Movement in net funds resulting from cash flows	(4,335,202)	15,684,121
Amounts to members	(7,504,583)	(4,075,859)
	<u>(11,839,785)</u>	<u>11,608,262</u>
Movement in net funds	(11,839,785)	11,608,262
Opening net fund/(debt)	4,500,796	(7,107,466)
	<u>(7,338,989)</u>	<u>4,500,796</u>
Closing net funds/(debt)	(7,338,989)	4,500,796



# York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements  
for the year ended 31 December 2012 *(continued)*

## 16 Analysis of net funds/(debt)

	At 1 January 2012 £	Cash flow £	Other non cash items £	At 31 December 2012 £
Cash at bank and in hand	10,280,270	(7,157,253)	-	3,123,017
Amounts due to members	(5,779,474)	2,822,051	(7,504,583)	(10,462,006)
	<u>4,500,796</u>	<u>(4,335,202)</u>	<u>(7,504,583)</u>	<u>(7,338,989)</u>