

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

Report and Financial Statements

Year Ended

31 December 2015

Company Number OC328382



York Capital Management Europe (UK) Advisors, LLP

Report and financial statements for the year ended 31 December 2015

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Designated members

York Capital Management UK Advisors Limited
C Aurand
C Reyntjens
R Sofer
A Rafiq (appointed 1 January 2015)

Registered office

23 Savile Row, 4th Floor, London, W1S 2ET

Partnership registration number

OC328382

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

York Capital Management Europe (UK) Advisors, LLP

Report of the members for the year to 31 December 2015

The members present their report together with the financial statements for the year ended 31 December 2015.

Results

The statement of comprehensive income is set out on page 6 and shows the profit for the year.

Principal activities

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), which in turn is wholly-owned by YCM Master Holdings II, LP (YCMMLII).

During 2015 YCM UK provided certain investment advisory, trade execution and administrative services to York Capital Management (US) Advisors, L.P. (YCM US Advisors). YCM UK is authorised and regulated by the Financial Conduct Authority (FCA). YCM US Advisors is a U.S. subsidiary of YCMMLII.

Assets under management for the underlying funds which the partnership provides advisory services, increased from approximately US\$3.9 billion at 31 December 2015 to US\$6.2 billion at 31 December 2015.

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

Designated members

The designated members during the year were:

York Capital Management UK Advisors Limited

C Aurand

C Reyntjens

R Sofer

A Rafiq (appointed 1 January 2015)

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 at www.duffandphelps.com/services/compliance-and-regulatory-consulting/compliance-consulting/hosted-disclosures/terms-conditions-2/disclosures/kpiid/index.html.

York Capital Management Europe (UK) Advisors, LLP

Report of the members for the year ended 31 December 2015 (*continued*)

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.

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.

York Capital Management Europe (UK) Advisors, LLP

Report of the members for the year ended 31 December 2015 (continued)

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.

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



Fosina

On behalf of York Capital Management UK Advisors Limited - Designated Member

Date 26 April 2016

York Capital Management Europe (UK) Advisors, LLP

Independent auditor's report

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 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in members' interests, 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.

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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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)

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.



Neil Griggs (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 26 April 2016.

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

York Capital Management Europe (UK) Advisors, LLP

Statement of comprehensive income for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover and gross result	3	35,162,596	49,653,372
Administrative expenses – before exceptional items		(12,984,006)	(18,274,386)
Exceptional items	4	900,205	-
		<hr/>	<hr/>
Total administrative expenses		(12,083,801)	(18,274,386)
		<hr/>	<hr/>
Operating profit	5	23,078,795	31,378,986
Interest receivable		2,131	1,739
		<hr/>	<hr/>
Profit for financial period before members' remuneration and profit share		23,080,926	31,380,725
Members' remuneration charged as an expense		(229,327)	-
		<hr/>	<hr/>
Profit for the period available for discretionary division among members		22,851,599	31,380,725
Other comprehensive income for the period		-	-
		<hr/>	<hr/>
Total comprehensive income for the period available for discretionary division among members		22,851,599	31,380,725
		<hr/>	<hr/>

The notes on pages 10 to 17 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Statement of financial position at 31 December 2015

Company number OC328382	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets	8		566,901		716,627
Current assets					
Debtors: Amounts falling due after more than one year	9	923,386		18,685,608	
Debtors: Amounts falling due within one year	9	6,196,471		1,018,572	
		<u>7,119,857</u>		<u>19,704,180</u>	
Cash at bank and in hand		13,236,575		6,902,907	
		<u>20,356,432</u>		<u>26,607,087</u>	
Creditors: Amounts falling due within one year	10	1,117,881		1,145,134	
Net current assets			<u>19,238,551</u>		<u>25,461,953</u>
Net assets attributable to members			<u>19,805,452</u>		<u>26,178,580</u>
Represented by:					
Members other interests - Members' capital classified as equity			1,780,000		1,660,000
Loans and other debts due to members - Amounts due to members			18,025,452		24,518,580
			<u>19,805,452</u>		<u>26,178,580</u>
Total members' interests					
Members other interests			1,780,000		1,660,000
Amounts due to members			18,025,452		24,518,580
			<u>19,805,452</u>		<u>26,178,580</u>

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



26 April 2016

J Fosina

On behalf of York Capital Management UK Advisors Limited - Designated Member

The notes on pages 10 to 17 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Statement of changes in members' interests for the year ended 31 December 2015

2014	EQUITY			DEBT	
Members' interests	Members other interests			Loans	
	Members'	Other	Total	due to	Total
	capital	reserves		members	
	£	£	£	£	£
Members' interests at 1 January 2014	1,540,000	-	1,540,000	21,384,076	22,924,076
Profit for the year available for discretionary division among members	-	31,380,725	31,380,725	-	31,380,725
Amounts allocated to members		(31,380,725)	(31,380,725)	31,380,725	-
Members' remuneration charged as an expense	-	-	-	-	-
Cash drawings				(22,926,221)	(22,926,221)
Non cash drawings	-	-	-	(5,200,000)	(5,200,000)
Capital introduced by members	120,000	-	120,000	(120,000)	-
Members' interests at 31 December 2014	<u>1,660,000</u>	<u>-</u>	<u>1,660,000</u>	<u>24,518,580</u>	<u>26,178,580</u>
2015	EQUITY			DEBT	
Members' interests	Members other interests			Loans	
	Members'	Other	Total	due to	Total
	capital	reserves		members	
	£	£	£	£	£
Members' interests at 1 January 2015	1,660,000	-	1,660,000	24,518,580	26,178,580
Profit for the year available for discretionary division among members	-	22,851,599	22,851,599	-	22,851,599
Amounts allocated to members		(22,851,599)	(22,851,599)	22,851,599	-
Members' remuneration charged as an expense	-	-	-	229,327	229,327
Cash drawings				(22,887,054)	(22,887,054)
Non-cash drawings	-	-	-	(6,687,000)	(6,687,000)
Capital introduced by members	120,000	-	120,000	-	120,000
Members' interests at 31 December 2015	<u>1,780,000</u>	<u>-</u>	<u>1,780,000</u>	<u>18,025,452</u>	<u>19,805,452</u>

The notes on pages 10 to 17 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Statement of cash flow for the year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit for financial year before members interest and profit shares		23,080,926	31,380,725
Adjustments for:			
Depreciation		155,698	181,247
Decrease/(increase) in debtors		5,897,323	(9,631,511)
(Decrease) in creditors		(43,520)	(580,009)
Interest receivable		(2,131)	(1,739)
Foreign exchange		16,267	14,648
Cash from operations		29,104,563	21,363,361
Members drawings in relation to remuneration		(22,887,054)	(22,926,221)
Net cash generated from operating activities		6,217,509	(1,562,860)
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,972)	(1,367)
Bank interest received		2,131	1,739
Net cash from investing activities		(3,841)	372
Cash flows from financing activities			
Capital introduced by members		120,000	-
Net cash from financing activities		120,000	-
Net increase/(decrease) in cash and cash equivalents		6,333,668	(1,562,488)
Cash and cash equivalents at beginning of year		6,902,907	8,465,395
Cash and cash equivalents at end of year		13,236,575	6,902,907
Cash at bank and in hand		13,236,575	6,902,907

The notes on pages 10 to 17 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 2015

1 Accounting policies

1.1 General information

York Capital Management Europe (UK) Advisors, LLP is a Limited Liability Partnership ('LLP') incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the LLP's operations and its principal activities are set out in the members report.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2015), 'Accounting by Limited Liability Partnerships'.

These financial statements are the first financial statements prepared under FRS 102 and information on the impact of first-time adoption of FRS 102 on 1 January 2014 is given in note 15.

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

The following principal accounting policies have been applied:

1.3 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.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives range as follows:

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

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

1 Accounting policies (continued)

1.5 Impairment of fixed assets

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

1.8 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

1.9 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the LLP operates ('the functional currency'). The financial statements are presented in 'sterling', which is the LLP's functional and presentational currency.

(b) Transactions and balances

Foreign currency transactions are translated into the LLP's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Partnership but are presented separately due to their size or incidence.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

1.11 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases 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 received to enter into operating lease agreements are released to the statement of comprehensive income over the term of the lease.

1.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date. The LLP holiday entitlement runs in conjunction with the financial statement year and the LLP has a policy which prevents employees carrying leave forward to future periods, accordingly no accrual is recognised within these financial statements.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

- Determine whether leases entered into by the LLP are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there have been indicators of impairment of the LLP's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 8)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

3 Turnover

Turnover is wholly attributable to the principal activity of the Limited Liability Partnership and arises solely from markets in the Americas.

4 Exceptional item

During the year the designated members reviewed the VAT status of the LLP and applied for voluntary registration, which was granted on 17 June 2015 and retrospectively granted effective 12 May 2011. The exceptional income within administrative expenses represents the refund received in relation to items prior to 31 December 2014.

5 Operating profit

	2015 £	2014 £
This has been arrived at after charging/(crediting):		
Depreciation	155,698	181,247
Hire of other assets – operating leases	707,830	906,631
Auditors' remuneration:		
- Audit of the limited liability partnership accounts	20,850	19,425
- Non audit services - accountancy and FCA compliance	16,424	13,375
- Non audit services - partnership tax returns	7,000	6,825
Exchange differences	16,267	14,648

6 Employees and members

	2015 £	2014 £
Staff costs were as follows:		
Wages and salaries	9,098,328	13,321,819
Social security costs	1,180,946	1,639,120
	<u>10,279,274</u>	<u>14,960,939</u>

There were 22 employees during the period excluding members (2014 - 21).

7 Members' share of profits

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

Members' remuneration for the year amounted to £229,327 (2014 - £Nil), in relation to contractual payments to members.

The average number of members during the year was 5 (2014 - 4). The highest paid member of the Partnership received £8,203,320 (2014 - £14,316,819) of discretionary profit share in relation to the year ended 31 December 2015.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

8 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office and computer equipment £	Total £
<i>Cost</i>				
At 1 January 2015	933,383	274,547	181,863	1,389,793
Additions	-	-	5,972	5,972
At 31 December 2015	933,383	274,547	187,835	1,395,765
<i>Depreciation</i>				
At 1 January 2015	315,525	178,456	179,185	673,166
Depreciation for year	98,628	54,909	2,161	155,698
At 31 December 2015	414,153	233,365	181,346	828,864
Net book value				
At 31 December 2015	519,230	41,182	6,489	566,901
At 31 December 2014	617,858	96,091	2,678	716,627

9 Debtors

	2015 £	2014 £
Due within one year		
Amounts owed by group undertakings	5,459,047	18,048,000
Other debtors	349,484	217,530
Prepayments and accrued income	387,940	420,078
Due after more than one year	6,196,471	18,685,608
Other debtors	923,386	1,018,572
Total debtors	7,119,857	19,704,180

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements
for the year ended 31 December 2015 (continued)

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Other creditors	129,849	202,652
Accruals and deferred income	988,032	942,482
	<u>1,117,881</u>	<u>1,145,134</u>

Amounts due to members also fall due within one year, will rank equally with other creditors on a winding up of the partnership and relate to undrawn profit distributions.

11 Financial instruments

The company's financial instruments may be analysed as follows:

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>19,848,248</u>	<u>26,187,009</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(18,914,006)</u>	<u>(25,663,714)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, amounts due from group undertakings and some elements of other debtors.

Financial liabilities measured at amortised cost comprise other creditors, accruals, and amounts due to members.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements
for the year ended 31 December 2015 (continued)

12 Related party disclosures

Related party transactions and balances

York Capital Management (US) Advisors, L.P. (YCM US Advisors) is controlled by YCM Master Holdings II, L.P. (YCMMLI), a Delaware limited liability partnership in the United States of America. YCMMLI is the parent of York Capital Management UK Advisors Limited (YCM UK Ltd), a designated member of the Partnership.

During the year, sales of £35,162,596 (2014 - £49,653,372) were made to YCM US Advisors. At the balance sheet date £5,459,047 (2014 - £18,048,000) was due to the limited liability partnership from YCM US Advisors.

During the year the partnership paid expenses totalling £249,381 (2014 - £155,278) on behalf of YCM US Advisors who in turn paid expenses totalling £458,772 (2014 - £2,705,114) on behalf of the partnership.

At the balance sheet date £18,025,452 (2014 - £24,518,580) was owed to designated members of the limited liability partnership.

Key management personnel include all designated members and a number of senior managers across the limited liability partnership who together have authority and responsibility for planning, directing and controlling the activities of the limited liability partnership. The total compensation paid to key management personnel for services provided to the limited liability partnership was £18,492,360 (2014 - £24,657,075).

13 Ultimate controlling party

The Partnership is controlled by YCMMLI, 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 YCMMLI. 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.

14 Commitments under operating leases

At 31 December 2015 the LLP had minimum lease payments under non-cancellable operating leases as follows:

	2015 Land and buildings £	2014 Land and buildings £
Not later than 1 year	741,975	741,975
Later than 1 year and not later than 5 years	2,967,900	2,967,900
Later than 5 years	228,672	970,467
Later than 5 years	<u>3,937,647</u>	<u>4,679,442</u>

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

15 First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

16 Non cash transactions

During the year the Partnership transferred to YCM US Advisors £3,400,000 (2014 - £5,200,000) of YCM UK Ltd 2015 distributions and £3,287,000 (2014 - £Nil) of other designated members 2014 distributions.