

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

Report and Financial Statements

Year Ended

31 December 2019

Company Number OC328382



York Capital Management Europe (UK) Advisors, LLP

Report and financial statements for the year ended 31 December 2019

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Designated members

York Capital Management UK Advisors Limited, F Maingay, A Rafiq

Registered office

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

Partnership registration number

OC328382

Auditors

BDO LLP, 150 Aldersgate Street, London, EC1A 4AB

York Capital Management Europe (UK) Advisors, LLP

Report of the members for the year to 31 December 2019

The members present their report together with the financial statements for the year ended 31 December 2019.

Results

The Statement of Comprehensive Income is set out on page 8 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 2019, 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, remained consistent with the prior year at £5.9 billion at 31 December 2019.

Designated members

The designated members during the year were:

York Capital Management UK Advisors Limited
C Reyntjens (resigned 31 December 2019)

F Maingay and A Rafiq were appointed as designated members on 1 January 2020.

Going concern

The outbreak of the coronavirus has severely impacted global business activities across a broad section of industries. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact. The coronavirus outbreak and corresponding new government mandates may have a continued adverse effect on economic and financial market conditions and trigger a period of global economic slowdown which could increase risk to the future performance of investments. The members have not recorded any financial impact from this subsequent event to the financial statements as of 31 December 2019. The members have monitored developments relating to the coronavirus and successfully executed its operational response based on existing business continuity plans. The members have also followed guidance from global health organizations and relevant government and regulatory authorities, especially with regard to the safety of its employees and efforts to contain the spread of the virus.

Given the level of market volatility experienced since the year-end due to the impact of the COVID-19 pandemic and as the principal activity of the Limited Liability Partnership was the provision of advisory services to YCM US Advisors, it is thus dependent on the performance of the funds in which YCM US Advisors acts as an investment advisor. The members had performed stress tests on the asset under management for the underlying funds in which the Limited Liability Partnership provides advisory services under current conditions and the members remain comfortable with the liquidity of the Limited Liability Partnership.

As such, the Limited Liability Partnership maintains the going concern basis of accounting in the preparation of the financial statements.

York Capital Management Europe (UK) Advisors, LLP

Report of the members for the year ended 31 December 2019 (continued)

Going concern (continued)

Impact of the Covid-19

The Limited Liability Partnership's revenue is dependent on the performance of assets under management of the funds in which YCM US Advisors acts as an investment advisor and has performed the following stress test of the asset under management for the underlying funds which the Limited Liability Partnership provide for the advisory services:

Based on assets under management at 31 December 2019:

AUM at 31 Dec 2019 [GBP in Million]	Stress Factor	Stressed AUM Calculated [GBP in Million]	Management Fee assumed at 1% [GBP in Million]
5,900	-25%	4,420	44.2
5,900	-50%	2,950	29.5
5,900	-60%	2,360	23.6

Additionally, the Limited Liability Partnership has a significant amount of discretionary expenses and in the event of significant declines in revenue, the Limited Liability Partnership will reduce discretionary spending to ensure sufficient funds are available to cover all other expenses of the business. The Limited Liability Partnership's parent may also provide additional financial support to the Limited Liability Partnership where necessary.

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 <https://yorkcapital.com/pillar3/>.

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

The members' drawing policy provides the Managing Member the discretion to allow each member to make drawings in advance of the year end in anticipation of their net income entitlement for each year. With the exception of York Capital Management UK Advisors Limited, the advance drawing for each member is up to a maximum of £240,000 for each financial year. 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 with consent of the managing member.

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 contribution prior to the increase divided by the corporate members contribution prior to the increase multiplied by the amount of the increase corporate members.

York Capital Management Europe (UK) Advisors, LLP

Report of the members for the year ended 31 December 2019 (*continued*)

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

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

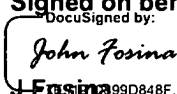
1. The member has ceased to be a member and an equal amount of capital has been contributed by the remaining members; or
2. The partnership has terminated and dissolved; or
3. The partnership has ceased to be authorised to carry on regulated activities, or if they have not ceased to be so authorised,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

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.

The auditors, 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

DocuSigned by:

J Fosina

On behalf of York Capital Management UK Advisors Limited - Designated Member
Date: 23 April 2020

York Capital Management Europe (UK) Advisors, LLP

Members' responsibilities statement for the year ended 31 December 2019

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 judgements 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

Independent auditor's report

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

Opinion

We have audited the financial statements of York Capital Management Europe (UK) Advisors, LLP ("the Limited Liability Partnership") for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in members' interests and 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 Limited Liability Partnership's affairs as at 31 December 2019 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are 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, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the 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.

York Capital Management Europe (UK) Advisors, LLP

Independent auditor's report (*continued*)

Other information

The Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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 Report of the Members, 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 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

York Capital Management Europe (UK) Advisors, LLP

Independent auditor's report (*continued*)

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by 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 Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Neil-Fung On (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 23 April 2020

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 2019

	Note	2019 £	2018 £
Turnover and gross result	3	39,045,347	31,927,082
Administrative expenses		(19,986,109)	(17,452,187)
Operating profit	4	19,059,238	14,474,895
Interest receivable		17,193	3,521
Profit for financial period before members' remuneration and profit share		19,076,431	14,478,416
Members' remuneration charged as an expense		-	-
Profit and total comprehensive income for the year available for discretionary division among members		19,076,431	14,478,416

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 12 to 18 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Statement of Financial Position at 31 December 2019

Company number OC328382	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	7		287,628		282,807
Current assets					
Debtors: Amounts falling due after more than one year	8	902,300		890,370	
Debtors: Amounts falling due within one year	8	2,265,147		1,986,909	
		<u>3,167,447</u>		<u>2,877,279</u>	
Cash at bank and in hand	9	14,840,145		9,631,248	
		<u>18,007,592</u>		<u>12,508,527</u>	
Current liabilities					
Creditors: amounts falling due within one year	10	(415,869)		(259,339)	
Net current assets			<u>17,591,723</u>		<u>12,249,188</u>
Net assets attributable to members			<u>17,879,351</u>		<u>12,531,995</u>
Represented by:					
Members other interests - Members' capital classified as equity			1,591,280		1,860,366
Other reserves			2,317,941		1,060,390
Loans and other debts due to members - Amounts due to members			<u>13,970,130</u>		<u>9,611,239</u>
			<u>17,879,351</u>		<u>12,531,995</u>
Total members' interests					
Members other interests			3,909,221		2,920,756
Amounts due to members			13,970,130		9,611,239
Amounts due from members			(760,572)		-
			<u>17,118,779</u>		<u>12,531,995</u>

The financial statements were approved by the Members, authorised for issued on 23 April 2020 and are signed on their behalf by:

John Fosina
John Fosina

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

The notes on pages 12 to 18 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 2019

2019 Members' interests	EQUITY			DEBT	
	Members' capital £	Members other interests Other reserves £	Total £	Loans due to/(from) members £	Total £
Amounts due from members	-	-	-	-	-
Amounts owed to members	-	-	-	9,611,239	-
Members' interests at 1 January 2019	1,860,366	1,060,390	2,920,756	9,611,239	12,531,995
Profit for the year available for discretionary division among members	-	19,076,431	19,076,431	-	19,076,431
Amounts allocated to members	-	(17,818,880)	(17,818,880)	17,818,880	-
Members' remuneration charge as an expense	-	-	-	-	-
Drawings	-	-	-	(14,489,647)	(14,489,647)
Repayment of capital	(269,086)	-	(269,086)	269,086	-
	1,591,280	2,317,941	3,909,221	13,209,558	17,118,779
Amounts due from members	-	-	-	(760,572)	-
Amounts owed to members	-	-	-	13,970,130	-
Members' interests at 31 December 2019	1,591,280	2,317,941	3,909,221	13,209,558	17,118,779

The notes on pages 12 to 18 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 2019

2018 Members' interests	EQUITY			DEBT	
	Members' capital £	Members other interests Other reserves £	Total £	Loans due to/(from) members £	Total £
Amounts due from members	-	-	-	-	-
Amounts owed to members	-	-	-	35,406,776	-
Members' interests at 1 January 2018	2,192,529	738,256	2,930,785	35,406,776	38,337,561
Profit for the year available for discretionary division among members	-	14,478,416	14,478,416	-	14,478,416
Amounts allocated to members	-	(14,156,282)	(14,156,282)	14,156,282	-
Members' remuneration charge as an expense	-	-	-	-	-
Drawings	-	-	-	(40,266,616)	(40,266,616)
Other movements	-	-	-	(137,366)	(137,366)
Repayment of capital	(477,803)	-	(477,803)	477,803	-
Capital introduced	145,640	-	145,640	(25,640)	120,000
	1,860,366	1,060,390	2,920,756	9,611,239	12,531,995
Amounts due from members	-	-	-	-	-
Amounts owed to members	-	-	-	9,611,239	-
Members' interests at 31 December 2018	1,860,366	1,060,390	2,920,756	9,611,239	12,531,995

The notes on pages 12 to 18 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 2019

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 (2018), '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 LLP management to exercise judgement in applying the LLP's accounting policies (see note 2).

Going Concern

The outbreak of the coronavirus has severely impacted global business activities across a broad section of industries. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact. The coronavirus outbreak and corresponding new government mandates may have a continued adverse effect on economic and financial market conditions and trigger a period of global economic slowdown which could increase risk to the future performance of investments. The members have not recorded any financial impact from this subsequent event to the financial statements as of 31 December 2019. The members have monitored developments relating to the coronavirus and successfully executed its operational response based on existing business continuity plans. The members have also followed guidance from global health organizations and relevant government and regulatory authorities, especially with regard to the safety of its employees and efforts to contain the spread of the virus. As such, the LLP maintains the going concern basis of accounting in the preparation of the financial statements.

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of York Capital Management UK Advisors Limited as at 31 December 2019 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

1.4 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.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

1 Accounting policies *(continued)*

1.5 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

1.6 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).

1.7 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.

1.8 Financial assets

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

1.9 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.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

1.10 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.

1.11 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.

1.12 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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income 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.

1.13 Pensions

The LLP operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the LLP in independently administered funds.

1.14 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.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

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 7)

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.

3 Turnover

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

4 Operating profit

	2019 £	2018 £
This has been arrived at after charging/(crediting):		
Depreciation	143,752	107,202
Hire of other assets - operating leases	899,451	897,204
Auditors' remuneration:		
- Audit of the limited liability partnership accounts	25,730	21,443
- Non audit services - accountancy and FCA compliance	12,119	16,785
- Non audit services - partnership tax returns	8,022	7,640
Exchange differences	61,180	(364,305)

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

5 Employees and members

	2019 £	2018 £
Staff costs were as follows:		
Wages and salaries	14,282,065	12,938,394
Social security costs	2,032,430	1,803,508
Pension costs	87,238	53,373
	<u>16,401,733</u>	<u>14,795,275</u>

There were 27 employees during the period excluding members (2018 - 24).

6 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 4 (2018 - 5). The highest paid member of the Partnership received £5,836,790 (2018 - £3,901,411) of discretionary profit share in relation to the year ended 31 December 2019.

7 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office and computer equipment £	Total £
Cost				
At 1 January 2019	933,383	292,840	242,210	1,468,433
Additions	-	-	148,573	148,573
	<u>933,383</u>	<u>292,840</u>	<u>390,783</u>	<u>1,617,006</u>
At 31 December 2019	933,383	292,840	390,783	1,617,006
Depreciation				
At 1 January 2019	710,039	278,511	197,076	1,185,626
Depreciation for year	98,629	3,658	41,465	143,752
	<u>808,668</u>	<u>282,169</u>	<u>238,541</u>	<u>1,329,378</u>
At 31 December 2019	808,668	282,169	238,541	1,329,378
Net book value				
At 31 December 2019	<u>124,715</u>	<u>10,671</u>	<u>152,242</u>	<u>287,628</u>
At 31 December 2018	<u>223,344</u>	<u>14,329</u>	<u>45,134</u>	<u>282,807</u>

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

8 Debtors

	2019 £	2018 £
Due within one year		
Amounts owed by group undertakings	557,718	1,009,073
Amounts due from members	760,572	-
Other debtors	494,661	515,938
Prepayments and accrued income	452,196	461,898
	<hr/>	<hr/>
	2,265,147	1,986,909
Due after more than one year		
Other debtors	902,300	890,370
	<hr/>	<hr/>
Total debtors	<hr/> 3,167,447	<hr/> 2,877,279

9 Cash at bank and in hand

Cash includes £156,788 (2018 - £40,293) specifically in relation to MiFID research costs, therefore the entity has restricted use of this reserve.

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	67,399	17,294
Accruals and deferred income	348,470	242,045
	<hr/>	<hr/>
	415,869	259,339
	<hr/>	<hr/>

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

11 Related party disclosures

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.

During the year, sales of £39,045,347 (2018 - £31,927,082) were made to YCM US Advisors. At the Statement of Financial Position date £557,718 (2018 - £1,009,073) was due to the limited liability partnership from YCM US Advisors.

During the year, the partnership paid expenses totalling £684,412 (2018 - £449,800) on behalf of YCM US Advisors who in turn paid expenses totalling £434,578 (2018 - £267,551) on behalf of the partnership.

At the Statement of Financial Position date £13,209,558 (2018 - £9,611,239) was owed to members of the limited liability partnership.

York Capital Management Europe (UK) Advisors, LLP

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

12 Pension scheme

The LLP operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The pension cost charge represents contributions payable by the LLP to the fund and amounted to £87,238 (2018 - £53,373). Contributions totalling £67,395 (2018 - £17,294) were payable to the fund at the reporting date.

13 Commitments under operating leases

At 31 December 2019, the LLP had minimum lease payments under non-cancellable operating leases as follows:

	2019 Land and buildings £	2018 Land and buildings £
Not later than 1 year	852,770	852,770
Later than 1 year and not later than 5 years	262,840	1,115,610
	<u>1,115,610</u>	<u>1,968,380</u>

14 Ultimate controlling party

The Partnership is controlled by YCMMII, 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 YCMMII. 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.

15 Post balance sheet events

Since the Statement of Financial Position date, the scale of the Covid-19 pandemic began to affect the UK and most other world economies significantly. In line with countries whose infection rates took hold earlier, the UK Government has now prohibited most non-essential movement of people, goods and services. This has severely affected the UK trade and business but it remains too early to predict when these restrictions may be eased and thus what the eventual impact of these restrictions will be.

The members have nonetheless evaluated the impact on the Limited Liability Partnership as at 31 March 2020 and noted the decrease in the 'Assets under management' to £5.3 bn. More detailed analysis is provided under Note 1 and the Members' report.

Due to the rapidly evolving nature of the impact of the Covid-19, further movements in the 'Assets under management' reported above may occur but the members are unaware of any matter that will have caused 'Assets under management' to have significantly changed since 31 March 2020.