

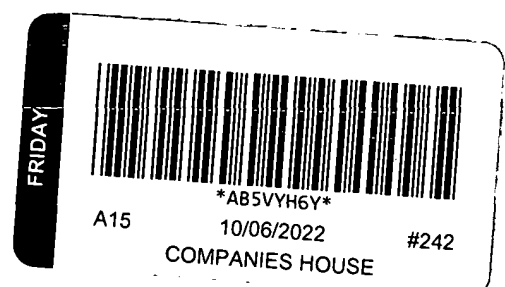
**York Capital Management Europe
(UK) Advisors, LLP**

Annual Report and Audited Financial Statements

Year Ended

31 December 2021

LLP Number OC328382



York Capital Management Europe (UK) Advisors, LLP

Information

Designated Members

York Capital Management UK Advisors Limited
A Jesuthasan

LLP registered number

OC328382

Registered office

25-28 Old Burlington Street, 3rd Floor, London, W1S 3AN

Independent auditors

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

York Capital Management Europe (UK) Advisors, LLP

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York Capital Management Europe (UK) Advisors, LLP

Members' Report For the Year Ended 31 December 2021

The members present their report together with the audited financial statements for the year ended 31 December 2021.

Results

The Statement of Comprehensive Income is set out on page 9 and shows the profit for the year.

Principal activities

The principal activity of York Capital Management Europe (UK) Advisors, LLP (YCM UK or the Limited Liability Partnership) during the year was the provision of advisory services. There have been no changes in the Limited Liability Partnership's activities during the year under review. The Limited Liability 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 (YCMHII).

During 2021, 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 YCMHII.

Assets under management for the underlying funds which the Limited Liability Partnership provides advisory services, decreased from £2.673 billion at 31 December 2020 to £2.579 billion at 31 December 2021.

The Limited Liability Partnership is part of the wider group of York Capital Management Global Advisors LLC ("the York Group") On March 1, 2022, the York Group completed the successful spin out of its private distressed credit business based in London into a new, independent firm, Fidera Vecta Limited ("Fidera Vecta"), in which the York Group maintains a non-controlling, passive revenue interest. Pursuant to the spin out, the York Group's approximately \$3 billion London-based private distressed credit hedge fund business and team, led by Akbar Rafiq, has transitioned to Fidera Vecta Limited. Fidera Vecta is providing certain sub-advisory services to York in connection with investments that the London-based private distressed credit team oversaw prior to the spin out. Following the successful spin out of Fidera Vecta as well as liquidation of the equity portfolios held by York European Opportunities Fund and the York European Focus Fund, there are no longer any investment professionals of the Firm. Accordingly, the firm determined that it should cease trading activity and begin the deregistration process of the Firm.

Designated Members

The designated members during the year were:

York Capital Management UK Advisors Limited
A Rafiq (resigned 1 March 2022)

A Jesuthasan was appointed as a designated member on 1 March 2022.

Post Statement of Financial Position Events and Going concern

As noted above, the spin out to Fidera Vecta was agreed on March 1, 2022. Alongside the spin out the intercompany services agreement between YCM UK and YCM US Advisors was also terminated, and YCM UK no longer provides any services to YCM US Advisors. YCM UK is not pursuing any further turnover streams following cancellation of the intercompany services agreement, therefore discontinuing its regulated activity. The firm has applied to the Financial Conduct Authority to cancel its regulatory permissions and once the required legal process is complete the firm will apply to Companies House to cancel its registration. The firm anticipates completing this in 2022.

York Capital Management Europe (UK) Advisors, LLP

Members' Report (continued) For the Year Ended 31 December 2021

Post Statement of Financial Position Events and Going concern (continued)

The financial statements have therefore been prepared on a basis other than that of a going concern. The members have included necessary adjustments as a result of being prepared on a basis other than that of a going concern.

To facilitate the closure of the firm, the members have agreed to settle early its annuity agreement with a former member. This settlement was agreed before 31 December 2021 and the liability is now presented as due within one year and will be paid in early 2022, as discussed in note 13 to the financial statements.

The members also sought to reassign the lease and sublease on its leased office, agreement was also reached on 1 March 2022, as this is after the balance sheet date the leases remain stated at the commitment values as at 31 December 2021 in line with FRS 102 guidance on post balance sheet events. Details of these commitments and the reassignment are detailed in note 15 to the financial statements.

The members have also assessed the anticipated residual values, recoverable amount and remaining useful lives of its tangible fixed assets, with consideration to disposal values anticipated following the lease reassignment. The members have therefore recognised an impairment charge in the current year to reflect the reduced value of these assets at the balance sheet date. The members anticipate holding sufficient funds to settle all outstanding liabilities of the limited liability partnership.

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 Limited Liability 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 Limited Liability 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

Members' Report (continued) For the Year Ended 31 December 2021

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 Limited Liability Partnership has terminated and dissolved; or
3. The Limited Liability Partnership has ceased to be authorised to carry on regulated activities, or if they have not ceased to be so authorised, the Limited Liability Partnership notwithstanding such payment, remain in compliance with applicable accounting and regulatory requirements and if required, the FCA has consented to such repayment.

Disclosure of information to auditors

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

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

Auditors

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 should their re-appointment be required.

This report was approved by the members and signed on their behalf by:

DocuSigned by:

John Fosina

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J Fosina

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

Date: 27 April 2022

York Capital Management Europe (UK) Advisors, LLP

Members' Responsibilities Statement For the Year Ended 31 December 2021

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, requires the members to prepare financial statements for each financial year. Under 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business. As explained in note 2.1 to the financial statements, the members do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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 the members of York Capital Management Europe (UK) Advisors, LLP

Opinion on the 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of York Capital Management Europe (UK) Advisors, LLP ("the Limited Liability Partnership") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Emphasis of matter – basis of preparation prepared on a basis other than going concern

We draw attention to Note 2.1 to the financial statements which explains that the members intend to liquidate the Limited Liability Partnership has ceased trading and the deregistration process has commenced. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 2.1. Our opinion is not modified in this respect of this matter.

York Capital Management Europe (UK) Advisors, LLP

Independent Auditor's report to the members of York Capital Management Europe (UK) Advisors, LLP (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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Members' responsibilities statement, 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.

York Capital Management Europe (UK) Advisors, LLP

Independent Auditor's report to the members of York Capital Management Europe (UK) Advisors, LLP (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to the applicable laws and regulations, including fraud. These included but were not limited to compliance with the Limited Liability Partnership (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, those resulting from being authorised by the Financial Conduct Authority ("FCA") to undertake regulated activity and FRS 102.

We focused on laws and regulations that could give rise to a material misstatement in Limited Liability Partnership financial statements. Our tests included, but were not limited to:

- review of correspondence with the FCA throughout the period;
- agreement of the financial statements disclosures to the underlying supporting documentation;
- enquiries of management and those charged with governance;
- testing of journal postings made during the year and post year end to identify potential management override of controls;
- review of minutes of board of meetings throughout the period.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with the laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 to the members of York Capital Management Europe (UK) Advisors, LLP (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.

DocuSigned by:

Justin Chait

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Justin Chait (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

Date: 27 April 2022

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

York Capital Management Europe (UK) Advisors, LLP

Registered number:OC328382

Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	20,125,370	29,460,350
Administrative expenses		(15,379,246)	(21,404,529)
Other operating income	5	68,872	-
Operating profit	6	4,814,996	8,055,821
Interest receivable		2,694	3,252
Interest payable		(13,375)	(11,669)
Profit for the year before members' remuneration and profit shares		4,804,315	8,047,404
Members' remuneration charged as an expense		-	-
Profit and total comprehensive income for the year available for discretionary division among members		4,804,315	8,047,404

All operations in the current and preceding period are discontinued.

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 14 to 25 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP
Registered number: OC328382

**Statement of Financial Position
As at 31 December 2021**

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		328,718		221,543
Current assets					
Debtors: amounts falling due after more than one year	10	612,434		-	
Debtors: amounts falling due within one year	10	4,720,329		8,631,724	
Cash at bank		3,072,504		7,178,940	
		<u>8,405,267</u>		<u>15,810,664</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	(2,194,859)		(6,001,716)	
Net current assets			6,210,408		9,808,948
Creditors: amounts falling due after more than one year	13		-		(1,492,970)
Net assets attributable to members			<u>6,539,126</u>		<u>8,537,521</u>

York Capital Management Europe (UK) Advisors, LLP
Registered number: OC328382

Statement of Financial Position (continued)
As at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Represented by:					
Loans and other debts due to members within one year					
Amounts due to members			2,233,026		4,428,032
Members' other interests					
Members' capital classified as equity			1,445,640		1,445,640
Other reserves classified as equity			2,860,460		2,663,849
			<u>6,539,126</u>		<u>8,537,521</u>
Total members' interests					
Members' other interests			4,306,100		4,109,489
Amounts due to members			2,233,026		4,428,032
Amounts due from members	10		-		(760,572)
			<u>6,539,126</u>		<u>7,776,949</u>

The financial statements were approved and authorised for issue by the members on 27 April 2022 and were signed on their behalf by:

DocuSigned by:

John Fosina

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

The notes on pages 14 to 25 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Reconciliation of Members' Interests for the year ended 31 December 2021

2021 Members' interests	EQUITY			DEBT	
	Members' capital £	Members other interests Other reserves £	Total £	Loans due to/(from) members £	Total £
Amounts due from members	-	-	-	(760,572)	-
Amounts owed to members	-	-	-	4,428,032	-
Members' interests at 1 January 2021	1,445,640	2,663,849	4,109,489	3,667,460	7,776,949
Amounts due to former members	-	-	-	(1,539,811)	(1,539,811)
Profit for the year available for discretionary division among members	-	4,804,315	4,804,315	-	4,804,315
Amounts allocated to members	-	(4,607,704)	(4,607,704)	4,607,704	-
Members' remuneration charge as an expense	-	-	-	-	-
Drawings	-	-	-	(4,502,327)	(4,502,327)
	1,445,640	2,860,460	4,306,100	2,233,026	6,539,126
Amounts due from members	-	-	-	-	-
Amounts owed to members	-	-	-	2,233,026	-
Members' interests at 31 December 2021	1,445,640	2,860,460	4,306,100	2,233,026	6,539,126

The notes on pages 14 to 25 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Reconciliation of Members' Interests for the year ended 31 December 2020

2020 Members' interests	EQUITY			DEBT	
	Members' capital £	Members other interests Other reserves £	Total £	Loans due to/(from) members £	Total £
Amounts due from members	-	-	-	(760,572)	-
Amounts owed to members	-	-	-	13,970,130	-
Members' interests at 1 January 2020	1,591,280	2,317,941	3,909,221	13,209,558	17,118,779
Profit for the year available for discretionary division among members	-	8,047,404	8,047,404	-	8,047,404
Amounts allocated to members	-	(7,701,496)	(7,701,496)	7,701,496	-
Members' remuneration charge as an expense	-	-	-	-	-
Drawings	-	-	-	(17,389,234)	(17,389,234)
Repayment of capital	(145,640)	-	(145,640)	145,640	-
	1,445,640	2,663,849	4,109,489	3,667,460	7,776,949
Amounts due from members	-	-	-	(760,572)	-
Amounts owed to members	-	-	-	4,428,032	-
Members' interests at 31 December 2020	1,445,640	2,663,849	4,109,489	3,667,460	7,776,949

The notes on pages 14 to 25 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Limited Liability Partnership's accounting policies (see note 3).

Going concern

On March 1, 2022, the York Group completed the successful spin out of its private distressed credit business based in London into a new, independent firm, Fidera Vecta Limited ("Fidera Vecta"), in which the York Group maintains a non-controlling, passive revenue interest. Pursuant to the spin out, the York Group's approximately \$3 billion London-based private distressed credit hedge fund business and team, led by Akbar Rafiq, has transitioned to Fidera Vecta Limited. Fidera Vecta is providing certain sub-advisory services to York in connection with investments that the London-based private distressed credit team oversaw prior to the spin out. Following the successful spin out of Fidera Vecta as well as liquidation of the equity portfolios held by York European Opportunities Fund and the York European Focus Fund, there are no longer any investment professionals of the Firm. Accordingly, the firm determined that it should cease trading activity and begin the deregistration process of the Firm.

Consequently as required by FRS 102 3.8, FRS 102 32.7A and the Companies Act 2006, the members have prepared the financial statements on a basis other than the going concern basis.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Limited Liability Partnership 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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 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 Limited Liability Partnership at the end of each year based on the quality of the services provided.

Turnover is recognised on an accruals basis.

2.4 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 Limited Liability Partnership 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 Limited Liability Partnership. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income 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 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.

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

2.5 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.

2.6 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.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.7 Financial assets

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

2.8 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.

2.9 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 Limited Liability Partnership operates ('the functional currency'). The financial statements are presented in 'sterling', which is the Limited Liability Partnership's functional and presentational currency.

(b) Transactions and balances

Foreign currency transactions are translated into the Limited Liability Partnership'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 the Statement of Comprehensive Income.

2.10 Operating leases: the Limited Liability Partnership as lessor

Rental income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

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Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.11 Operating leases: the Limited Liability Partnership as lessee

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 Statement of Comprehensive Income 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 twelve months.

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.

2.12 Pensions

Defined contribution pension plan

The Limited Liability Partnership operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Limited Liability Partnership pays fixed contributions into a separate entity. Once the contributions have been paid the Limited Liability Partnership 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 Limited Liability Partnership in independently administered funds.

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation 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 (or cash-generating unit to which the asset has been allocated) 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 (or CGU'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). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is 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 Limited Liability Partnership holiday entitlement runs in conjunction with the financial statement year and the Limited Liability Partnership has a policy which prevents employees carrying leave forward to future periods, accordingly no accrual is recognised within these financial statements.

2.15 Termination benefits

Termination benefits are defined as payments made or benefits provided to employees when the Limited Liability Partnership terminates their employment. These payments or benefits are made as a result of commitments, by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably.

Termination benefits are immediately recognised as an expense in the Statement of Comprehensive Income.

2.16 Annuity

An annuity agreement entered into with a former member has been recognised as a liability in the financial statements. The amount initially recognised and expensed through the Statement of Comprehensive Income was valued at the present value of expected future cash flows. The liability is subsequently being recognised at amortised cost, with the unwinding of the discounting being charged to Interest payable in the Statement of Comprehensive Income.

The liability will be recalculated annually to take account of changes in financial estimates.

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Notes to the Financial Statements For the Year Ended 31 December 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Disclosure is required of judgements and key estimates made by management in applying the accounting policies that have a significant effect on the financial statements. The areas involving a higher degree of judgements and estimates are the valuation of annuity liabilities and determination of operating or finance leases.

Leases (see note 15)

Determine whether leases entered into by the Limited Liability Partnership as a lessee or lessor 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. At the Statement of Financial Position date, following the cessation of trade, no formal agreements had been entered into to reassign the Limited Liability Partnerships lease obligations before the year end, therefore these remain aged and disclosed in line with their contractual terms.

Other creditors - Annuity (see note 13)

The Limited Liability Partnership entered into an annuity agreement with a former member that extended to 31 December 2024. The agreement outlines a maximum and minimum amount calculation for each year, inclusive of a discretionary component in the sole discretion by the members, provided that certain conditions are met. The Limited Liability Partnership recognised the amount as an annuity expense within the Statement of Comprehensive Income and amount falling due within one year as current liabilities and amount falling due after more than one year within the Statement of Financial Position. The key financial estimates are the discount rate applied in calculating the present value of the annuity as well as the expected future profit allocations.

Tangible fixed assets (see note 9)

Following the cessation of trade, noted in the members report and note 18, the members have assessed the anticipated residual values and remaining useful lives of its tangible fixed assets. Residual values have been estimated based on disposal values to the new leaseholder following the post year end lease reassignment. The members have therefore recognised an impairment charge in the current year to reflect the reduced value of these assets at the balance sheet date.

4. Turnover

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

5. Other operating income

	2021 £	2020 £
Rents receivable	68,872	-

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation	152,946	186,113
Impairment of fixed assets	367,040	-
Hire of other assets - operating leases	711,047	897,326
Auditors remuneration:		
- Audit of the Limited Liability Partnership accounts	36,492	33,517
- Non audit services - accountancy and FCA compliance	10,685	10,457
- Non audit services - partnership tax returns	8,850	8,423
Exchange differences	(31,722)	242,576
Annuity expense	641,737	2,890,279
Dilapidation expenses for leasehold property	250,000	-
	<u>1,925,885</u>	<u>4,258,294</u>

7. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	9,820,802	10,544,047
Social security costs	1,358,236	1,290,961
Cost of defined contribution scheme	68,475	162,677
	<u>11,247,513</u>	<u>11,997,685</u>

There were 18 employees during the period excluding members (2020 - 18).

8. 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 (2020 - 3). The highest paid member of the Limited Liability Partnership received £2,500,000 (2020 - £2,552,605) of discretionary profit share in relation to the year ended 31 December 2021.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

9. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office and computer equipment £	Total £
Cost				
At 1 January 2021	933,383	292,840	510,811	1,737,034
Additions	456,947	59,275	110,939	627,161
At 31 December 2021	1,390,330	352,115	621,750	2,364,195
Depreciation				
At 1 January 2021	907,296	285,828	322,367	1,515,491
Charge for the year	36,547	5,242	111,157	152,946
Impairment charge - see note 3	172,319	41,287	153,434	367,040
At 31 December 2021	1,116,162	332,357	586,958	2,035,477
Net book value				
At 31 December 2021	274,168	19,758	34,792	328,718
At 31 December 2020	26,087	7,012	188,444	221,543

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

10. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	612,434	-
	<u>612,434</u>	<u>-</u>
Due within one year		
Amounts owed by group undertakings	4,369,340	6,387,315
Amounts due from members	-	760,572
Other debtors	195,982	1,107,846
Prepayments and accrued income	155,007	375,991
	<u>4,720,329</u>	<u>8,631,724</u>

Other debtors due in more than one year relate to rental deposits, as detailed in note 15, subsequent the to the year end the lease has been reassigned to a new leaseholder.

11. Cash at bank and in hand

Cash includes £99,012 (2020 - £90,654) specifically in relation to MiFID research costs, therefore the entity has restricted use of this reserve.

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Severance payable	-	3,079,553
Bonus payable	148,799	1,399,098
Other creditors	1,965,203	1,417,158
Accruals and deferred income	80,857	105,907
	<u>2,194,859</u>	<u>6,001,716</u>

Amounts due to members also fall due within one year. These amounts rank equally with other creditors on a winding up of the Limited Liability Partnership and relate to undrawn profit distributions. See note 13 for further details of other creditors.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

13. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other creditors	-	1,492,970

At 31 December 2020 an amount of £2,901,948 was due to a former member under an annuity agreement that extended to 31 December 2024. The liability was included within other creditors, with £1,408,970 being current and £1,492,970 being disclosed as falling due in more than one year. During the current year, the members have agreed to settle the annuity obligation early, therefore £1,658,567 is included within other creditors due within one year.

14. Pension commitments

The Limited Liability Partnership operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Limited Liability Partnership in an independently administered fund. The pension cost charge represents contributions payable by the Limited Liability Partnership to the fund and amounted to £68,475 (2020 - £162,677). Contributions totalling £17,573 (2020 - £8,178) were payable to the fund at the reporting date.

15. Commitments under operating leases

At 31 December 2021 the Limited Liability Partnership had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 Land and buildings £	2020 Land and buildings £
Lessee		
Not later than 1 year	346,898	478,953
Later than 1 year and not later than 5 years	1,275,905	-
	<u>1,622,803</u>	<u>478,953</u>

Lessor

At 31 December 2021 the Limited Liability Partnership had future minimum lease receivables due under non-cancellable operating leases for the following periods:

	2021 Land and buildings £	2020 Land and buildings £
Not later than 1 year	<u>51,036</u>	<u>-</u>

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

15. Commitments under operating leases (continued)

The above lease relates to the sublease of the Limited Liability Partnership office space, shown above as a lease payable, on which a short term lease was granted in 2021 for a period of 12 months. There are no significant additional leasing arrangements within this agreement.

On 1 March 2022, the above lease payable and the lease receivable were assigned, therefore the Limited Liability Partnership has no commitments under operating leases after this date.

16. Related party transactions

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

During the year, sales of £20,125,370 (2020 - £29,460,350) were made to YCM US Advisors. At the Statement of Financial Position date £4,369,340 (2020 - £6,387,315) was due to the Limited Liability Partnership from YCM US Advisors.

During the year, the Limited Liability Partnership paid expenses totalling £211,413 (2020 - £250,058) on behalf of YCM US Advisors who in turn paid expenses totalling £319,883 (2020 - £333,670) on behalf of the Limited Liability Partnership.

At the Statement of Financial Position date £2,233,026 (2020 - £3,667,460) was owed to members of the Limited Liability Partnership.

17. Ultimate controlling party

The Limited Liability Partnership is controlled by YCMHII, by virtue of their shareholding in YCM UK Ltd, a designated member of the Limited Liability Partnership.

The largest group in which the results of the Limited Liability Partnership are consolidated is that headed by YCMHII. The smallest group in which the results of the Limited Liability 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, Crown Way, Cardiff, CF14 3UZ.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2021

18. Post balance sheet events

On 1 March 2022, as noted in the Members' Report, following the spin out of the fund to Fidera Vecta Limited and termination of the intercompany services agreement the members decided to cease the trade of the Limited Liability Partnership, as a result these financial statements have been prepared on a basis not of that of a going concern.

Post year end an application has been made to the Financial Conduct Authority to cease the registration of the Limited Liability Partnership with this authority. Once the required deregistration with the Financial Conduct Authority and other legal processes are complete the firm will apply to Companies House to cancel its registration. The firm anticipates completing this in 2022.

To facilitate the closure of the firm, the members have agreed to settle early its annuity agreement with a former member. This settlement is now presented as due within one year as the members intend to settle this liability in early 2022. The remaining unpaid annuity liability is shown as due within one year and is discussed in note 13 to the financial statements.

The members also sought to reassign the lease and sublease on its leased office, agreement was also reached on 1 March 2022, as this is after the balance sheet date the leases remain stated at the commitment values as at 31 December 2021 in line with FRS 102 guidance on post balance sheet events. Subsequent to 1 March 2022, the Limited Liability Partnership has no further lease commitments.

The members have also assessed the anticipated residual values and remaining useful lives of its tangible fixed assets, with consideration to disposal values anticipated following the lease reassignment. The members have therefore recognised an impairment charge in the current year to reflect the reduced value of these assets at the balance sheet date.

In 2022, A Rafiq resigned from the limited liability partnership, and the balance of Members capital and amounts due in relation to discretionary profit shares outstanding was paid in full.

The members anticipate holding sufficient funds to settle any outstanding liabilities of the Limited Liability Partnership.

The members have also considered of the current geopolitical climate and determined that there is no significant impact to the Firms business post year end.