

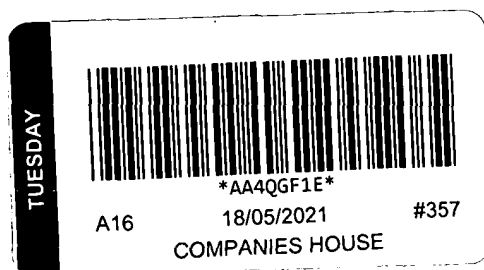
**York Capital Management Europe
(UK) Advisors, LLP**

Report and Financial Statements

Year Ended

31 December 2020

LLP Number OC328382



York Capital Management Europe (UK) Advisors, LLP

Information

Designated Members

York Capital Management UK Advisors Limited
A Rafiq

LLP registered number

OC328382

Registered office

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

Independent auditors

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

York Capital Management Europe (UK) Advisors, LLP

Contents

	Page
Members' Report	1 - 4
Members' Responsibilities Statement	5
Independent Auditor's Report	6 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11 - 12
Reconciliation of Members' Interests	13 - 14
Notes to the Financial Statements	15 - 24

York Capital Management Europe (UK) Advisors, LLP

Members' Report For the Year Ended 31 December 2020

The members present their report together with the financial statements for the year ended 31 December 2020.

Results

The Statement of Comprehensive Income is set out on page 10 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 2020, 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 £5.9 billion at 31 December 2019 to £2.6 billion at 31 December 2020.

Designated Members

The designated members during the year were:

York Capital Management UK Advisors Limited
A Rafiq
F Maingay (resigned 31 December 2020)

Going concern

The outbreak of the coronavirus that began in March 2020 continues to significantly impact global business activities across a broad section of industries. While progress have been made recently with the vaccine roll-out, availability to countries around the world to attain global herd immunity remains uncertain, and the ability of the vaccine to combat the multiple variants that have developed remains unknown. The continuous scale and precarious state of the pandemic preclude any prediction as to its ultimate impact. The members continue to monitor developments relating to the coronavirus and continue to execute its operational response based on existing business continuity plans. Safety and wellbeing of employees remain the top priority of the members. The members will continue to follow guidance from global health organizations, relevant government and regulatory authorities in regards to the safety of its employees, efforts to contain the spread of the virus, business travels and return to office.

The Limited Liability Partnership is part of the wider group of York Capital Management Global Advisors ("the York Group"). In November 2020, the York Group announced that it had undertaken a strategic review of the York Group's businesses and would make certain strategic shifts, including winding down the European hedge fund portfolios and focusing on longer duration assets, such as private debt. Accordingly, asset under management for which the Limited Liability Partnership provides advisory services decreased from £5.9 billion at 31 December 2019 to £2.6 billion at 31 December 2020. Of the remaining £2.6 billion, £1.9 billion or over 70% represents committed capital for long-term investments not subject to investors' redemptions or short-term market volatilities. As such, the Limited Liability Partnership terminated employment of the European Equity investment professional team and continuously reviewing its expense base to attain cost efficiency.

York Capital Management Europe (UK) Advisors, LLP

Members' Report (continued) For the Year Ended 31 December 2020

Going concern (continued)

Given the level of market volatility experienced since the pandemic and strategic business shift 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.

Impact of the Covid-19 and Strategic Shift

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 2020:

HF AUM @ 12/31/2020 [GBP in Million]	Stress Factor	HF Stressed AUM Calculated [GBP in Million]	Management Fee assumed at 1% [GBP in Million]
530	-25%	395	3.5
530	-50%	265	2.3
530	-60%	210	1.8
Distressed AUM @ 12/31/2020 [GBP in Million]	Stress Factor*	Distressed Stressed AUM Calculated [GBP in Million]	Management Fee assumed at 1% [GBP in Million]
2100	-	2100	21.0
2100	-	2100	21.0
2100	-	2100	21.0
Total AUM @ 12/31/2020 [GBP in Million]	Stress factor	Total Stressed AUM Calculated [GBP in Million]	Management Fee assumed at 1% [GBP in Million]
2630	-25%	2495	24.5
2630	-50%	2365	23.3
2630	-60%	2310	22.8

*stress factor not applicable for Distressed AUM as it is committed capital and not subject to investors' redemptions or short-term market volatilities.

York Capital Management Europe (UK) Advisors, LLP

Members' Report (continued) For the Year Ended 31 December 2020

Going concern (continued)

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 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 2020

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.

DocuSigned by:

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J Fosina

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

Date: 26 April 2021

York Capital Management Europe (UK) Advisors, LLP

Members' Responsibilities Statement For the Year Ended 31 December 2020

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to Limited Liability Partnerships, 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.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and to 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 Auditors' 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 2020 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 2020 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 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

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

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

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

York Capital Management Europe (UK) Advisors, LLP

Independent Auditors' 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 Report and Financial Statements, 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 Auditors' 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 applicable laws and regulations, including fraud. These included but were not limited to compliance with the Limited Liability Partnerships (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 the 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 statement disclosures to 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; and
- review of minutes of board of directors 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 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 Auditors' 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.

A handwritten signature in black ink, appearing to read 'BDOLLP', with a long horizontal stroke underneath.

Justin Chait (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 26/04/2021

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 2020

	Note	2020 £	2019 £
Turnover	4	29,460,350	39,045,347
Administrative expenses		(21,404,529)	(19,986,109)
Operating profit	5	8,055,821	19,059,238
Interest receivable		3,252	17,193
Interest payable		(11,669)	-
Profit for financial period before members' remuneration and profit share		8,047,404	19,076,431
Members' remuneration charged as an expense		-	-
Profit and total comprehensive income for the year available for discretionary division among members		8,047,404	19,076,431

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 15 to 24 form part of these financial statements.

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

Statement of Financial Position
As at 31 December 2020

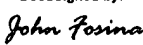
	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		221,543		287,628
Current assets					
Debtors: amounts falling due after more than one year	9	-		902,300	
Debtors: amounts falling due within one year	9	8,631,724		2,265,147	
Cash at bank and in hand	10	7,178,940		14,840,145	
		<u>15,810,664</u>		<u>18,007,592</u>	
Current liabilities					
Creditors: amounts falling due within one year	11	(6,001,716)		(415,869)	
Net current assets			<u>9,808,948</u>		<u>17,591,723</u>
Creditors: amounts falling due after more than one year	12		(1,492,970)		-
			<u>8,537,521</u>		<u>17,879,351</u>
Net assets attributable to members			<u><u>8,537,521</u></u>		<u><u>17,879,351</u></u>

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

Statement of Financial Position (continued)
As at 31 December 2020

	Note	2020 £	2019 £
Represented by:			
Loans and other debts due to members			
Amounts due to members		4,428,032	13,970,130
Members' other interests			
Members' capital classified as equity		1,445,640	1,591,280
Other reserves classified as equity		2,663,849	2,317,941
		<u>8,537,521</u>	<u>17,879,351</u>
Total members' interests			
Members' other interests		4,109,489	3,909,221
Amounts due to members		4,428,032	13,970,130
Amounts due from members	9	(760,572)	(760,572)
		<u>7,776,949</u>	<u>17,118,779</u>

The financial statements were approved and authorised for issue by the members on 26 April 2021 and were signed on their behalf by:

DocuSigned by:

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J Fosina

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

The notes on pages 15 to 24 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 15 to 24 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

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

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 15 to 24 form part of these financial statements.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

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 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 (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 management to exercise judgement in applying the Limited Liability Partnership's accounting policies (see note 3).

Going Concern

The outbreak of the coronavirus that began in March 2020 continues to significantly impact global business activities across a broad section of industries. While progress have been made recently with the vaccine roll-out, availability to countries around the world to attain global herd immunity remains uncertain, and the ability of the vaccine to combat the multiple variants that have developed remains unknown. The continuous scale and precarious state of the pandemic preclude any prediction as to its ultimate impact. The members continue to monitor developments relating to the coronavirus and continue to execute its operational response based on existing business continuity plans. Safety and wellbeing of employees remain the top priority of the members. The members will continue to follow guidance from global health organizations, relevant government and regulatory authorities in regards to the safety of its employees, efforts to contain the spread of the virus, business travels and return to office.

The Limited Liability Partnership is part of the wider group of York Capital Management Global Advisors ("the York Group"). In November 2020, the York Group announced that it had undertaken a strategic review of the York Group's businesses and would make certain strategic shifts, including winding down the European hedge fund portfolios and focusing on longer duration assets, such as private debt. Accordingly, asset under management for which the Limited Liability Partnership provides advisory services decreased from £5.9 billion at 31 December 2019 to £2.6 billion at 31 December 2020. Of the remaining £2.6 billion, £1.9 billion or over 70% represents committed capital for long-term investments not subject to investors' redemptions or short-term market volatilities. As such, the Limited Liability Partnership terminated employment of the European Equity investment professional team and continuous reviewing its expense base to attain cost efficiency. As such, the Limited Liability Partnership maintains the going concern basis of accounting in the preparation of the financial statements.

The following principal accounting policies have been applied:

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

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 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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.

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.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

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 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 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.

2.11 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.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 Annuity

An annuity agreement entered into with a former member has been recognised as a liability in the year ended 31 December 2020. 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.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

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

Determine whether leases entered into by the Limited Liability Partnership 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.

Other creditors - Annuity (see note 12)

The Limited Liability Partnership entered into an annuity agreement with a former member that extends 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.

4. Turnover

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

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation	186,113	143,752
Hire of other assets - operating leases	897,326	899,451
Auditors remuneration:		
- Audit of the Limited Liability Partnership accounts	33,517	25,730
- Non audit services - accountancy and FCA compliance	10,457	12,119
- Non audit services - partnership tax returns	8,423	8,022
Exchange differences	242,576	61,180
Annuity	2,890,279	-

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	10,544,047	14,282,065
Social security costs	1,290,961	2,032,430
Cost of defined contribution scheme	162,677	87,238
	<u>11,997,685</u>	<u>16,401,733</u>

During the year management made a number of redundancies, the total cost of which was £3,470,355.

There were 18 employees during the period excluding members (2019 - 27).

7. 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 3 (2019 - 4). The highest paid member of the Limited Liability Partnership received £2,552,605 (2019 - £5,836,790) of discretionary profit share in relation to the year ended 31 December 2020.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

8. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office and computer equipment £	Total £
Cost				
At 1 January 2020	933,383	292,840	390,783	1,617,006
Additions	-	-	120,028	120,028
At 31 December 2020	<u>933,383</u>	<u>292,840</u>	<u>510,811</u>	<u>1,737,034</u>
Depreciation				
At 1 January 2020	808,668	282,169	238,541	1,329,378
Charge for the year	98,628	3,659	83,826	186,113
At 31 December 2020	<u>907,296</u>	<u>285,828</u>	<u>322,367</u>	<u>1,515,491</u>
Net book value				
At 31 December 2020	<u>26,087</u>	<u>7,012</u>	<u>188,444</u>	<u>221,543</u>
At 31 December 2019	<u>124,715</u>	<u>10,671</u>	<u>152,242</u>	<u>287,628</u>

9. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	-	902,300
	<u>-</u>	<u>902,300</u>
Due within one year		
Amounts owed by group undertakings	6,387,315	557,718
Amounts due from members	760,572	760,572
Other debtors	1,107,846	494,661
Prepayments and accrued income	375,991	452,196
	<u>8,631,724</u>	<u>2,265,147</u>

Other debtors due in more than one year relate to rental deposits.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Cash at bank and in hand

Cash includes £90,654 (2019 - £156,788) specifically in relation to MiFID research costs, therefore the entity has restricted use of this reserve.

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Severance payable	3,079,553	-
Bonus payable	1,399,098	-
Other creditors	1,417,158	67,399
Accruals and deferred income	105,907	348,470
	<u>6,001,716</u>	<u>415,869</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.

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

	2020 £	2019 £
Other creditors	<u>1,492,970</u>	<u>-</u>

An amount of £2,901,948 is due to a former member under an annuity agreement that extends to 31 December 2024. The liability is included within other creditors, with £1,408,978 being current and £1,492,970 being disclosed as falling due in more than one year.

13. 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 £162,677 (2019 - £87,238). Contributions totalling £8,178 (2019 - £67,395) were payable to the fund at the reporting date.

York Capital Management Europe (UK) Advisors, LLP

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Commitments under operating leases

At 31 December 2020 the Limited Liability Partnership had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 Land and buildings £	2019 Land and buildings £
Not later than 1 year	478,953	852,770
Later than 1 year and not later than 5 years	-	262,840
	<u>478,953</u>	<u>1,115,610</u>

15. Related party transactions

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

During the year, sales of £29,460,350 (2019 - £39,045,347) were made to YCM US Advisors. At the Statement of Financial Position date £6,387,315 (2019 - £557,718) was due to the Limited Liability Partnership from YCM US Advisors.

During the year, the Limited Liability Partnership paid expenses totalling £250,058 (2019 - £684,412) on behalf of YCM US Advisors who in turn paid expenses totalling £333,670 (2019 - £434,578) on behalf of the Limited Liability Partnership.

At the Statement of Financial Position date £3,667,460 (2019 - £13,209,558) was owed to members of the Limited Liability Partnership.

16. Ultimate controlling party

The Limited Liability Partnership is controlled by YCMMLI, 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 YCMMLI. 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.

17. Post balance sheet events

The Limited Liability Partnership performed a review of events subsequent to the balance sheet date through to the date the financial statements were issued. The Limited Liability Partnership extended the operating lease agreement for an additional 3 months until 23 July 2021. The impact of the lease extension has been disclosed in Note 14.