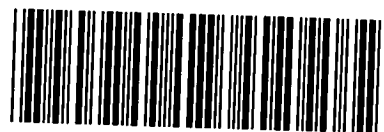


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Registered number: OC322586

Amber Capital UK LLP
Members' Report and Financial Statements
For the Year Ended 31 December 2017

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Amber Capital UK LLP

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Amber Capital UK LLP

Information

LLP registered number	OC322586
Registered office	Kent House 14-17 Market Place London W1W 8AJ
Independent auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Bankers	The Royal Bank of Scotland 62/63 Threadneedle Street London EC2R 8LA HSBC Bank Hanover Square Branch 19 St George Street London W1S 1FN
Solicitors	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS

Amber Capital UK LLP

Members' Report For the Year Ended 31 December 2017

The members present their annual report together with the audited financial statements of Amber Capital UK LLP (the "LLP") for the year ended 31 December 2017.

Principal activities and review of the business

The LLP's principal activity is providing investment management services to (i) Amber Global Opportunities Master Fund Limited, Amber Global Opportunities Fund Limited, and Amber Global Opportunities Fund LP; (ii) Amber Capital Asset Management PLC and Amber Select Opportunities Limited; (iii) Amber Capital Investment Management ICAV, Amber Active Investors Limited and Amber Southern European Equity Limited; and (iv) Oviedo Investments ScSp and Oviedo Holdings S.à r.l.. The LLP also provides execution and other services to Amber Capital Italia SGR S.p.A..

Results and allocation to members

The results for the year are a profit for the financial year before members' remuneration and profit share available for discretionary division among members of £1,181,731 (2016: £11,147,779) shown in the Statement of Comprehensive Income. The profit has decreased from the previous year due to negative performance of the funds managed by the LLP. Profits will be allocated to the members as governed by the Partnership Agreement dated 28 June 2012 and the members' respective Allocation Notices.

The LLP's Statement of Financial Position shows a satisfactory position with Members' other interests amounting to £2,211,731 (2016: £12,167,779).

Future developments

There are no plans which will significantly change the activities and risks of the LLP.

Principal risks and uncertainties

The principal risks and uncertainties affecting the LLP relate to the performance of the underlying funds it manages and the impact that poor performance has on the ability to attract and retain investors. Other risks and uncertainties relate to the ability to attract and retain key investment professionals. The LLP is not exposed to any significant price, credit, liquidity or cash flow risk.

Financial key performance indicators ("KPIs")

The key performance indicators of the LLP relate to the growth of assets under management and the performance of the funds managed. Given the straightforward nature of the business, the members are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Going concern

The LLP has sufficient financial resources. It is envisaged that assets under management will be maintained at such a level that the related management fee income will continue to exceed costs during the next twelve months.

The members have assessed the going concern status of the LLP and concluded that there are no material uncertainties that may cast significant doubt about the LLP's ability to continue as a going concern. They therefore continue to adopt a going concern basis of accounting in the financial statements.

Amber Capital UK LLP

Members' Report (continued) For the Year Ended 31 December 2017

Members

The members of the LLP who were in office during the year and up to the date of this report were as follows:

Amber Capital UK Holdings Limited
Gilles Emile Andre Fretigne
Joseph Marie Oughourlian
Jose Ramon de la Rosa
Olivier Marie Jacques Louis Fortesa (appointed as of 1 January 2017)

The responsibility for the management and control of the LLP is exercised by the members of the LLP through the Governance Committee. Amber Capital UK Holdings Limited and Gilles Emile Andre Fretigne were designated members throughout the year.

Members' profit allocation

The profits are allocated among the members in accordance with the Partnership Agreement dated 28 June 2012 and the members' respective Allocation Notices.

Policy for members' drawings, subscriptions and repayments of members' capital

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 28 June 2012 and any subsequent amendments/deeds of adherence since that date. In summary, the capital contributions made by each existing member were set out in the Partnership Agreement and the Corporate Member determines the capital contribution to be paid by all future further members. These capital contributions are only repaid at the discretion of the members of the LLP when a partner's membership in the LLP ceases. The Governance Committee of the LLP has sole discretion to determine and vary the level of each member's drawings, which it will do based on the requirements of the LLP. To the extent that the aggregate drawings of any member in any financial year exceed the profits so allocated to such member in respect of such financial year, such excess shall be treated as a debt due to the LLP, repayable immediately, unless determined otherwise by the Governance Committee. There were no transfers of equity to debt or debt to equity during the year.

Statement of disclosure of information to auditors

Each member at the time when this Members' Report is approved has confirmed that:

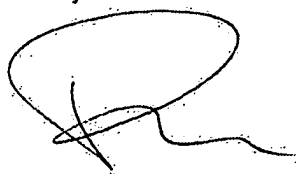
- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 21/03/2018 and signed on their behalf by:

Gilles Fretigne
Designated Member



Statement of Members' Responsibilities in respect of the Financial Statements

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

Company law, as applied to limited liability partnerships, 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). Under company law, as applied to limited liability partnerships, the members must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Amber Capital UK LLP

Opinion

In our opinion, Amber Capital UK LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position; the Statement of Comprehensive Income, the Statement of Changes in Equity; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained 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, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent Auditors' Report to the Members of Amber Capital UK LLP

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of Members' Responsibilities in respect of the Financial Statements set out on page 4, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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.

We have no exceptions to report arising from this responsibility.



Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 March 2018

Amber Capital UK LLP

**Statement of Comprehensive Income
For the Year Ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	4	10,678,467	27,243,640
Cost of sales	5	(4,864,591)	(10,993,550)
Gross profit		5,813,876	16,250,090
Administrative expenses		(4,633,010)	(5,103,865)
Operating profit	6	1,180,866	11,146,225
Interest receivable	9	865	1,554
Profit for the year before members' remuneration and available for discretionary division among members		<u>1,181,731</u>	<u>11,147,779</u>

All transactions are from continuing operations.

There was no other comprehensive income for 2017 (2016: none) other than that disclosed in the Statement of Comprehensive Income.

There are no differences between total comprehensive income available for discretionary division among members as stated above and its historical cost equivalent.

Notes 1 to 18 from an integral part of these financial statements.

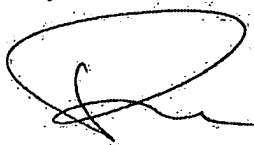
Amber Capital UK LLP
Registered number: OC322586

Statement of Financial Position
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	5,066	7,443
Current assets			
Debtors	11	3,376,326	21,038,316
Cash and cash equivalents	12	1,977,854	2,534,898
		<u>5,354,180</u>	<u>23,573,214</u>
Creditors: Amounts falling due within one year	13	(800,064)	(8,218,545)
Net current assets		<u>4,554,116</u>	<u>15,354,669</u>
Net assets attributable to members		<u>4,559,182</u>	<u>15,362,112</u>
Represented by:			
Loans and other debts due to members	14	2,347,451	3,194,333
Members' other interests			
Members' capital classified as equity	15	1,030,000	1,020,000
Other reserves classified as equity	15	1,181,731	11,147,779
Total members' other interests	15	<u>2,211,731</u>	<u>12,167,779</u>
		<u>4,559,182</u>	<u>15,362,112</u>
Total members' interests			
Amounts due from members (included in debtors)	11	(682,997)	(591,097)
Loans and other debtors due to members	14	2,347,451	3,194,333
Members' other interests		2,211,731	12,167,779
		<u>3,876,185</u>	<u>14,771,015</u>

The financial statements were approved and authorised for issue by the members on 21/03/2018 and were signed on their behalf by:

Gilles Fretigne
Designated Member



Notes 1 to 18 form an integral part of the financial statements.

Amber Capital UK LLP

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Members capital classified as equity	Other reserves classified as equity	Total members' other interests
	£	£	£
At 1 January 2017	1,020,000	11,147,779	12,167,779
Profit for year for discretionary division among members	-	1,181,731	1,181,731
Profit allocations	-	(11,147,779)	(11,147,779)
Capital introduced by members	10,000	-	10,000
At 31 December 2017	<u>1,030,000</u>	<u>1,181,731</u>	<u>2,211,731</u>

**Statement of Changes in Equity
For the Year Ended 31 December 2016**

	Members capital classified as equity	Other reserves classified as equity	Total members' other interests
	£	£	£
At 1 January 2016	1,010,000	1,549,439	2,559,439
Profit for year for discretionary division among members	-	11,147,779	11,147,779
Profit allocations	-	(1,549,439)	(1,549,439)
Capital introduced by members	10,000	-	10,000
At 31 December 2016	<u>1,020,000</u>	<u>11,147,779</u>	<u>12,167,779</u>

The notes 1 to 18 form an integral part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

1. General information

Amber Capital UK LLP (the "LLP") is a limited liability partnership incorporated and domiciled in England. The address of the registered office is Kent House, 14-17 Market Place, London, W1W 8AJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102"), the Companies Act 2006, the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, applicable for periods commencing on or after 1 January 2016 (the "LLP SORP").

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 entity's accounting policies to the financial statements of the LLP (see note 3).

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Financial reporting standard 102 – reduced disclosure exemptions

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

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

This information is included in the consolidated financial statements of Amber Capital UK Holdings Limited as at 31 December 2017 and these financial statements may be obtained from the LLP's registered office.

2.3 Revenue

Revenue, which is stated net of any value added tax, represents fees arising from services charged to Amber Capital Management LP, a related entity domiciled in the Cayman Islands, Amber Capital Italia SGR S.p.A., a related entity domiciled in Italy, and Amber Capital LP, a related entity domiciled in the United States of America.

Revenue is recognised on an accruals basis when the services have been performed and all of the following conditions are satisfied:

- the amount of revenue can be measured reliably and;
- it is probable that the LLP will receive the consideration due under the contract.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.4 Tangible assets

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

The LLP adds to the carrying amount of an item of tangible assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the year in which they are incurred.

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

The estimated useful lives range as follows:

Leasehold improvements	- 3 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Any incentives to enter into an operating lease are credited to the Statement of Comprehensive Income as a reduction of the rental expense on a straight-line basis over the term of the lease.

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.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.7 Financial instruments

The LLP has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The basis for recognition and measurement of financial instruments is as set out in these accounting policies.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished; that is, when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Creditors

Short-term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is British Pounds Sterling (GBP).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of 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 as gains or losses.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.11 Cost of sales

Cost of sales, which are stated net of value added taxes, represent fees payable under a revenue sharing arrangement. Direct costs are recognised on an accruals basis, when the LLP has the right to receive the revenue to which the sharing arrangement relates.

2.12 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.13 Taxation

No provision has been made for UK taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual members and not on the LLP.

2.14 Members' capital

Members' capital is classified as equity when it is not automatically repayable on retirement and is not interest bearing.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating lease incentives

The LLP is party to a 10 year lease, which includes an option for the LLP to terminate the lease after an initial non-cancellable period of 5 years. The members are of the opinion that the lease will not be terminated at that point and are thus recognising the lease incentives over the full lease term of 10 years.

(b) Critical accounting estimates and assumptions

The LLP makes estimates and assumptions concerning the future. The LLP's main areas of estimation and assumption are accrued expenses, the useful economic life of assets and the recoverability of debtors. The resulting accounting estimates could differ from the related actual results. These estimates and assumptions do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Amber Capital UK LLP

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

4. Turnover

	2017 £	2016 £
Investment advisory and administrative services	<u>10,678,467</u>	<u>27,243,640</u>
	2017 £	2016 £
Cayman Islands	10,274,016	26,812,003
Europe	264,157	184,177
United States of America	140,294	247,460
	<u>10,678,467</u>	<u>27,243,640</u>

5. Cost of sales

	2017 £	2016 £
Advisory fees	<u>4,864,591</u>	<u>10,993,550</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	7,752	7,943
Other operating lease rentals	<u>236,207</u>	<u>236,207</u>

7. Auditors' remuneration

	2017 £	2016 £
Fees payable to the LLP's auditors and its associates for the audit of the LLP's annual financial statements	11,452	12,452
	<u>11,452</u>	<u>12,452</u>
Fees payable to the LLP's auditors and its associates in respect of:		
Other services relating to taxation	24,424	14,337
Other professional services	26,568	-
	<u>50,992</u>	<u>14,337</u>

Notes to the Financial Statements
For the Year Ended 31 December 2017

8. Information in relation to members

	2017 Number	2016 Number
The average number of members during the year was	<u>5</u>	<u>4</u>
	£	£
The amount of profit attributable to the member with the largest entitlement was	<u>9,872,353</u>	<u>1,306,630</u>

9. Interest receivable

	2017 £	2016 £
Other interest receivable	<u>865</u>	<u>1,554</u>

10. Tangible assets

	Leasehold improve- ments £	Computer equipment £	Total £
Cost			
At 1 January 2017	35,095	1,906	37,001
Additions	5,375	-	5,375
At 31 December 2017	<u>40,470</u>	<u>1,906</u>	<u>42,376</u>
Accumulated depreciation			
At 1 January 2017	28,070	1,488	29,558
Charge for the year	7,473	279	7,752
At 31 December 2017	<u>35,543</u>	<u>1,767</u>	<u>37,310</u>
Net book value			
At 31 December 2017	<u>4,927</u>	<u>139</u>	<u>5,066</u>
At 31 December 2016	<u>7,025</u>	<u>418</u>	<u>7,443</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

11. Debtors

	2017 £	2016 £
Due within one year		
Trade debtors	314,452	24,047
Amounts owed by related undertakings	1,487,575	19,928,951
Other debtors	787,120	382,322
Prepayments and accrued income	104,182	111,899
Amounts due from members	682,997	591,097
	<u>3,376,326</u>	<u>21,038,316</u>

Amounts due from members and group entities are interest free and are repayable on demand.

12. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>1,977,854</u>	<u>2,534,898</u>

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	6,256
Amounts due to related undertakings	335,514	-
Other creditors	2,000	7,901,932
Accruals and deferred income	462,550	310,357
	<u>800,064</u>	<u>8,218,545</u>

14. Loans and other debts due to members

	2017 £	2016 £
Amounts due to members	<u>2,347,451</u>	<u>3,194,333</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

All amounts due to members are repayable on demand and are interest free.

Notes to the Financial Statements
For the Year Ended 31 December 2017

15. Reconciliation of members' interests

	Members' capital classified as equity	Other reserves classified as equity	Total members' other interests	Loans and debts due to members less any amounts due from members in debtors	Total members' interests
	£	£	£	£	£
Amounts due to members				3,194,333	
Amounts due from members				(591,097)	
Balance at 1 January 2017	1,020,000	11,147,779	12,167,779	2,603,236	14,771,015
Profit for the year available for discretionary division among members	-	1,181,731	1,181,731	-	1,181,731
Members' interests after profit for the year	1,020,000	12,335,012	13,355,012	2,603,236	15,952,746
Capital introduced by members	10,000	-	10,000	-	10,000
Allocated profit for the year	-	(11,147,779)	(11,147,779)	11,147,779	-
Amounts withdrawn by members	-	-	-	(11,218,100)	(11,218,100)
Other movements	-	-	-	(868,461)	(868,461)
Balance at 31 December 2017	1,030,000	1,181,731	2,211,731	1,664,454	3,876,185
Amounts due to members				2,347,451	
Amounts due from members				(682,997)	
Balance at 31 December 2017				1,659,232	

16. Commitments under operating leases

At 31 December 2017 the LLP had future minimum lease payments under non-cancellable operating leases for each of the following years:

	2017 £	2016 £
Not later than 1 year	257,680	257,680
Later than 1 year and not later than 5 years	261,836	519,516
Total	519,516	777,196

Amber Capital UK LLP

Notes to the Financial Statements For the Year Ended 31 December 2017

17. Related party transactions

During the year, charges of £3,455,064 (2016: £3,890,457) were made by Amber Capital UK Holdings Limited, the immediate parent undertaking. The amount due to Amber Capital UK Holdings Limited at 31 December 2017 was £2,319,026 (2016: £3,194,333).

The LLP charged execution, financial analysis and investor relation service fees of £264,157 (2016: £184,177) to Amber Capital Italia SGR S.p.A, an entity under common control. Amber Capital Italia SGR S.p.A. charged advisory services of £173,329 (2016: £155,926) to the LLP. At 31 December 2017, Amber Capital Italia SGR S.p.A. owed £198,133 (2016: £42,313) to the LLP.

The LLP charged service fees of £140,294 (2016: £247,460) to Amber Capital LP, an entity under common control. At 31 December 2017, Amber Capital LP owed £1,225,873 (2016: £491,050) to the LLP.

During the year, the LLP charged service fees of £10,274,016 (2016: £26,812,003) to Amber Capital Management LP, the ultimate parent undertaking. At 31 December 2017, Amber Capital Management LP was due £335,489 from the LLP (2016: £19,416,896 owed to the LLP).

Trade debtors are due from related parties and at 31 December 2017 were as follows:

	2017	2016
	£	£
Amber Select Opportunities Limited	403	-
Succinite Investment X LLC	14,221	13,582
San Lazzaro Holdings LLC	2,903	-
Amber Active Investors Limited	92,545	-
Santa Croce Investments SL	3,945	3,945
Amber Equity Fund	9,723	6,192
Amber European Long Only Limited	9,059	-
Amber Global Opportunities Master Fund Limited	32,578	-
Amber Latin America LLC – Series Three	161	-
Amber Capital US GP LLC	-	328
Oviedo Holdings ScSP	143,741	-
	<u>309,279</u>	<u>24,047</u>

Key management personnel

The members are the only key management personnel of the LLP. The profit allocated to the members during the year amounted to £11,147,779 (2016: £1,778,680) and is based on the profits of the preceding year.

18. Controlling party

The LLP's immediate parent undertaking is Amber Capital UK Holdings Limited, which has included the LLP in its consolidated financial statements, copies of which are available from its registered office at Kent House, 14-17 Market Place, London, W1W 8AJ. Amber Capital UK Holdings Limited's parent is Amber Capital Management LP, an exempted limited partnership formed in accordance with the Exempted Limited Partnership Law (2011 Revision) of the Cayman Islands. The ultimate controlling party is Joseph Marie Oughourlian.

Appendix I – Pillar III disclosure (unaudited)

The following unaudited additional information does not form part of the financial statements.

**AMBER CAPITAL UK LLP
PILLAR 3 RISK DISCLOSURE STATEMENT**

Introduction

Amber Capital UK LLP (the "Firm") is required by the Financial Conduct Authority ("FCA") to disclose information relating to the capital it holds and each material category of risk it faces in order to assist users of its financial statements and to encourage market discipline. These disclosures aim to provide information on the risk exposures faced by the Firm and the risk assessment process it has in place to monitor these. Known as "Pillar 3" disclosures, they are required to be made under Chapter 11 of the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") and are seen as complementary to the Firm's minimum capital requirement calculation ("Pillar 1") and the internal review of its capital adequacy ("Pillar 2").

The Firm is a limited liability partnership incorporated in England.

The Firm is the investment manager of several funds and special purpose vehicles (the "Funds") and is responsible for all trading and other investment decisions for the Funds. The Firm is authorised and regulated by the FCA.

Capital adequacy

Capital resources

As at 31 December 2017, the Firm held regulatory capital resources of £1,030,000 (2016: £2,569,538). This comprised solely of core Tier 1 capital.

Capital requirement

As at 31 December 2017, the Firm's Pillar 1 capital requirement was £503,451. This has been determined by reference to the Firm's Fixed Overheads Requirement ("FOR") and calculated in accordance with the FCA's General Prudential Sourcebook ("GENPRU") at GENPRU 2.1.53. The requirement is based on the FOR since at all times this exceeds the total of the credit and market risk capital requirements considered by the Firm and also exceeds its base capital resources requirement of €50,000 (2016: €50,000).

The FOR is based on annual expenses net of variable costs (which include discretionary bonuses paid to staff, exchange losses and certain one-off professional fees). The Firm monitors its expenditure on a monthly basis and takes into account any material fluctuations in order to determine whether the FOR remains appropriate to the size and nature of the business or whether any adjustment needs to be made intra-year. This is monitored by a managing member and reported to members of the Firm on a quarterly basis.

Appendix I – Pillar III disclosure (unaudited, continued)

Satisfaction of capital requirements

Since the Firm's Internal Capital Adequacy Process ("ICAAP") process has not identified capital to be held over and above the Pillar 1 requirement, the capital resources detailed above are considered adequate to continue to finance the Firm over the next year.

Risk management

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising from the business. Due to the nature, size and complexity of the Firm it has not appointed an independent risk management function. The risk management process is overseen by Gilles Fretigne, a managing member of the Firm (and also the Firm's Chief Executive Officer) with the members of the Firm taking overall responsibility for this process. A formal update on operational matters is provided to the members on a quarterly basis. Management accounts demonstrating continued adequacy of the Firm's regulatory capital are also provided on a monthly basis. The Firm's ICAAP (Pillar 2) review is undertaken formally at least annually; it is via this process that the Firm determines that it is able to identify and manage its key risks in an on-going basis and that it has sufficient capital in respect of such risks. This process is forward looking and is an integral part of the management of the Firm.

Appropriate action is taken where risks are identified which fall outside of the Firm's risk tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the Firm's mitigating controls.

Specific risks applicable to the Firm come under the headings of business, operational and credit risks.

Business risk

The majority of the Firm's revenue is generated through the provision of services to the Funds. The loss of this revenue would result in the Firm itself making a loss. This risk is mitigated by the level of capital held by the Firm.

Operational risk

The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Firm has identified a number of key operational risks to manage. These relate to key man issues, the risk of occurrence of trading errors, disaster recovery risks and the potential for serious regulatory breaches. Appropriate policies are in place to mitigate these risks, which include taking out adequate professional indemnity insurance.

The risk of loss of key trading personnel is mitigated by the fact that the portfolio managers are members of the Firm, and partners of the Firm's ultimate parent entity. Operational procedures exist to prevent and identify trade errors. The Firm has alternative arrangements in place should a disaster recovery event occur. These arrangements are tested on a regular basis in order to ensure that they would be effective should they be required to be invoked. The Firm's employees undergo periodic training to ensure that they understand their regulatory obligations.

Appendix I – Pillar III disclosure (unaudited, continued)

Credit risk

The Firm is exposed to credit risk in respect of fees billed to ACMLP and Amber Capital Italia SGR S.p.A., its rent deposit with its landlord and cash held on deposit.

Credit exposure is limited since the Firm has one main counterparty, ACMLP. The Firm's bank accounts are held with large international credit institutions.

Given the nature of the Firm's exposures, no specific policy for hedging and mitigating credit risk is in place. The Firm uses the simplified standardised approach detailed in BIPRU 3.5.5 of the FCA Handbook when calculating risk weighted exposures in respect of its debtors. This amounts to 8% of the total balances due. All bank balances are subject to a risk weighted exposure of 1.6% in accordance with BIPRU 3.4 of the FCA Handbook.

Consolidation

The Firm is a member of a group that prepares financial statements on a fully consolidated basis for accounting purposes under UK GAAP. The financial statements are prepared on the going concern basis. Consolidated supervision reports prepared for the purpose of providing prudential returns to the FCA require each company in the group to assess the capital held and the capital required in accordance with the provisions set out in BIPRU 8 of the FCA Handbook. This requires all regulated firms within the group to maintain adequate capital resources so as to meet their capital requirements. Unregulated firms are not required to meet capital requirements on an individual basis provided there is adequate capital in the group as a whole.

The Firm is responsible for ensuring that sufficient capital is maintained on an entity by entity basis as well as on a consolidated basis.

BIPRU Remuneration Code

The FCA's BIPRU Remuneration Code ("Code") can be applied by the Firm in a proportionate way. As such, the members have determined that the following rules are not proportionate to the Firm and have not implemented these detailed rules:

- SYSC 19C.3.44 - Ratios between fixed and variable components of total remuneration;
- SYSC 19C.3.47 - Retained shares and other instruments;
- SYSC 19C.3.49 - Deferral; and
- SYSC 19C.3.51, 19C.3.52 - Performance adjustment

Appendix I – Pillar III disclosure (unaudited, continued)

Decision-making process for remuneration policy

Qualitative information

The members of the Firm are responsible for approving the remuneration policy and, in doing so, take into account the pay and conditions across the Firm.

This includes the individual remuneration packages of members and other senior employees, including all in positions of significant influence and those having an impact on the Firm's risk profile ("Remuneration Code Staff").

Members receive drawings in accordance with the Partnership Agreement and any remaining profits are allocated to members in accordance with the Partnership Agreement.

No individual is involved in decisions relating to his or her own remuneration.

a) Code Staff criteria

In accordance with the FCA's criteria for Remuneration Code Staff, the Firm has identified those individuals who meet the relevant criteria, based on the definition noted below:

- a person who performs a significant influence function for a firm;
- a senior manager;
- risk takers, whose professional activities could have a material impact on the Firm's risk profile; and
- all staff whose total remuneration takes them into the same bracket as senior management and risk takers.

b) The link between pay and performance for Remuneration Code Staff

Remuneration is made up of fixed pay (i.e. salary and benefits) and performance-related pay (i.e. annual bonus). Performance-related pay is designed to reflect success or failure against a range of targets.

The structure of the remuneration package is such that the fixed element is sufficiently large to enable the Firm to operate a truly flexible bonus policy.

The Firm is subject to, and is in compliance with, the Code. The purpose of the Code generally is to ensure that firms have risk focused remuneration policies, which are consistent with and promote effective risk management and do not expose the firm to excessive risk.

The Code is capable of application in a proportionate manner (the Proportionality Rule). The Firm's members are responsible for setting the Firm's remuneration policy for all staff, and the Compliance Oversight Officer is a member of the senior management team.

Variable remuneration, to the extent it is paid, is directly linked to the Firm's performance and profitability as a whole.

Quantitative information

The total remuneration for Remuneration Code Staff for the year ended 31 December 2017 is £11,147,779.