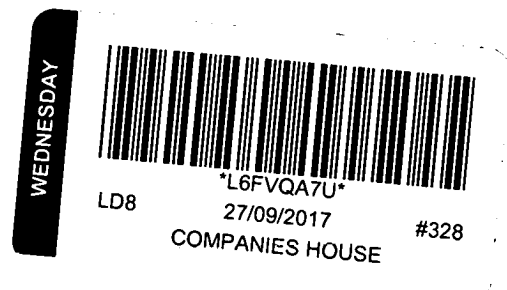


Financial Statements

Elliott Advisors (UK) Limited

For the Year Ended 31 December 2016



Registered number: 02989338

Elliott Advisors (UK) Limited

Company Information

Directors	J D Pollock G M Singer M N Levine (appointed 1 February 2016)
Company secretary	Dentons Secretaries Limited
Company registration number	02989338
Registered office	6th Floor Park House 116 Park Street London W1K 6AF
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2P 2YU

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Strategic report

For the Year Ended 31 December 2016

Principal activities and business review

The principal activity of the Company during the year was the provision of services related to investment management, research and advice.

The Company is regulated by the Financial Conduct Authority (FCA) under Part IV of the Financial Services and Markets Act 2000 to act as an authorised person.

The principal risks facing the business include the loss of investment professionals who provide investment advisory services. The Company seeks to provide competitive performance-related remuneration packages to ensure it attracts and retains quality staff.

Key performance indicators used by the directors to monitor the performance of the business include staff retention.

Financial risk management objectives and policies

The Company trades with one related company and, in the opinion of the directors, the exposure to credit risk on amounts receivable from that related company is low.

The Company has debt in the form of subordinated loans subject to interest at a variable rate. The Company is exposed to cash flow risk on those debt instruments as a result of movements in interest rates.

Pillar 3 risk disclosure

The European Capital Requirements Directive introduced consistent capital adequacy standards and an associated supervisory framework in the EU based on the Basel II rules. The Directive was introduced into the UK by the FCA. The new framework consisted of three 'pillars'.

Pillar 1 specifies the minimum capital requirements.

Pillar 2 is a supervisory review process that requires an assessment to be made of whether additional capital should be held against risks not covered by Pillar 1.

Pillar 3 introduces public disclosure of qualitative and quantitative information and is designed to promote market discipline by providing market participants with key information on a firm's risk exposures and risk management processes.

Full details of how the Company complies with Pillar 3 are available at the following internet address:

www.pillar3.eu/EAL0904015

Elliott Advisors (UK) Limited

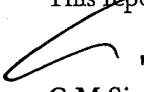
Strategic report (continued)

For the Year Ended 31 December 2016

Future Developments

The Company will continue to provide services related to investment management, research and advice. It continues to maintain good working relations with Elliott Management Corporation, its sole client. Having considered the Company's operations and its financial resources, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

This report was approved by the board on 25 April 2017 and signed on its behalf.



G M Singer
Director

Directors' report

For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £3,630,237 (2015 - £2,578,108). The directors do not recommend payment of a dividend for the year ended 31 December 2016.

Directors

The directors who served during the year were:

J D Pollock
G M Singer
M N Levine (appointed 1 February 2016)

Donations

During the year, the Company made a donation of £11,000 (2015 - £nil) to the Conservative Party.

Directors' report (continued)

For the Year Ended 31 December 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 25 April 2017 and signed on its behalf.



G M Singer
Director



Independent auditor's report to the members of Elliott Advisors (UK) Limited

We have audited the financial statements of Elliott Advisors (UK) Limited for the year ended 31 December 2016, which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.



Independent auditor's report to the members of Elliott Advisors (UK) Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to read "Grant Thornton UK Ltd".

David Pearson (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London

25 April 2017

Statement of income and retained earnings

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	1,2	100,890,261	81,487,470
Gross profit		<u>100,890,261</u>	<u>81,487,470</u>
Other operating charges		(96,085,962)	(77,611,689)
Operating profit	3	<u>4,804,299</u>	<u>3,875,781</u>
Interest payable	6	(153,690)	(171,673)
Profit before tax		<u>4,650,609</u>	<u>3,704,108</u>
Tax on profit	7	(1,020,372)	(1,126,000)
Profit for the financial year		<u><u>3,630,237</u></u>	<u><u>2,578,108</u></u>
Retained earnings at the beginning of the year		17,949,929	15,371,821
		<u>17,949,929</u>	<u>15,371,821</u>
Profit for the year		3,630,237	2,578,108
Retained earnings at the end of the year		<u><u>21,580,166</u></u>	<u><u>17,949,929</u></u>


The notes on pages 10 to 20 form part of these financial statements.

Balance sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	7,891,165	5,997,194
		<u>7,891,165</u>	<u>5,997,194</u>
Current assets			
Debtors	9	80,368,723	62,131,492
Cash at bank	10	7,009,589	3,341,735
		<u>87,378,312</u>	<u>65,473,227</u>
Creditors: amounts falling due within one year	11	(67,518,346)	(46,967,069)
Net current assets		<u>19,859,966</u>	<u>18,506,158</u>
Total assets less current liabilities		<u>27,751,131</u>	<u>24,503,352</u>
Creditors: amounts falling due after more than one year	12	(2,400,000)	(3,000,000)
Provisions for liabilities			
Deferred tax	14	(157,265)	(103,423)
Other provisions	15	(603,700)	(440,000)
		<u>(760,965)</u>	<u>(543,423)</u>
Net assets		<u><u>24,590,166</u></u>	<u><u>20,959,929</u></u>
Capital and reserves			
Called up share capital	17	30,000	30,000
Share premium account	16	2,980,000	2,980,000
Profit and loss account	16	21,580,166	17,949,929
Shareholders' funds		<u><u>24,590,166</u></u>	<u><u>20,959,929</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 April 2017.


G M Singer
Director

The notes on pages 10 to 20 form part of these financial statements.

Statement of cash flows

For the Year Ended 31 December 2016

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	3,630,237	2,578,108
Adjustments for:		
Depreciation of tangible fixed assets	652,073	650,333
Loss on disposal of tangible fixed assets	1,225	-
Interest paid	153,690	171,673
Tax on profit	1,020,372	1,126,000
(Increase)/decrease in debtors	(18,237,231)	13,906,797
Increase/(decrease) in creditors	20,845,350	(27,227,431)
Corporation tax paid	(1,260,603)	(834,487)
Net cash generated from/(used in) operating activities	<u>6,805,113</u>	<u>(9,629,007)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,385,069)	(351,507)
Sale of tangible fixed assets	1,500	-
Net cash from investing activities	<u>(2,383,569)</u>	<u>(351,507)</u>
Cash flows from financing activities		
Repayment of subordinated loans	(600,000)	-
Interest paid	(153,690)	(171,673)
Net cash from financing activities	<u>(753,690)</u>	<u>(171,673)</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,667,854</u>	<u>(10,152,187)</u>
Cash and cash equivalents at beginning of year	3,341,735	13,493,922
Cash and cash equivalents at the end of year	<u><u>7,009,589</u></u>	<u><u>3,341,735</u></u>
Cash at bank	<u><u>7,009,589</u></u>	<u><u>3,341,735</u></u>

Notes to the financial statements

For the Year Ended 31 December 2016

1. Accounting policies

1.1 Company information

The principal activity of the Company during the year was the provision of services related to investment management, research and advice.

The Company is a private company limited by shares incorporated and domiciled in the United Kingdom. Its registered address is 6th Floor, Park House, 116 Park Street, London, W1K 6AF.

1.2 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 United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates and judgements in applying the Company's accounting policies; however, management does not consider there to be any significant estimates or judgements.

The Company's functional and presentational currency is GBP.

The principal accounting policies of the Company are set out below.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable.

Turnover is earned during the year for the provision of investment management, research and advising services, net of VAT.

1.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their estimated useful lives.

The estimated useful lives range as follows:

Long term leasehold property and re-instatement provisions	- Period of the lease
Plant & machinery	- 25% straight line
Fixtures & fittings	- 25% straight line

1.5 Operating lease agreements

Rentals paid under operating leases are charged against profits on a straight line basis over the period of the lease.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

Notes to the financial statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost.

1.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any provisions meeting the definition of a financial liability, such share capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Current asset investments

Current asset investments are short-term deposits with an original maturity of six months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

1.9 Creditors

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

1.10 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the profit.

Notes to the financial statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.11 Pensions

The Company operates a defined contribution pension scheme for the benefit of its employees.

The cost of the Company's defined contribution scheme that are charged against profits represent the amount of contributions payable to the scheme in the accounting period.

1.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

1.13 Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The current tax charge is based on the results for the year, adjusted for the items that are non-assessable or disallowable.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

1.14 Employee benefits

Employee benefits, such as salaries, paid absences and other benefits include any estimated tax payable in respect of employee services rendered during the period and are accounted for on an accruals basis over the period in which the employees provide the related services, but only to the extent that the Company has either paid or has an obligation to pay such employee benefits.

Notes to the financial statements

For the Year Ended 31 December 2016

2. Turnover

	2016	2015
	£	£
United Kingdom	100,890,261	81,487,470

3. Operating profit

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

	2016	2015
	£	£
Depreciation of tangible fixed assets - owned by the Company	652,073	650,333
Auditors remuneration - audit fees	49,000	52,000
Auditors remuneration - other services	49,836	57,032
Operating lease rentals – other operating leases	2,817,573	1,671,332
Net (profit)/loss on foreign currency translation	42,419	(51,367)

4. Particulars of directors and employees

	2016	2015
	£	£
Wages and salaries	65,963,449	52,512,067
Social security costs	9,131,822	7,454,596
Other pension costs	1,077,471	1,284,438

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
	79	72

Notes to the financial statements

For the Year Ended 31 December 2016

5. Directors' remuneration

Remuneration paid during the year to the directors was £6,172,333 (2015 - £2,633,200). The highest paid director (excluding pension contribution) received £3,672,333 (2015 - £2,633,200).

The value of the Company's contribution paid to a money purchase scheme in respect of the highest paid director amounted to £28,404 (2015 - £23,470).

6. Interest payable

	2016 £	2015 £
Other interest payable	153,690	171,673

7. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profit for the year	966,530	1,077,160
Adjustments in respect of previous periods	-	59,295
Total current tax	966,530	1,136,455
Deferred tax		
Origination and reversal of timing differences	59,588	48,847
Changes to tax rates	(5,746)	(6,064)
Adjustments in respect of prior periods	-	(53,238)
Total deferred tax	53,842	(10,455)
Tax on profit	1,020,372	1,126,000

Notes to the financial statements

For the Year Ended 31 December 2016

7. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit before tax	<u>4,650,609</u>	<u>3,704,108</u>
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	930,122	749,955
Effects of:		
Expenses not deductible for tax purposes	88,544	103,860
Depreciation less than capital allowances	17,967	25,388
Adjustments to tax charge in respect of prior periods	-	59,295
Adjustments in respect of prior periods - deferred tax	(16,261)	(65,397)
Adjustments on conversion to FRS102	-	252,899
Total tax charge for the year	<u><u>1,020,372</u></u>	<u><u>1,126,000</u></u>

Notes to the financial statements

For the Year Ended 31 December 2016

8. Tangible fixed assets

	Leasehold property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 January 2016	6,753,478	661,993	7,836	7,423,307
Additions	2,076,677	82,454	389,638	2,548,769
Disposals	(3,282)	-	-	(3,282)
At 31 December 2016	8,826,873	744,447	397,474	9,968,794
Depreciation				
At 1 January 2016	1,162,650	260,236	3,227	1,426,113
Charge for the year	481,178	168,936	1,959	652,073
Disposals	(557)	-	-	(557)
At 31 December 2016	1,643,271	429,172	5,186	2,077,629
Net book value				
At 31 December 2016	7,183,602	315,275	392,288	7,891,165
At 31 December 2015	5,590,828	401,757	4,609	5,997,194

9. Debtors

	2016 £	2015 £
Due within one year		
Amounts owed by group undertakings	72,122,217	55,012,151
Other debtors	7,145,221	6,210,250
Prepayments and accrued income	1,101,285	909,091
	80,368,723	62,131,492

Notes to the financial statements

For the Year Ended 31 December 2016

10. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank	7,009,589	3,341,735

11. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	1,188,332	1,907,916
Corporation tax	216,530	510,603
Taxation and social security	10,270,860	6,891,424
Other creditors	67,550	85,991
Accruals	55,775,074	37,571,135
	<u>67,518,346</u>	<u>46,967,069</u>

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

	2016	2015
	£	£
Other creditors: Subordinated loans	2,400,000	3,000,000

Subordinated loans fall due for payment on 1 November 2024. The subordinated loan interest rate is LIBOR plus 5%. This is unchanged from the prior year.

13. Financial instruments

	2016	2015
	£	£
Financial assets		
Financial assets measured at amortised cost	79,267,438	61,222,401
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(59,430,956)</u>	<u>(42,565,042)</u>

Notes to the financial statements

For the Year Ended 31 December 2016

14. Deferred taxation

	2016 £	2015 £
At 1 January 2016	(103,423)	(113,878)
(Charged)/credited to the profit and loss account	(53,842)	10,455
At 31 December 2016	(157,265)	(103,423)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Other timing differences	(157,265)	(103,423)

15 Provisions

	Property re- instatement provision £
At 1 January 2016	440,000
Charged in the year	163,700
At 31 December 2016	603,700

16. Reserves

Called up share capital

Represents the nominal value of shares that have been issued.

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior year retained profits and losses.

Notes to the financial statements

For the Year Ended 31 December 2016

17. Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

18. Pension

The Company makes payments to the defined contribution pension scheme operated by a related company for the benefit of 2 (2015: 2) employees.

19. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Not later than 1 year	3,020,776	2,483,910
Later than 1 year and not later than 5 years	13,209,640	12,928,006
Later than 5 years	20,317,339	22,956,685
Total	<u>36,547,755</u>	<u>38,368,601</u>

Notes to the financial statements

For the Year Ended 31 December 2016

20. Related party transactions

All income is derived from Elliott Management Corporation. The managing member of Elliott Advisors Holding LLC, a 24.91% shareholder of the Company, exercises influence over the financial and operating policies of Elliott Management Corporation.

Subordinated loan finance amounting to £2,400,000 (2015: £3,000,000) has been provided by the Company's shareholders as follows:

	Shareholding %	2016 £	2015 £
Elliott Advisors Holdings LLC	24.91	747,000	747,000
Hawksford Trustees Jersey Limited	19.99	-	-
J D Pollock	20.00	600,000	600,000
P Reid	-	-	600,000
I Gunn	19.90	597,000	597,000
M Levine	15.20	456,000	456,000
	<u>100.00</u>	<u>2,400,000</u>	<u>3,000,000</u>