

# Moore Europe Capital Management, LLP

## Report and financial statements

For the year ended 31 December 2020



**Designated Members**

Moore Europe Capital Management Holdings, Limited  
MKM 650, Incorporated

**Secretary**

Hackwood Secretaries Ltd

**Auditors**

Ernst & Young LLP  
25 Churchill Place  
London E14 5EY

**Bankers**

Barclays Bank PLC  
54 Lombard Street  
London  
EC3P 3AH

**Registered Office**

One Silk Street  
London  
EC2Y 8HQ

Registered No. OC322533

## Members' report

The Members present their report and financial statements of Moore Europe Capital Management, LLP ("the LLP"), a limited liability partnership, for the year ended 31 December 2020.

### Results

As shown in the LLP's statement of comprehensive income on page 9, the LLP's turnover for 2020 was £163.8m (2019: £17.5m). Revenue is calculated on a cost-plus basis, and the main cause of the increase in revenue for the year was an increase in costs. The LLP's profit for the year was £23.1m (2019: loss of £63.3m).

The statement of financial position on page 12 shows that the LLP's net assets have decreased from the prior year to £16.4m (2019: £35.3m).

In the prior year revenue was calculated as a variable percentage of the management and incentive fees earned by Moore Capital Management, LP, which was a subsidiary of Moore Capital Holdings, LLC, the ultimate controlling party (see note 10). The LLP's Members believe that other than the level of costs, there are no key performance indicators for the LLP necessary or appropriate for an understanding of the development, performance or position of the business.

### Principal Activities

The principal activity of Moore Europe Capital Management, LLP is the provision of investment management services. The LLP is authorised and regulated by the Financial Conduct Authority.

### Principal Risks and Uncertainties

The LLP's ultimate parent company derives the majority of its turnover from the management of its proprietary assets. The principal risk to the LLP in the future is therefore related to poor performance of the assets managed by the ultimate parent company. This may impact the willingness of the ultimate parent company to continue to support the LLP. This risk is monitored as the majority of the directors of the Managing Member have oversight of the performance of the assets managed by the ultimate parent company.

### Future developments

The Members do not anticipate any significant change in the business of the LLP for the foreseeable future. The impact of COVID-19 in the future is discussed in the Going Concern section.

### Policy for Members' drawings, subscriptions and repayment of Members' capital

Policies for Members' drawings, subscriptions and repayment of Members' capital are governed by the Limited Liability Partnership Agreement dated 1<sup>st</sup> May 2014. In accordance with the Partnership Agreement, each Member of the Partnership is required to make a capital contribution to the Partnership. Capital is repayable to the Members on ceasing to be a Member of the Partnership (or on winding up).

Members are entitled to drawings from the Partnership at the discretion of the Members in anticipation of the allocation of future profits. If drawings are made in excess of allocated profits, the overdrawn balance shall be treated as an interest free loan from the Partnership.

### Members' profit allocation

Any profits or losses for the year 2020 are shared among the Members at the discretion of the Managing Member, in accordance with the Limited Liability Partnership Agreement dated 1st May 2014.

Registered No. OC322533

## Members' report (continued)

### Going Concern

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact the LLP results, operations or liquidity is uncertain. Management continues to monitor the impact that the COVID-19 pandemic has on the LLP, the asset management industry and the economies in which the LLP operates. Management has performed a COVID-19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has modelled a number of adverse scenarios to assess the potential impact that COVID-19 may have on the LLP's operations, liquidity, solvency and regulatory capital position, including an assessment of any relevant mitigations management have within their control to implement.

Management has considered drivers of revenue such as investment performance and the assets under management of its US parent, as well as mitigants such as cost and compensation reduction. The LLP is expected in the future to generate positive cash flows from the revenue earned from Moore Capital Management, LP, which is a subsidiary of Moore Capital Holdings, LLC, the ultimate controlling party.

The Members, having assessed the responses of the directors of Moore Capital Holdings, LLC to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Moore Capital Holdings, LLC and its subsidiaries to continue as a going concern.

However it is not possible to quantify the overall impact of Covid-19 because financial markets continue to react to developments. Management have a number of actions that they are able to take to protect profitability and solvency.

Having performed this analysis management believes regulatory capital requirements continue to be met and the Partnership will have sufficient liquidity to meet its liabilities for the next 12 months from the date of the approval of the financial statements and that the preparation of the financial statements on a going concern basis remains appropriate as the LLP expects to be able to meet its obligations as and when they fall due for the foreseeable future.

Registered No. OC322533

## Members' report (continued)

### Members

The following were Members of the LLP during the year and up to the date of this report:

Moore Europe Capital Management Holdings, Limited (Designated Member) (appointed 8<sup>th</sup> February 2021)

MKM 650, Incorporated (Designated Member) (appointed 18<sup>th</sup> December 2020)

MECM, Limited (Managing Member) (resigned 8<sup>th</sup> February 2021)

Louis Bacon (Designated Member) (resigned 3<sup>rd</sup> August 2020)

### Disclosure of information to the auditors

So far as the Designated Members are aware, there is no relevant audit information of which the LLP's auditors are unaware. The Designated Members have taken all steps that they ought to have taken as Designated Members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

### Reappointment of auditors

The auditor, Ernst & Young LLP, has indicated willingness to continue in office. The Designated Members will propose a motion re-appointing the auditors at a meeting of the Members.

### Streamlined Energy and Carbon Reporting

Annual energy and emission data for the LLP and MECM, Limited is disclosed in MECM, Limited's financial statements.

On behalf of the Members



SCOTT DINNELL

On behalf of Moore Europe Capital Management Holdings, Ltd, Designated Member

Date: 24<sup>th</sup> June 2021

## Statement of Members' responsibilities

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

Legislation applicable to limited liability partnerships (Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the Designated Members to prepare financial statements for each financial year. Under that law the Designated Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' and applicable law. Under this legislation the Designated 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 LLP and of the profit or loss of the LLP for that year. In preparing those financial statements, the Designated Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 LLP will continue in business.

The Designated Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Independent auditors' report

to the Members of Moore Europe Capital Management, LLP

## Opinion

We have audited the financial statements of Moore Europe Capital Management, LLP for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Reconciliation of Members' interests, the Statement of Financial Position and the related notes 1 to 10, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

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; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 as applied to Limited Liability Partnerships.

## 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 below. 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 12 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. 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.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, 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

# Independent auditors' report

to the Members of Moore Europe Capital Management, LLP

whether there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

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

## Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

## Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are those that relate to the reporting framework (FRS 102, the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, and the Statement of Recommended Practice 'Accounting by Limited



## Independent auditors' report

to the Members of Moore Europe Capital Management, LLP

Liability Partnerships issued in December 2018). In addition, the limited liability partnership has to comply with laws and regulations relating to its operations, including the rules of the Financial Conduct Authority ("FCA").

- We understood how Moore Europe Capital Management, LLP is complying with those frameworks by making enquiries of management to understand how the limited liability partnership maintains and communicates its policies and procedures relating to these areas and corroborated this by reviewing supporting documentation such as board minutes. We assessed the culture and entity level control framework of the limited liability partnership to consider if appropriate measures are in place around fraud prevention. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by designating the improper recognition of expenses to inflate revenue as a significant risk. We incorporated data analytics and performed journal entry testing by specific risk criteria, with a focus on manual journals and journals posted around the year end date. We recalculated the revenue in accordance with relevant agreements.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making inquiries with management, reviewing board minutes, reviewing legal and professional expenses and reviewing the breaches and complaints register.
- The limited liability partnership is regulated as an investment manager under the supervision of the FCA. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability 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.

Ernst & Young LLP

Constantinos Pavlou (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
25 June 2021

**Statement of comprehensive income**  
for the year ended 31 December 2020

	<i>Notes</i>	2020 £	2019 (Restated) £
Turnover	2,7	163,843,272	17,538,971
Administrative expenses	7	(141,213,781)	(81,073,939)
<b><i>Operating profit/(loss)</i></b>	<b>3</b>	<b>22,629,491</b>	<b>(63,534,968)</b>
Interest receivable and similar income	4	484,554	246,538
<b><i>Profit/(loss) for the financial year available for discretionary division among Members</i></b>		<b>23,114,045</b>	<b>(63,288,430)</b>

During the year the LLP incurred no other comprehensive income and accordingly, the profit for the financial year is equivalent to the total comprehensive profit for the year.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 17 form an integral part of these financial statements.

## Reconciliation of Members' interests

for the year ended 31 December 2020

	Note	Members' capital £	Other reserves £	Total Members' capital interests £	Loans and other debts due to Members £	Members' total interests £
At 1 January 2020		152,000,000	-	152,000,000	(116,694,392)	35,305,608
Members' capital repaid		(132,000,000)	-	(132,000,000)	132,000,000	-
Capital treated as a liability repaid		-	-	-	(402,186)	(402,186)
Profit for the year available for discretionary division among members	6	-	23,114,045	23,114,045	-	23,114,045
Members' interests after profit for the year		20,000,000	23,114,045	43,114,045	14,903,422	58,017,467
Allocated profits		-	(23,114,045)	(23,114,045)	23,114,045	-
Expenses reimbursable to Members	7	-	-	-	141,844,816	141,844,816
Drawings and distributions		-	-	-	(183,463,446)	(183,463,446)
At 31 December 2020		20,000,000	-	20,000,000	(3,601,163)	16,398,837
Amounts due to Members					20,000	
Amounts due from Members					(3,621,163)	
					(3,601,163)	

Amounts due to Members are not subordinated. Capital that is treated as a liability is repayable to partners when they resign from the partnership.

The notes on pages 13 to 17 form an integral part of these financial statements.

## Reconciliation of Members' interests

for the year ended 31 December 2019

	Note	Members' capital	Other reserves	Total Members' capital interests	Loans and other debts due to Members	Members' total interests
		£	£	£	£	£
(Restated) At 1 January 2019		122,000,000	-	122,000,000	(87,838,790)	34,161,210
Members' capital introduced		30,000,000	-	30,000,000	-	30,000,000
Capital treated as a liability repaid		-	-	-	(485,000)	(485,000)
Loss for the year available for discretionary division among members	6	-	(63,288,430)	(63,288,430)	-	(63,288,430)
Members' interests after profit for the year		152,000,000	(63,288,430)	88,711,570	(88,323,790)	387,780
Allocated losses		-	63,288,430	63,288,430	(63,288,430)	-
Expenses reimbursable to Members	7	-	-	-	79,268,473	79,268,473
Drawings and distributions		-	-	-	(44,350,645)	(44,350,645)
At 31 December 2019		152,000,000	-	152,000,000	(116,694,392)	35,305,608
Amounts due to Members					402,186	
Amounts due from Members					(117,096,578)	
					(116,694,392)	

Amounts due to Members are not subordinated. Capital treated as a liability is repayable to partners when they resign from the partnership.

The notes on pages 13 to 17 form an integral part of these financial statements.

## Statement of financial position

as at 31 December 2020

	<i>Notes</i>	<i>2020</i> £	<i>2019</i> £
<b>Current assets</b>			
Cash and cash equivalents	5	16,398,837	35,305,608
<b>Net assets attributable to Members</b>		<u>16,398,837</u>	<u>35,305,608</u>
<b>Represented by:</b>			
<b>Loans and other debts due to Members</b>			
Members' capital classified as a liability under FRS 102 section 22		20,000	402,186
Other reserves		-	-
Loans and other debts due from Members		(3,621,163)	(117,096,578)
Members' capital interests		20,000,000	152,000,000
<b>Total Members' Interests</b>		<u>16,398,837</u>	<u>35,305,608</u>

These financial statements were approved and authorised for issue by the Members on 24<sup>th</sup> June 2021 and were signed on their behalf by:



SCOTT DINNELL

The notes on pages 13 to 17 form part of these financial statements.

## Notes to the financial statements

as at 31 December 2020

### 1. Accounting policies

#### General Information

Moore Europe Capital Management, LLP is a limited liability partnership incorporated and domiciled in England and Wales. The registered office of the LLP is One Silk St, London, EC2Y 8HQ.

#### Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, in compliance with FRS 102, the Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in December 2018 (applicable for accounting periods commencing on or after 1 January 2019).

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 LLP's accounting policies. The members have not been required to exercise a significant degree of judgement in preparing the financial statements and are confident that no significant estimates have been used that would have a significant impact on the results or financial position for the year. On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact the LLP results, operations or liquidity is uncertain. Management continues to monitor the impact that the COVID-19 pandemic has on the LLP, the asset management industry and the economies in which the LLP operates. Management has performed a COVID-19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has modelled a number of adverse scenarios to assess the potential impact that COVID-19 may have on the LLP's operations, liquidity, solvency and regulatory capital position, including an assessment of any relevant mitigations management have within their control to implement.

Management has considered drivers of revenue such as investment performance and the assets under management of its US parent, as well as mitigants such as cost and compensation reduction. The LLP is expected in the future to generate positive cash flows from the revenue earned from Moore Capital Management, LP, which is a subsidiary of Moore Capital Holdings, LLC, the ultimate controlling party.

The Members, having assessed the responses of the directors of Moore Capital Holdings, LLC to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Moore Capital Holdings, LLC and its subsidiaries to continue as a going concern.

However it is not possible to quantify the overall impact of Covid-19 because financial markets continue to react to developments. Management have a number of actions that they are able to take to protect profitability and solvency.

Having performed this analysis management believes regulatory capital requirements continue to be met and the Partnership will have sufficient liquidity to meet its liabilities for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the LLP expects to be able to meet its obligations as and when they fall due for the foreseeable future.

## Notes to the financial statements

as at 31 December 2020

### 1. Accounting policies (continued)

#### Statement of cash flows

The LLP, as a qualifying entity, has taken advantage of the exemption in section 7 of FRS 102 from the requirement to prepare a statement of cash flows. The statement of cash flows that includes the LLP can be found in the consolidated financial statements of MECM, Ltd, which are publicly available.

#### Turnover

Revenue is recognised on an accruals basis net of VAT. It is recognised for services provided and calculated at a margin of 15% above the cost of the provision of these services, plus the tax charges of MECM, Ltd.

#### Expenses

Expenses have been recognised on an accrual basis within the statement of comprehensive income.

#### Interest

Interest arises on cash and cash equivalent balances held at bank and financial institutions. Interest is accounted for on the accruals basis.

#### Foreign currencies

The functional and presentational currency of the LLP is pound sterling (GBP).

Transactions in foreign currencies are recorded at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the year end. All currency differences are taken to the statement of comprehensive income.

#### Taxation

No provision has been made for 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.

#### Cash at bank

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 in money market funds or managed funds invested in fixed income securities that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### Members' capital, debt, equity, and profit allocations

Members' capital is divided between debt and equity in accordance with the requirements of FRS 102 Section 22 and the definitions provided in the partnership agreement of the LLP. Members' capital is classified as debt where the LLP has an obligation to return capital at the option of an Individual Member of the LLP. Where no obligation to return capital exists, it is treated as equity.

The LLP has no fixed obligation to allocate profits to Members. All remuneration is allocated on a discretionary basis. Accordingly, Members' remuneration is shown as a deduction from Members' interests. Any cash drawings withdrawn from the LLP by Members in advance of a discretionary profit allocation are recognised as a loan due from Members. Where profit allocations exceed drawings made by Members, this is represented as a loan amount due to Members of the LLP.

#### Reserves

Members' capital represents those amounts introduced by the Members of the LLP to be used in business operations. All amounts credited to each Member's capital account shall be immediately and fully available to the LLP for unrestricted use to cover risks and losses as and when they may occur. Future capital contributions and withdrawals are permitted as outlined by the partnership agreement.

Other reserves represent the unallocated profits or losses from operations of the year.

## Notes to the financial statements

as at 31 December 2020

### 2. Turnover

Turnover arises from services performed in the United Kingdom and is attributable to advisory fees from Moore Capital Management, LP, and Moore Capital Management, LLC which are both incorporated in the US (see note 10). Turnover is exclusive of Value Added Tax. Turnover is calculated based on the methodology stated in the Services Agreement between the LLP and Moore Capital Management, LP dated 1<sup>st</sup> January 2018.

### 3. Operating profit /(loss)

The operating profit amounting to £22,629,491 (2019: loss of £63,534,968) is stated after:

	<i>Year to</i> <i>31-Dec</i> <i>2020</i> £	<i>Year to</i> <i>31-Dec</i> <i>2019</i> £
Foreign exchange gains/(losses)	631,876	(1,800,029)
	<u>          </u>	<u>          </u>

Auditors' remuneration for the year of £15,000 (2019: £15,000), is payable by MECM, Ltd. The auditor provided no non-audit services to the partnership during the year (2019: nil).

### 4. Interest receivable and similar income

	<i>Year to</i> <i>31-Dec</i> <i>2020</i> £	<i>Year to</i> <i>31-Dec</i> <i>2019</i> £
Bank interest received	484,554	246,538
	<u>          </u>	<u>          </u>

### 5. Cash and cash equivalents

	<i>31-Dec</i> <i>2020</i> £	<i>31-Dec</i> <i>2019</i> £
Cash at bank	5,180,226	333,207
Cash equivalents	11,218,611	34,972,401
	<u>          </u>	<u>          </u>
	16,398,837	35,305,608
	<u>          </u>	<u>          </u>



## Notes to the financial statements

as at 31 December 2020

### 6. Members' remuneration

	<i>Year to</i> <i>31-Dec</i> <i>2020</i> £	<i>Year to</i> <i>31-Dec</i> <i>2019</i> £
Profit/(Loss) for the financial year available for division among Members	23,114,045	(63,288,430)
Amount allocated in relation to the Member with the largest entitlement to profit/(loss)	23,114,045	(63,060,616)
	<i>Year to</i> <i>31-Dec</i> <i>2020</i> <i>No</i>	<i>Year to</i> <i>31-Dec</i> <i>2019</i> <i>No</i>
The average monthly number of Members in the year was	2	2

### 7. Related party transactions

During the year the LLP received income of £73,094,313 (2019: £17,538,971) from Moore Capital Management, LP, which is a subsidiary of Moore Capital Holdings, LLC, the ultimate controlling party (see note 10). The LLP received income of £90,748,959 (2019: nil) from Moore Capital Management, LLC, which is also a subsidiary of Moore Capital Holdings, LLC.

At 31 December 2020 nothing was payable to or receivable from Moore Capital Management, LP (2019: nil), nor to Moore Capital Management, LLC (2019: nil).

During the year the LLP reimbursed expenses of the Managing Member of £141,844,816 (2019: £79,268,473), which forms part of the total administrative expenses amounting to £141,213,781 (2019: £81,073,939).

The Members are the only key management personnel of the Partnership and the aggregate of transactions with Members in the capacity as Members is disclosed in the Reconciliation of Members' interests on page 10. Amounts due to and from Members are also disclosed on page 10.

There were no undrawn profit allocations in 2020 or 2019.

### 8. Post balance sheet events

On 1st January 2021, the equity of the LLP was reduced by £15m, in return for reducing its receivable balance with MECM, Limited by £15m. On 1st January 2021, the equity in the LLP held by the Managing Member, MECM, Limited was transferred to Moore Europe Capital Management Holdings, Limited. From 1st January 2021, Policies for Members' drawings, subscriptions and repayment of Members' capital are governed by the new Limited Liability Partnership Agreement dated 1st January 2021.

## Notes to the financial statements

as at 31 December 2020

### 9. Prior year adjustment

The LLP has restated prior year comparatives in these financial statements in relation to MECM, Limited's recognition of its bonus scheme, the costs of which are recharged to the LLP. Historically bonuses have been recognised in the income statement in full in the year that they were awarded. In these financial statements, recognition in the income statement has been amended to be in line with the vesting period in accordance with FRS 102 Section 28.

The following are extracts of the 2019 financial statements as reported in 2019, and as Restated in the 2020 financial statements:

<u>Income Statement</u>	<u>Restated 2019</u>	<u>2019 as reported</u>	<u>Change</u>
Administrative expenses	81,073,939	72,978,013	8,095,926
Profit/(loss) for the financial year available for discretionary division among Members	(63,288,430)	(55,192,504)	(8,095,926)
<u>Reconciliation of Members' Interests</u>	<u>Restated 2019</u>	<u>2019 as reported</u>	<u>Change</u>
Allocated Losses	63,288,430	55,192,504	8,095,926
Expenses reimbursable to Members	79,268,473	71,172,547	8,095,926

### 10. Ultimate parent undertaking and controlling party

The LLP is controlled by its Managing Member, MECM, Limited, which is ultimately controlled by Moore Capital Holdings, LLC, a company incorporated in the US. From the 8<sup>th</sup> February 2021, the LLP is controlled by its new Designated Member, Moore Europe Capital Management Holdings, Limited, which is also ultimately controlled by Moore Capital Holdings, LLC. Financial statements for MECM Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ. Once filed, financial statements for Moore Europe Capital Management Holdings, Limited will be available from Companies House, Crown Way, Cardiff, CF14 3UZ.

## **Unaudited Appendix**

### **Moore Europe Capital Management, LLP**

#### **Pillar 3 Disclosure**

31 December 2020

## Unaudited Appendix

### Overview

This disclosure document has been prepared in accordance with the requirements of Pillar 3, which is the implementation by the Financial Conduct Authority of the European Union Capital Requirements Directive (“CRD”). Pillar 3 is designed to promote market discipline by providing market participants with information on firms’ risk exposures and risk management processes.

The figures in this document are as at 31 December 2020, which is the company’s year end. Future disclosures will be issued on an annual basis, and included in the annual accounts.

MECM, Ltd is an EEA institution, and is the parent company of Moore Europe Capital Management, LLP, which is regulated by the FCA. CRD applies both to Moore Europe Capital Management, LLP (“Solo”) and to the consolidated position of the two companies (“the Group”). Therefore regulatory capital ratios are required to be maintained on both a Solo and Group basis.

### Risk Management Objectives and Policies

Senior Management decides the Group’s appetite or tolerance for risk. In addition Senior Management ensures that the Group has implemented an effective, ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to ensure that such risks are actively managed.

## Unaudited Appendix

### Capital Resources

The table below summarises the composition of the regulatory capital as at 31 December 2020, at which point MECM, Ltd and the Group's individual entities complied with all the externally imposed capital requirements to which they are subject.

Notes	SOLO 31 December 2020 £000s	GROUP 31 December 2020 £000s
<b>Core Tier 1 capital</b>		
Called up ordinary share capital	20,000	70,650
Retained earnings	-	(22,958)
<b>Tier 1 capital after deductions</b>	20,000	47,692
<b>Tier 2 capital after deductions</b>	-	-
<b>Total regulatory capital</b>	20,000	47,692

### Capital Adequacy

The Group's policy is always to be well capitalised on a Solo and Group basis. The Group has adopted the standardised approach to both credit and operational risk since 1 January 2008 in order to calculate the Pillar 1 minimum capital requirement.

The Group reviews cash held on a daily basis and forecasts on a weekly basis so as to maintain enough cash always to meet its Pillar 1 regulatory requirements.

The Group undertakes the Internal Capital Adequacy Assessment Process ("ICAAP"), which is the internal assessment of its capital needs. The outcome of the ICAAP is documented on a Solo and Group basis.

The ICAAP document forecasts 3 years of performance and includes stressed scenarios to satisfy regulatory requirements. Capital has been deemed able to mitigate identified risks.

The ICAAP document is presented to the Board for challenge and approval. The document is reviewed twice a year (or more frequently if considered necessary) and updated appropriately.

## Unaudited Appendix

The Group's Credit Risk Exposures and its Pillar 1 capital requirement are set out in the tables below. The Pillar 1 requirement in respect of credit risk is based on 8% of the risk weighted exposure amounts for each of the following standardised exposure classes.

	<b>SOLO</b>	<b>GROUP</b>
	<b>31 December 2020</b>	<b>31 December 2020</b>
	<b>£000s</b>	<b>£000s</b>
<b>Exposure</b>		
Central governments	111	1,449
Institutions	5,132	21,477
Corporates	14,757	32,423
Other	20	1,330
<b>TOTAL Exposure</b>	<b>20,020</b>	<b>56,679</b>
<b>Risk Weighted Exposure</b>	<b>Risk Weight</b>	
Central governments	0%	-
Institutions	20%	1,026
Corporates	50 to 100%	9,221
Other	100%	20
<b>TOTAL Risk Weighted Exposure</b>	<b>10,267</b>	<b>32,512</b>
<b>Credit Risk Requirement at 8% of Risk Weighted Exposure</b>	<b>821</b>	<b>2,601</b>
<b>Operational risk</b>	<b>-</b>	<b>-</b>
<b>Market risk – non trading book</b>		
Foreign currency PRR*	1,208	1,213
<b>Fixed Overhead Requirement</b>	<b>6,774</b>	<b>6,774</b>
<b>Total Pillar 1 capital requirement</b>	<b>6,774</b>	<b>6,774</b>

\* Position Risk Requirement

The Group has two primary exposures to Credit Risk. These are cash or cash equivalent balances held at UK or US institutions, and balances owed by its parent company in relation to fees. It holds all cash balances with institutions assigned high credit ratings. Consequently, the risk of past due or impaired exposures is minimal. A financial asset is considered past due when a counterparty has failed to make a payment when contractually due. Impairment is defined as a reduction in the recoverable amount of a fixed asset.