

Pentwater Europe Holdings I Limited

Report and Financial Statements

For the year ended 31 December 2015

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COMPANIES HOUSE

Information

Director

Matthew Halbower

Auditors

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Registered Office

20-22 Bedford Row
London WC1R 4JS

Director's report

Review of business

The results for the year and the financial position of Pentwater Europe Holdings I Limited (the Company") at the end of the year are shown in the financial statements

The directors do not recommend the payment of a dividend (2014 £nil)

Principal risks and uncertainties

The principal risk affecting the Company is the impact from the under-performance of the funds under sub-management of Pentwater Capital Management Europe LLP (the "LLP"). The under-performance of the funds would increase the risk of redemptions in the funds and ultimately a decline in assets under sub-management. While not directly correlated, the revenues of the Company would decline with the decline in assets under sub-management.

Going concern

The Company's activities are set out above and the financial position of the Company is reflected on the Statement of Financial Position.

The Company has adequate financial resources and an ongoing investment in the LLP. In addition the Company has the support of Pentwater Capital Management LP and as a consequence the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements. The director presents his report and the audited financial statements of the Company for the year ended 31 December 2015.

Principal activities

The principal activity of the Company was that of being a Member of the LLP.

Future development

The directors do not anticipate any change in the Company's activity in the foreseeable future.

Director and his interests

The director shown below has held office during the year and at the date of this report.

Matthew Halbower

Small company provisions

This report has been prepared in accordance with those provisions in Part 15 of the Companies Act 2006 that are applicable to companies subject to the small companies regime as defined by Section 382 of the Companies Act 2006.

Director's report

Statement of Director's Responsibilities

The director is responsible for preparing the Director's Report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard' applicable to the UK and Republic of Ireland. Under company law the director must not approve the financial statements unless he is 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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 director is responsible for keeping proper 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 to 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.

Reappointment of the Auditor

Ernst & Young LLP were deemed to have been reappointed as auditor of the Group under section 487(2) of the Companies Act 2006.

Disclosure of information to the auditors

So far as each person who is a director at the date of approving this report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant information and to establish that the auditor is aware of that information.

On behalf of the board



Matthew Halbower
Director
08 August 2016

Independent auditors' report

to the members of Pentwater Europe Holdings I Limited

We have audited the financial statements of Pentwater Europe Holdings I Limited (the "Company") for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 13. 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 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 auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

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 2015 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 in the UK and Republic of Ireland, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditors' report

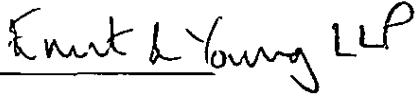
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 by the Company, 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
- the director was not entitled to take the advantage of the small companies' exemptions in not preparing the Strategic Report

 Ernst & Young LLP

Matthew Price (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor,
London

Dated 10 August 2016

Statement of comprehensive income

for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover			
Remuneration from Pentwater Capital Management Europe I LP	3	301,903	-
		<u>301,903</u>	<u>-</u>
Administrative expenses		-	-
Gross operating profit	4	<u>301,903</u>	<u>-</u>
Profit on ordinary activities before taxation		301,903	-
Tax on profit on ordinary activities	7	76,297	-
Profit for the financial year		<u>225,606</u>	<u>-</u>
Total comprehensive income for the year		225,606	-

The accompanying notes are an integral part of this statement of comprehensive income

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

Statement of changes in equity

for the year ended 31 December 2015

	<i>Called-up share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Shareholders equity</i>	<i>Total equity</i>
	£	£	£	£	£
At 1 January 2014	1	-	-	1	1
Total comprehensive income for the year	-	-	-	-	-
New shares issued	4,701,372	-	-	4,701,372	4,701,372
At 31 December 2015	4,701,373	-	-	4,701,373	4,701,373

At 1 January 2015	4,701,373	-	-	4,701,373	4,701,373
Total comprehensive income for the year	-	-	225,606	225,606	225,606
New shares issued	-	-	-	-	-
At 31 December 2015	4,701,373	-	225,606	4,926,979	4,926,979

The accompanying notes are an integral part of this statement of changes in equity

Statement of financial position

as at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Investments	8	4,701,372	4,701,372
Current assets			
Debtors	9	239,038	233,208
Deferred tax asset	7	50,973	-
		290,011	233,208
Creditors amounts falling due within one year	10	64,404	233,207
Net current assets		225,607	1
Net assets		4,926,979	4,701,373
Capital and reserves			
Called up share capital	11	4,701,373	4,701,373
Profit and loss account		225,606	-
Shareholder's funds	12	4,926,979	4,701,373

The accompanying notes are an integral part of this statement of financial position

The financial statements were approved by the Board and authorised for issue and have been signed on its behalf by



Matthew Halbower
Director

Registered number 06422932

08 August 2016

Cash flow statement

for the period ended 31 December 2015

There were no cash transactions during the year ended 31 December 2015 or the period ended 31 December 2014

Notes to the financial statements

at 31 December 2015

1 Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards

Accounting convention

Pentwater Europe Holdings I Limited (the "Company") is a limited liability company incorporated in England. The Registered Office is 20-22 Bedford Row, London WC1R 4JS. The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2015.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 2.

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company.

Turnover

Turnover represents discretionary profit allocation from Pentwater Capital Management LLP (the "LLP") and is recognised when formally approved by the LLP.

Taxation

Provision is made for corporation tax at current rates on the excess of taxable income over allowable expenses. Included in the corporation tax are interest and penalties charged. Provision is made for deferred tax on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that it is more likely than not that there will be taxable profits in the future against which the asset can be offset or to the extent that the deferred tax asset can offset prior year tax expense.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling 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 to the profit and loss account.

Investments

Investment in associate is held at cost less provision for any provision for impairment.

2 Transition to FRS 102

The financial statements for the year ended 31 December 2015, are the first the LLP has prepared in accordance with FRS 102. For periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

Accordingly the Company has prepared financial statements which comply with FRS 102 applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the year ended 31 December 2014. In preparing these financial statements, the Company's balance sheet was prepared at 1 January 2015, the Company's date of transition to FRS 102. Management has examined the implications of the transition from previously extant UK GAAP to FRS 102 and has performed an extensive review of all accounts. It has been determined that no adjustments are required and therefore there is no effect on the 2014 financial position or financial performance.

Notes to the financial statements

at 31 December 2015

3 Turnover

The total turnover of the Company for the year has been derived from its principal activity undertaken in the United Kingdom and represents the Company's share of the LLP's profits

4 Operating profit/(loss)

	2015	2014
	£	£
Operating profit/(loss) is stated after charging	-	-
	-	-
	-	-

Operating expenses of the Company are paid by the LLP

5 Staff costs

There were no employees and consequently staff costs for the year ended 31 December 2015 (2014: £nil). Administrative services were provided to the Company by the LLP.

6 Director's remuneration

There were no director's emoluments during the year ended 31 December 2015 (2014: £nil).

7 Tax on profit on ordinary activities

(a) Analysis of tax charge for the period

	2015	2014
	£	£
Current tax		
UK Corporation tax on profits of the year	59,061	-
Adjustments in respect of prior years	68,209	-
Total current tax charge for the period	127,270	-
Total tax	127,270	-
Deferred tax		
Origination and reversal of timing difference	(50,973)	-
Total deferred tax of the period	(50,973)	-
Total tax for the period	76,297	-

Notes to the financial statements

at 31 December 2015

(b) Factors affecting the current tax charge for the year

The tax assessed for the current year was different than the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below

	2015 £	2014 £
Profit on ordinary activities before tax	301,903	-
Profit on ordinary activities multiplied by standard rate in the UK of 20.25% (2014: 21.5%)	61,135	-
Effects of		
Share of L.I.P.'s profit	8,088	-
Adjustment in respect of prior years	68,209	-
Non-taxable income	(61,135)	-
Total tax charge	76,297	-

(c) Factors that may affect future tax charges

The rate of corporation tax enacted at the balance sheet date was 20%. The decrease of the UK corporation tax rate was enacted on 2 July 2013 and effective from 1 April 2015. The effective statutory corporation tax rate for the year ended 31 December 2015 is 20.25%. A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

	2015 £	2014 £
Debtors		
Deferred tax	50,973	-
Creditors		
Taxes payable	64,404	-

Deferred tax

The deferred tax asset included within the balance sheet is as follows

	2015 £	2014 £
Balance at the start of the year	-	-
Deferred tax credited to the statement of comprehensive income	50,973	-
Deferred tax at the end of the year	50,973	-
The deferred tax provision is made up of		
Allocation of profit from the L.I.P.	50,973	-

Notes to the financial statements

at 31 December 2015

8 Investments

	£
At 1 January 2015	4,701,372
Additions	-
Withdrawals	-
At 31 December 2015	<u>4,701,372</u>

Investments represented capital contributions made to the LLP, a limited liability partnership incorporated in the UK and whose principal activity is the provision of investment advisory services

9 Debtors

	2015 £	2014 £
Unpaid share capital	1	1
Amounts due from Pentwater Capital Management LP	233,208	233,208
Amounts due from Pentwater Capital Management Europe LLP	5,829	-
	<u>239,038</u>	<u>233,209</u>

10 Creditors, amounts falling due within one year

	2015 £	2014 £
Amounts due to the LLP	-	233,207
Taxes payable	64,404	-
	<u>64,404</u>	<u>233,207</u>

11 Called up share capital

	2015 £	2014 £
Allotted, called up and fully paid 4,701,373 ordinary shares	<u>4,701,373</u>	<u>4,701,373</u>

12 Related party transactions

The Company is a member of the LLP, a limited liability partnership registered in England and Wales, whose registered office is at 20-22 Bedford Row London, WC1R 4JS

Notes to the financial statements

at 31 December 2015

During the year the LLP funded the taxes paid to HMRC in the amount of £62,866. The Company was also allocated profits from the 2014 LLP's profits of £301,903. Both of these amounts remain outstanding on 31 December 2015.

13 Parent undertaking and controlling party

The immediate and ultimate parent of the Company is Pentwater Capital Management LP, a Delaware limited partnership.