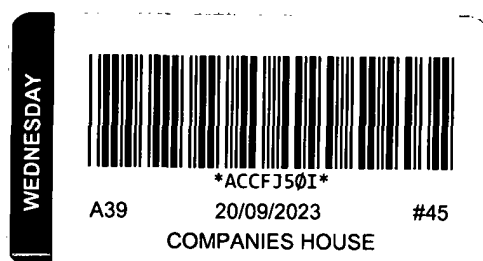


**Ellington Management Group (UK) LLP**

**Members' report and financial statements**

for the year ended 31 December 2022

Registered number: OC387072



Information

Designated Members	Ellington (UK) Ltd SPV GP LLC
LLP registered number	OC387072
Registered office	1 King Street London EC2V 8AU
Independent auditor	Buzzacott LLP Statutory auditor 130 Wood Street London EC2V 6DL

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## **Members' report**

**for the year ended 31 December 2022**

The members present their annual report together with the audited financial statements of Ellington Management Group (UK) LLP ('the LLP') for the year ended 31 December 2022.

### **Principal activity**

The principal activity of the LLP is to provide the provision of investment and advisory services to its ultimate parent company.

### **Designated Members**

Ellington (UK) Ltd and SPV GP LLC were designated members of the LLP throughout the period.

### **Policy for members' drawings, subscriptions and repayment of members' capital**

The policies for members' drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 8 November 2013.

Certain members are entitled to a priority profit distribution of a pre-specified amount taken in equal monthly installments. The LLP has discretion to pay additional advance drawings to be offset against members' future profit allocations. Advance drawings are classified as loans to the members until such time as the profits are formally allocated. Profit allocations are made by the LLP as decided by the Corporate Member, Ellington (UK) Ltd.

Initial capital contributions are required from each member of such amount as shall be determined by the Corporate Member. Outgoing members are entitled to the return of these capital contributions, subject to certain conditions and decided by the Corporate Member. As the Members do not have the right to withdraw capital contributions without permission of the Corporate Member, capital contributions are classified as equity.

## Members' report (continued)

for the year ended 31 December 2022

### Members' responsibilities statement

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

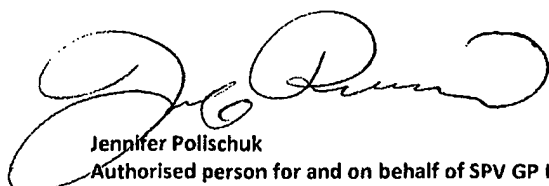
The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act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

### Disclosure of information to auditor

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

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is 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 auditor is aware of that information.

This report was approved by the members on 25 April 2023 and signed on their behalf by:



Jennifer Polischuk  
Authorised person for and on behalf of SPV GP LLC  
Designated member

## **Independent auditor's report to the members of Ellington Management Group (UK) LLP**

**for the year ended 31 December 2022**

### **Opinion**

We have audited the financial statements of Ellington Management Group (UK) LLP ('the LLP') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Reconciliation of members' interests and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2022 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Independent auditor's report to the members of Ellington Management Group (UK) LLP (continued)** **for the year ended 31 December 2022**

### **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 whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships exemptions in preparing the members' report.

### **Responsibilities of members**

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

In preparing the financial statements, the members are responsible for assessing the LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

## Independent auditor's report to the members of Ellington Management Group (UK) LLP (continued)

for the year ended 31 December 2022

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulation, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing regulated investment advisory firms;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the LLP through discussions with members and other management at the planning stage, and from our knowledge and experience of regulated investment advisory firms;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the LLP including the Companies Act 2006 as applied to LLPs, The Financial Services and Markets Act 2000, employment legislation, and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the LLP to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgments or decisions made by management indicated bias on the part of the LLP's management;
- tested the occurrence of turnover by reviewing the advisory agreement between the LLP and its parent undertaking and investigated any material variances from expectations; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.



## **Independent auditor's report to the members of Ellington Management Group (UK) LLP (continued)** **for the year ended 31 December 2022**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Chapman (Senior statutory auditor)  
for and on behalf of  
**Buzzacott LLP**  
Statutory auditor  
130 Wood Street  
London  
EC2V 6DL

26 April 2023

**Statement of comprehensive income**  
for the year ended 31 December 2022

	Note	2022 £	As restated 2021 £
Turnover		3,842,394	3,888,441
Administrative expenses		(3,028,037)	(2,986,062)
Operating profit		814,357	902,379
Interest receivable and similar income		804	5
Fair value gain on investments	9	393,436	134,820
(Loss)/profit for the year before members' remuneration and profit shares available for discretionary division among members		1,208,597	1,037,204
Profit for the year before members' remuneration and profit shares		1,208,597	1,037,204
Members' remuneration charged as an expense		(326,521)	(290,354)
Profit for the financial year available for discretionary division among members		882,076	746,850

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 or 2021.

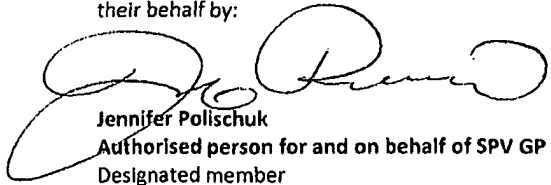
The notes on pages 10 to 18 form part of these financial statements.

## Statement of financial position

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	-	1,544
Investments	9	4,161,330	3,767,894
		<u>4,161,330</u>	<u>3,769,438</u>
Current assets			
Debtors	10	2,281,369	1,020,716
Cash at bank and in hand	11	409,454	1,590,053
		<u>2,690,823</u>	<u>2,610,769</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(230,859)	(106,660)
Net current assets		<u>2,459,964</u>	<u>2,504,109</u>
Net assets		<u><u>6,621,294</u></u>	<u><u>6,273,547</u></u>
Represented by:			
Members' other interests			
Members' capital classified as equity		3,888,074	3,888,074
Other reserves classified as equity		<u>2,733,220</u>	<u>2,385,473</u>
Total members' interests			
Members' other interests		<u>6,621,294</u>	<u>6,273,547</u>
		<u><u>6,621,294</u></u>	<u><u>6,273,547</u></u>

The financial statement were approved and authorised for issue by the members on 25 April 2023 and were signed on their behalf by:

  
**Jennifer Polischuk**  
 Authorised person for and on behalf of SPV GP LLC  
 Designated member

The notes on pages 10 to 18 form part of these financial statements.

## Reconciliation of members' interests for the year ended 31 December 2022

	EQUITY			DEBT		Total members' interests
	Members' capital (classified as equity)	Other reserves	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors		
	£	£	Total £	Other amounts £	Total £	Total £
<b>Balance at 1 January 2021</b>	<b>255,000</b>	<b>2,064,206</b>	<b>2,319,206</b>	-	-	<b>2,319,206</b>
Members' remuneration charged as an expense (as restated)	-	-	-	290,354	290,354	290,354
Profit for the year available for discretionary division among members (as restated)	-	746,850	746,850	-	-	746,850
<b>Members' interests after profit for the year</b>	<b>255,000</b>	<b>2,811,056</b>	<b>3,066,056</b>	<b>290,354</b>	<b>290,354</b>	<b>3,356,410</b>
Allocated profit for period (as restated)	-	(425,583)	(425,583)	425,583	425,583	-
Amounts introduced by members	3,633,074	-	3,633,074	-	-	3,633,074
Drawings on account and distribution of profit	-	-	-	(715,937)	(715,937)	(715,937)
<b>Balance at 31 December 2021</b>	<b>3,888,074</b>	<b>2,385,473</b>	<b>6,273,547</b>	-	-	<b>6,273,547</b>
Members' remuneration charged as an expense	-	-	-	326,521	326,521	326,521
Profit for the year available for discretionary division among members	-	882,076	882,076	-	-	882,076
<b>Members' interests after profit for the year</b>	<b>3,888,074</b>	<b>3,267,549</b>	<b>7,155,623</b>	<b>326,521</b>	<b>326,521</b>	<b>7,482,144</b>
Allocated profit for the period	-	(534,329)	(534,329)	534,329	534,329	-
Drawings on account and distribution of profit	-	-	-	(860,850)	(860,850)	(860,850)
<b>Balance at 31 December 2022</b>	<b>3,888,074</b>	<b>2,733,220</b>	<b>6,621,294</b>	-	-	<b>6,621,294</b>

The notes on pages 10 to 18 form part of these financial statements.

The members are only permitted to reduce the amount of Members' and other interests at the LLP's sole discretion.

## Notes to the financial statements

for the year ended 31 December 2022

### 1. General information

Ellington Management Group (UK) LLP ('the LLP') is a limited liability partnership and is incorporated in England and Wales. The address of the registered office and the LLP's principle place of business is 1 King Street, London, EC2V 8AU. The registered number of the LLP is OC387072.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' ('FRS 102') and the Companies Act 2006 and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies.

#### 2.2 FRS 102 - reduced disclosure exemptions

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the 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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Ellington (UK) Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

#### 2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

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

Turnover, which is stated net of any value added tax, comprises investment advisory services to Ellington Management Group, L.L.C. arising entirely in the United Kingdom.

## Notes to the financial statements

for the year ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.4 Foreign currency translation

##### Functional and presentation currency

The LLP's functional and presentational currency is 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 period 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.

Assets, including any fixed assets, and liabilities that are denominated in foreign currencies are translated into Pounds sterling at the rates of exchange ruling at the reporting date.

#### 2.5 Expenses

Expenses incurred have been recognised on an accruals basis. Certain expenses, which are settled on behalf of and recharged to funds, for which the LLP has investment authority, are recognised on a net basis in the Statement of comprehensive income.

#### 2.6 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

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) despite having retained some significant risks and rewards of ownership, 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.

## Notes to the financial statements

for the year ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.7 Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

#### 2.8 Pensions

The LLP operates a *defined contribution pension scheme* for its employees. *Defined contribution pension scheme* is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in the Statement of profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the LLP in independently administered funds.

#### 2.9 Taxation

No provision has been made for taxation in the financial statements as 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 the LLP.

#### 2.10 Division and distribution of profits

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making. This is treated as members' remuneration charged as an expense in these financial statements.

Profits are treated as an allocation of profits when the Corporate Member has discretion over the divisions of profits and it is not automatic. This is treated as other division of profits in these financial statements.

#### 2.11 Tangible fixed assets

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

## Notes to the financial statements

for the year ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.11 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	- Term of lease
Computer equipment	- 33%

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 profit or loss.

#### 2.12 Valuation of investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value, including foreign exchange gains or losses on the investments, recognised in profit or loss.

#### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.14 Operating leases: the LLP as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 3. Turnover

Turnover, which is stated net of any value added tax, comprises investment advisory services to Ellington Management Group, L.L.C. arising entirely in the United Kingdom.

### 4. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Operating leases - land and buildings	204,054	210,152
Exchange differences	15,490	1,802
	<u>219,544</u>	<u>211,954</u>



**Notes to the financial statements**  
for the year ended 31 December 2022

**5. Auditor's remuneration**

	2022 £	2021 £
Fees payable for the audit of the annual accounts	11,750	10,000
	<u>11,750</u>	<u>10,000</u>
	2022 £	2021 £
<b>Fees payable to the auditor in respect of:</b>		
- audit related assurance services	2,000	2,000
- taxation compliance services	2,500	2,300
- all other non-audit services	2,000	-
	<u>6,500</u>	<u>4,300</u>

**6. Employees**

	2022 £	2021 £
Wages and salaries	1,524,223	1,565,334
Social security costs	209,249	209,359
Cost of defined contribution scheme	8,642	8,090
	<u>1,742,114</u>	<u>1,782,783</u>

The average monthly number of persons employed during the year (excluding members) was as follows:

	2022 No.	2021 No.
Director	2	2
Analyst	1	1
Management and operations	4	4
	<u>7</u>	<u>7</u>

## Notes to the financial statements

for the year ended 31 December 2022

### 7. Members' remuneration

	2022	2021
	Number	Number
The average number of members during the year was	3	3

The amount attributable to the member with the largest entitlement in the year was £830,627 (2021: £671,679).

### 8. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	28,000	12,578	40,578
At 31 December 2022	28,000	12,578	40,578
<b>Depreciation</b>			
At 1 January 2022	28,000	11,034	39,034
Charge for the year	-	1,544	1,544
At 31 December 2022	28,000	12,578	40,578
<b>Net book value</b>			
At 31 December 2022	-	-	-
At 31 December 2021	-	1,544	1,544

## Notes to the financial statements

for the year ended 31 December 2022

### 9. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2022	3,767,894
Foreign exchange movement	446,756
Revaluations	(53,320)
At 31 December 2022	<u>4,161,330</u>

Investments are shares held in an investment fund which are traded on a regular basis. The total income recognised on these investments in the period was £393,436 (2021: £134,820) representing the fair value remeasurement gains. The cumulative gain on investment is £528,256 (2021: £134,820).

### 10. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	2,171,967	948,228
Other debtors	64,068	56,719
Prepayments and accrued income	45,334	15,769
	<u>2,281,369</u>	<u>1,020,716</u>

Other debtors include £nil (2021: £36,000) receivable after more than one year.

### 11. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	409,454	1,590,053
	<u>409,454</u>	<u>1,590,053</u>

**Notes to the financial statements**  
for the year ended 31 December 2022

**12. Creditors: amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	64,507	-
Other creditors	4,106	4,389
Accruals	162,246	102,271
	<u>230,859</u>	<u>106,660</u>

**13. Prior year adjustment**

The comparatives in these financial statements include a reclassification of members' remuneration from an allocation of profit to member' remuneration charged as an expense. Profit for the year available for discretionary distribution among members decreased by £290,354, however 'other amounts' in the Reconciliation of members' interests note remained at £nil.

**14. Contingent liabilities**

The LLP had no contingent liabilities at 31 December 2022 or 31 December 2021.

**15. Capital commitments**

The LLP had no capital commitments at 31 December 2022 or 31 December 2021.

**16. Commitments under operating leases**

At 31 December 2022, the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	180,000	212,068
Later than 1 year and not later than 5 years	-	177,677
	<u>180,000</u>	<u>389,745</u>

## Notes to the financial statements for the year ended 31 December 2022

### 17. Related party transactions

During the year, the LLP earned income totalling £3,842,394 (2021: £3,888,441) from a company under common control, Ellington Management Group L.L.C., incorporated in the United States. Additionally, the LLP incurred expenditure, in respect of service fees, totalling £836,738 (2021: £818,629), which is payable to Ellington Management Group L.L.C. At 31 December 2022, £2,171,967 (2021: £948,228) was owed by Ellington Management Group L.L.C. to the LLP.

The LLP issued capital amounting to £nil (2021: £2,495,353) to Ellington (UK) Ltd, the LLP's immediate parent company, in exchange for a fixed asset investment at equal value. Further details relating to the investment can be found in note 9.

Certain members of the LLP who have authority and responsibility for planning, directing and controlling the activities of the LLP are considered to be key management personnel. Total remuneration in respect of these individuals is £830,627 (2021: £671,679).

### 18. Controlling party

The immediate parent undertaking is Ellington (UK) Ltd. The ultimate parent undertaking of the LLP is EMG Holdings LP, a company formed in United States.

The largest and smallest group for which consolidated financial statements are prepared which include the LLP is Ellington (UK) Ltd and their registered office of Ellington (UK) Ltd is 1 King Street, London, EC2V 8AU. The consolidated financial statements can be obtained from the Registrar of Companies.

In the opinion of the members, there is no ultimate controlling party of the LLP.