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## Perella Weinberg Partners UK LLP

### Report and Financial Statements

31 December 2010

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## Perella Weinberg Partners UK LLP

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Registered No OC319198

### **Designated Members**

Perella Weinberg Partners Group LP  
PWP UK LLC

### **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### **Registered Office**

20 Grafton Street  
London W1S 4DZ

## Designated Members' report

The Designated Members present their report and financial statements for the year ended 31 December 2010

### Results and distributions

The results for the period are shown in the profit and loss account on page 7 and the Partnership's balance sheet as detailed on page 8 shows a satisfactory position

### Principal activity and review of the business

The principal activity of Perella Weinberg Partners UK LLP (the "Partnership") is to provide corporate financial advisory services. The Partnership intends to continue with these activities. The Partnership is regulated by the Financial Services Authority and has made the disclosures concerning risk management and capital required under the FSA Pillar 3 rules on the website <http://www.pillar3.eu/PWP0900409>

### Key Performance Indicators

Operating revenue for the year ended 31 December 2010 was £13,522,072 (2009 £10,550,931)

	2010 £	2009 £
Turnover	13,522,072	10,550,931
Retained profit/(loss)	2,734,815	(2,364,437)

### Members' profit allocation

Profits are shared among the members as decided by the Management Committee and governed by the Partnership Agreement dated 29 September 2006

### Future developments

The Partnership will continue and expand its corporate financial advisory services

### Principal risks and uncertainties

The primary objectives of the Partnership are to provide a suitable level of return on the partners' investment, to limit counterparty risks and to ensure that sufficient working and regulatory capital is maintained

Principal risks are that opportunities to provide income-generating corporate finance and other financial advisory services do not arise or are not obtained by the principals in the business, and the services of key professionals are not retained

### Going concern

The Partnership's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Partnership and its liquidity position are reflected on the balance sheet

The Partnership has considerable financial resources and ongoing financial advisory contracts, as well as the support of its parent. As a consequence, the members believe that it is well placed to manage its business risks successfully. The members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

## Designated Members' report

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

Policy for Members' drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 29 September 2006

### Designated Members

The Designated Members are

Perella Weinberg Partners Group LP  
PWP UK LLC

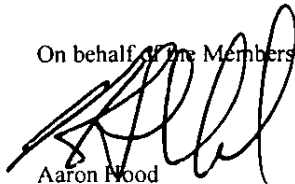
### Disclosure of information to the auditors

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

### Auditors

A resolution to re-appoint Ernst & Young LLP as the Partnership's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Members



Aaron Hood

On behalf of Perella Weinberg Partners Group LP

Designated Member

21 April 2011

## **Statement of Designated Members' responsibilities**

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements each year. Under that regulation the Designated 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 the regulation 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 these 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 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 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 to enable them to ensure that the financial statements comply with The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The Designated Members 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 Perella Weinberg Partners UK Limited Liability Partnership ('LLP')**

We have audited the financial statements of Perella Weinberg Partners UK LLP for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, 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).

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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements.

### **Opinion on financial statements**

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 2010 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.

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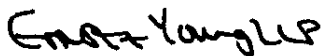
## **Independent auditors' report**

**to the members of Perella Weinberg Partners UK Limited Liability Partnership ('LLP')**

### **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 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



Deborah Weston (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP  
London

**27** April 2011

## Profit and loss account

for the year ended 31 December 2010

	Notes	2010 £	2009 £
<b>Turnover</b>	2	13,522,072	10,550,931
Administrative expenses	4	(10,978,883)	(13,320,291)
<b>Operating profit/(loss)</b>	3	<u>2,543,189</u>	<u>(2,769,360)</u>
Other income		176,186	384,530
Interest receivable		15,440	20,393
<b>Profit/(loss) for the financial year available for discretionary division among the members</b>		<u>2,734,815</u>	<u>(2,364,437)</u>

There are no recognised gains or losses other than those shown in the profit and loss account (2009 – nil)  
All amounts are in respect of continuing activities

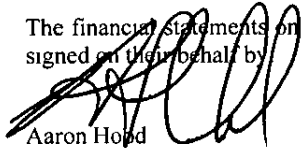


## Balance sheet

at 31 December 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	5	1,524,569	1,517,446
<b>Current assets</b>			
Debtors	6	23,316,842	18,470,980
Cash		10,272,518	10,955,743
		33,589,360	29,426,723
<b>Creditors</b> amounts falling due within one year	7	(14,874,947)	(12,211,837)
<b>Net current assets</b>		18,714,413	17,214,886
<b>Creditors</b> amounts falling due after one year	8	(1,759,253)	(1,846,006)
<b>Net assets attributable to members</b>		18,479,729	16,886,326
<b>Represented by</b>			
Members' capital	9	29,433,185	22,610,520
Other reserves		(10,953,456)	(5,724,194)
Total members' other interests		18,479,729	16,886,326
<b>Memorandum of total members' interests</b>			
Loans and other debts due to/(from) members	9	(7,440,350)	(8,720,519)
Members' capital and other reserves		18,479,729	16,886,326
<b>Total members' interest</b>	9	11,039,379	8,165,807

The financial statements on pages 7 to 15 were approved by Designated Members on 21 April 2011 and signed on their behalf by



Aaron Hord

On behalf of Perella Weinberg Partners Group LP

Designated Member

~~27~~ April 2011

21

## Statement of cash flows

for the year ended 31 December 2010

	Notes	2010 £	2009 £
<b>Net outflow from operating activities</b>	10(a)	(130,163)	(1,795,236)
<b>Returns on investments and servicing of finance</b>			
Other income		176,186	384,530
Interest received		15,440	20,393
		<u>191,626</u>	<u>404,923</u>
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(883,445)	(154,424)
		<u>(883,445)</u>	<u>(154,424)</u>
<b>Net cash outflow before management of liquid resources</b>		<u>(821,982)</u>	<u>(1,544,737)</u>
<b>Transactions with members</b>	10(b)	<u>138,757</u>	<u>2,554,095</u>
		<u>138,757</u>	<u>2,554,095</u>
<b>(Decrease)/Increase in cash</b>		<u>(683,225)</u>	<u>1,009,358</u>
<b>Total cash and cash equivalents</b>	10(c)	<u>10,272,518</u>	<u>10,955,743</u>

## Notes to the financial statements

at 31 December 2010

### 1. Accounting policies

#### *Basis of accounting*

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in March 2010

#### *Turnover*

Financial advisory fee income, net of value added tax, is recognised on an accruals basis when a transaction has been completed or retainer fees have been earned per a signed engagement letter

#### *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 transactions. Exchange differences are taken to the profit and loss account.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Leasehold property	– 5 years
Furniture and fittings	– 5 years
Office equipment, software	– 3 years

#### *Lease commitments*

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

### 2. Turnover

Turnover represents fees for financial advisory services provided during the year and arising from continuing activities in the United Kingdom.

### 3. Operating profit

This is stated after charging

	2010 £	2009 £
Auditors' remuneration – audit services	69,178	60,500
Non audit services – tax advisory	42,809	41,854
Operating lease – land and buildings	895,031	1,157,579
Depreciation of owned assets	876,322	873,749
	<u>1,883,340</u>	<u>2,133,682</u>

## Notes to the financial statements

at 31 December 2010

### 4. Staff costs

	2010 £	2009 £
Wages and salaries	11,951,799	9,696,202
Social security costs	1,557,608	1,194,170
Pension costs	306,127	266,542
	<u>13,815,534</u>	<u>11,156,914</u>

The average number of employees during the year was 63 (2009 – 52)

No member received remuneration charged as an expense during the period from incorporation to 31 December 2010

### Members' remuneration

	2010 £	2009 £
Profit/(Loss) for the financial year before members' remuneration and profit share	<u>2,734,815</u>	<u>(2,364,437)</u>
Profit/(Loss) for the financial year available for discretionary division among members	<u>2,734,815</u>	<u>(2,364,437)</u>
Profit allocation in the year in respect of the member with the largest share of profits	<u>3,366,304</u>	<u>624,649</u>

The average number of members in the year was 7 (2009 - 7)

To the extent that the Partnership has profits, these profits are distributed to the individual members on a prorata basis based on the outstanding advances extended to those members since inception. Current year profits are first applied to prior year advances before offsetting current year advances. As at 31 December 2010, after the distribution of current year profits to members and the additional profit allocated to the individual members for 2006 (see Note 9), the remaining carryover balance of prior and current year advances is £7,440,350.

## Notes to the financial statements

at 31 December 2010

### 5. Tangible fixed assets

	<i>Leasehold property</i>	<i>Furniture</i>	<i>Equipment</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 January 2010	2,505,241	819,355	793,692	4,118,288
Additions	479,663	216,257	187,525	883,445
At 31 December 2010	2,984,904	1,035,612	981,217	5,001,733
Depreciation				
At 1 January 2010	1,473,195	509,150	618,497	2,600,842
Charge for the year	556,361	192,439	127,522	876,322
At 31 December 2010	2,029,556	701,589	746,019	3,477,164
Net book value				
At 31 December 2010	955,348	334,023	235,198	1,524,569
At 31 December 2009	1,032,046	310,205	175,195	1,517,446

### 6. Debtors

	<i>2010</i>	<i>2009</i>
	£	£
Advances to members	7,440,350	8,720,519
Accounts receivable	900,520	2,297,109
Rental deposit	4,112,500	4,112,500
Prepayments and accrued income	1,180,699	480,382
Amount due from affiliates	9,476,397	2,596,748
Other debtors	206,376	263,722
	23,316,842	18,470,980

## Notes to the financial statements

at 31 December 2010

### 7 Creditors: amounts falling due within one year

	2010 £	2009 £
Accruals	7,381,514	7,614,133
Trade creditors	191,068	31,229
Due to affiliates	6,333,476	4,517,077
Other creditors	968,889	49,398
	<u>14,874,947</u>	<u>12,211,837</u>

### 8 Creditors: amounts falling due after one year

	2010 £	2009 £
Deferred rent	1,759,253	1,846,006
	<u>1,759,253</u>	<u>1,846,006</u>

### 9 Reconciliation of movements in members' total interests

	Members' capital £	Other reserves £	Total members' other interests £	Loans due to/(from) members £	Members' total interests £
At 1 January 2010	22,610,520	(5,724,194)	16,886,326	(8,720,519)	8,165,807
Capital contribution	6,822,665	–	6,822,665	–	6,822,665
Profit for the year	–	2,734,815	2,734,815	–	2,734,815
Profit allocation	–	(7,964,077)	(7,964,077)	7,964,077	–
Advance to members	–	–	–	(6,683,908)	(6,683,908)
At 31 December 2010	<u>29,433,185</u>	<u>(10,953,456)</u>	<u>18,479,729</u>	<u>(7,440,350)</u>	<u>11,039,379</u>

Profit allocations to individual members in prior years have been net of the Partnership's loss for the period ended 31 December 2006 amounting to £5,229,257. During 2010, the Partnership determined that an amount equivalent to the 2006 loss be borne by the parent company, Perella Weinberg Partners Group LP ("PWP Group") and additional profit allocated to the individual members. An additional £5,229,257 has therefore been allocated and a corresponding deficit balance retained in the Partnership attributable to PWP Group. This amount, together with the loss for 2009, makes up the balance on other reserves at 31 December 2010.

## Notes to the financial statements

at 31 December 2010

### 10. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash outflow from operating activities

	2010 £	2009 £
Operating profit/(loss)	2,543,189	(2,769,360)
Depreciation and impairment of tangible fixed assets	876,322	873,749
Increase in debtors	(6,126,031)	(2,200,915)
Increase in creditors	2,576,357	2,301,290
At 31 December 2010	(130,163)	(1,795,236)

(b) Transactions with Members

Members' capital contribution	6,822,665	13,683,243
Payments to Members	(6,683,908)	(11,129,148)
	138,757	2,554,095

(c) Analysis of cash flows

	At 31 December 2009 £	Cash Flow £	At 31 December 2010 £
Cash at bank and in hand	10,955,743	(683,225)	10,272,518

### 11. Other financial commitments and contingencies

	Land & Buildings 2010 £	Land & Buildings 2009 £
Annual commitment in respect of leases maturing is as follows		
Leases expiring in greater than five years	1,750,000	1,750,000
	1,750,000	1,750,000

## Notes to the financial statements

at 31 December 2010

### 12. Related party transactions

During the period PWP Group, as well as an affiliate, Perella Weinberg Partners LP (‘PWP LP’), paid certain operating expenses amounting to £817,506 on behalf of the Partnership. The Partnership was also charged a fee of £1,528,334 for administrative support services provided by PWP Group. As at 31 December 2010, the Partnership has £5,572,309 payable to PWP Group (2009 - £4,251,243) and £761,167 payable to PWP LP (2009 - £265,835) with regard to these undertakings.

In addition, the Partnership incurred administrative expenses on behalf of its affiliates, Perella Weinberg Real Estate UK LLP and Perella Weinberg Partners (Europe) LP amounting to £8,625,672 (2009 - £3,447,335). As at 31 December 2010, the Partnership has amounts due from these affiliates of £238,038 (2009 - £81,954) and £9,238,360 (2009 - £2,514,794), respectively.

### 13. Ultimate parent undertaking and controlling party

The Partnership’s ultimate controlling party is Perella Weinberg Partners LLC, in which the results of the Partnership are included, incorporated in the state of Delaware, United States.

The Partnership’s immediate parent undertaking is Perella Weinberg Partners Group LP, a partnership incorporated in Delaware, United States.