

Perella Weinberg Partners UK LLP

Report and Financial Statements

31 December 2011

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COMPANIES HOUSE

Perella Weinberg Partners UK LLP

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

Perella Weinberg Partners UK LLP

Registered No OC319198

Designated Members' report

The Designated Members present their report and financial statements for the year ended 31 December 2011

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 and remuneration 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 2011 was £11,867,804 (2010 £13,522,072)

	2011	2010
	£	£
Turnover	11,867,804	13,522,072
Retained profit	1,790,495	2,734,815

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

20 April 2012

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 Partnership and of the profit or loss of the Partnership 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 Partnership will continue in business.

The Designated Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership 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 Partnership 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 2011 which comprise the Profit and Loss Account, the Statement of Total Recognized Gains and Losses, the Balance Sheet, 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).

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 members and auditor

As explained more fully in the Statement of Designated Members' Responsibilities set out on page 4, the Designated 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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

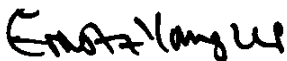
Independent auditors' report

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, Statutory Auditor
London

25 April 2012

Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	11,867,804	13,522,072
Administrative expenses	4	(10,154,443)	(10,978,883)
Operating profit	3	1,713,361	2,543,189
Other income		74,146	176,186
Interest receivable		2,988	15,440
Profit for the financial year available for discretionary division among the members		1,790,495	2,734,815

Statement of total recognised gains and losses for the year ended 31 December 2011

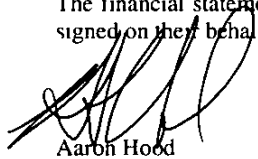
There are no recognised gains or losses other than those shown in the profit and loss account (2010 – nil)
All amounts are in respect of continuing activities

Balance sheet

at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	5	1,930,233	1,524,569
Current assets			
Debtors	6	24,461,208	23,316,842
Cash		6,622,057	10,272,518
		31,083,265	33,589,360
Creditors amounts falling due within one year	7	(12,352,228)	(14,874,947)
Net current assets		18,731,037	18,714,413
Creditors amounts falling due after one year	8	(1,621,032)	(1,759,253)
Net assets attributable to members		19,040,238	18,479,729
Represented by			
Members' capital	9	33,943,185	29,433,185
Other reserves		(14,902,947)	(10,953,456)
Total members' other interests		19,040,238	18,479,729
Memorandum of total members' interests			
Loans and other debts due from members	9	(10,002,195)	(7,440,350)
Members' capital and other reserves		19,040,238	18,479,729
Total members' interest	9	9,038,043	11,039,379

The financial statements on pages 7 to 15 were approved by Designated Members on 20 April 2012 and signed on their behalf by



Aaron Hood

On behalf of Perella Weinberg Partners Group LP

Designated Member

20 April 2012

Statement of cash flows

for the year ended 31 December 2011

	Notes	2011 £	2010 £
Net inflow/(outflow) from operating activities	10(a)	1,400,550	(130,163)
Returns on investments and servicing of finance			
Other income		74,146	176,186
Interest received		2,988	15,440
		<u>77,134</u>	<u>191,626</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(1,336,314)	(883,445)
		<u>(1,336,314)</u>	<u>(883,445)</u>
Net cash inflow/(outflow) before management of liquid resources		<u>141,370</u>	<u>(821,982)</u>
Transactions with members	10(b)	(3,791,831)	138,757
		<u>(3,791,831)</u>	<u>138,757</u>
Decrease in cash		<u>(3,650,461)</u>	<u>(683,225)</u>
Total cash and cash equivalents	10(c)	<u>6,622,057</u>	<u>10,272,518</u>

Notes to the financial statements

at 31 December 2011

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 primarily arising from continuing activities in the United Kingdom. Included in 2011 turnover is approximately £5.7m of revenue transferred to the Partnership from its foreign affiliate, Perella Weinberg Partners LP ("PWP LP"), for global financial advisory services rendered (see Note 9)

3. Operating profit

This is stated after charging

	2011 £	2010 £
Auditors' remuneration – audit services	69,102	69,178
Non audit services – tax advisory	(6,849)	42,809
Operating lease – land and buildings	1,040,582	895,031
Depreciation of owned assets *	474,802	350,039
	<u>1,577,637</u>	<u>1,357,057</u>

* Reflects gross depreciation charge for the year of £930,650 (2010 – £876,322) net of allocations to affiliates totalling £455,848 (2010 – £526,282) (see Note 5 and Note 12)

Notes to the financial statements

at 31 December 2011

4. Staff costs

	2011 £	2010 £
Wages and salaries	11,585,597	11,951,799
Social security costs	1,457,153	1,557,608
Pension costs	368,777	306,127
	<u>13,411,527</u>	<u>13,815,534</u>

The average number of employees during the year was 64 (2010 - 63)

No member received remuneration charged as an expense during the period from incorporation to 31 December 2011

Members' remuneration

	2011 £	2010 £
Profit for the financial year before members' remuneration and profit share	<u>1,790,495</u>	<u>2,734,815</u>
Profit for the financial year available for discretionary division among members	<u>1,790,495</u>	<u>2,734,815</u>
Profit allocation in the year in respect of the member with the largest share of profits	<u>1,624,767</u>	<u>3 366,304</u>

The average number of members in the year was 9 (2010 - 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 2011, after the distribution of current year profits to members (see Note 9), the remaining carryover balance of prior and current year advances is £10,002,195

Notes to the financial statements

at 31 December 2011

5. Tangible fixed assets

	<i>Leasehold property</i>	<i>Furniture</i>	<i>Equipment</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 January 2011	2,984,904	1,035,612	981,217	5,001,733
Additions	906,276	196,712	233,326	1,336,314
At 31 December 2011	3,891,180	1,232,324	1,214,543	6,338,047
Depreciation				
At 1 January 2011	2,029,556	701,589	746,019	3,477,164
Charge for the year	588,419	181,005	161,226	930,650
At 31 December 2011	2,617,975	882,594	907,245	4,407,814
Net book value				
At 31 December 2011	1,273,205	349,730	307,298	1,930,233
At 31 December 2010	955,348	334,023	235,198	1,524,569

6. Debtors

	<i>2011</i>	<i>2010</i>
	£	£
Advances to members	10,002,195	7,440,350
Accounts receivable	2,013,932	900,520
Rental deposit *	4,112,259	4,112,500
Prepayments and accrued income	1,521,573	1,180,699
Amount due from affiliates	6,404,695	9,476,397
Other debtors	406,554	206,376
	24,461,208	23,316,842

* The amount of rental deposit is due after one year

Notes to the financial statements

at 31 December 2011

7. Creditors: amounts falling due within one year

	2011 £	2010 £
Accruals	6,505,743	7,381,514
Trade creditors	48,364	191,068
Due to affiliates	5,752,246	6,333,476
Other creditors	45,875	968,889
	<u>12,352,228</u>	<u>14,874,947</u>

8. Creditors: amounts falling due after one year

	2011 £	2010 £
Deferred rent	1,621,032	1,759,253
	<u>1,621,032</u>	<u>1,759,253</u>

9. Reconciliation of movements in members' total interests

	Members' Capital £	Due from Designated member re losses £	Other reserves £	Total members' other interests £	Loans due to/(from) members £	Members' total interests £
At 1 January 2011	29,433,185	(10,953,456)	-	18,479,729	(7,440,350)	11,039,379
Capital contribution	4,510,000	-	-	4,510,000	-	4,510,000
Profit for the year	-	-	1,790,495	1,790,495	-	1,790,495
Profit allocation	-	(3,949,491)	(1,790,495)	(5,739,986)	5,739,986	-
Advances to members	-	-	-	-	(8,301,831)	(8,301,831)
At 31 December 2011	<u>33,943,185</u>	<u>(14,902,947)</u>	<u>-</u>	<u>19,040,238</u>	<u>(10,002,195)</u>	<u>9,038,043</u>

The Partnership and its foreign affiliates provide global financial advisory services. During 2011, a portion of the fees received by its foreign affiliate, PWP LP, were attributed to services rendered by the Partnership. During the year ended 31 December 2011, £5,739,986 of financial advisory fee revenue was transferred to the Partnership from PWP LP in recognition of those services rendered by the Partnership. This revenue has been directly allocated to individual members. The corresponding gross loss of £3,949,491 retained in the Partnership is attributable to the Designated Member, Perella Weinberg Partners Group LP ("PWP Group"). This loss, together with prior year losses allocated to PWP Group, comprises the balance of other reserves at 31 December 2011.

Notes to the financial statements

at 31 December 2011

10. Notes to the statement of cash flows

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

	2011 £	2010 £
Operating profit	1,713,361	2,543,189
Depreciation and impairment of tangible fixed assets	930,650	876,322
Decrease/(increase) in debtors	1,417,479	(6,126,031)
(Decrease)/increase in creditors	(2,660,940)	2,576,357
At 31 December 2011	<u>1,400,550</u>	<u>(130,163)</u>

(b) Transactions with Members

Members' capital contribution	4,510,000	6,822,665
Advances to Members	(8,301,831)	(6,683,908)
	<u>3,791,831</u>	<u>138,757</u>

(c) Analysis of cash flows

	At 31 December 2010 £	Cash Flow £	At 31 December 2011 £
Cash at bank and in hand	10,272,518	(3,650,461)	6,622,057

11. Other financial commitments and contingencies

	Land & Buildings 2011 £	Land & Buildings 2010 £
Annual commitment in respect of leases maturing is as follows		
Leases expiring in greater than five years	1,750,000	1,750,000
	<u>1,750,000</u>	<u>1,750,000</u>

Notes to the financial statements

at 31 December 2011

12. Related party transactions

During the period, PWP Group and PWP LP paid certain operating expenses amounting to £561,863 (2010 - £817,506) on behalf of the Partnership. The Partnership was also charged a net fee of £615,660 for administrative support services provided by PWP Group. As at 31 December 2011, the Partnership has £5,516,832 payable to PWP Group (2010 - £5,572,309) and £235,414 payable to PWP LP (2010 - £761,167) 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 £11,884,890 (2010 - £11,975,885). As at 31 December 2011, the Partnership has amounts due from these affiliates of £122,589 (2010 - £238,037) and £6,282,106 (2010 - £9,238,360), respectively.

The Partnership and its foreign affiliates provide global financial advisory services. During 2011, a portion of the fees received by its foreign affiliate, PWP LP, were attributed to services rendered by the Partnership. During the year ended 31 December 2011, £5,739,986 of financial advisory fee revenue was transferred to the Partnership from PWP LP in recognition of those services rendered by the Partnership.

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.