

Perella Weinberg Partners UK LLP

Report and Financial Statements

31 December 2013

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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

Branch Office

Dubai International Financial Centre
Gate Village Building 1, Level 3
Office No. 304, P.O. Box 506582
Dubai, UAE

Designated Members' report

The Designated Members present their report and financial statements for the year ended 31 December 2013.

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 Conduct Authority ("FCA") and has made the disclosures concerning risk management and capital and remuneration required under the FCA Pillar 3 rules on the website <http://www.pillar3.eu/PWP0900409>.

Key Performance Indicators

Operating revenue for the year ended 31 December 2013 was £15,363,676 (2012 - £22,204,829).

	2013	2012
	£	£
Turnover	15,363,676	22,204,829
Profit for the financial year available for discretionary division among the members	1,037,377	9,214,339

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

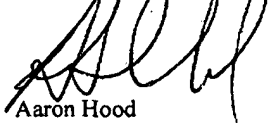
Disclosure of information to the auditors

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

8 April 2014

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 judgments 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.



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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 2013 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 2013 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.



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; or

Ernst & Young LLP

Ashley Coups (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
11 April 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	15,363,676	22,204,829
Administrative expenses	4	(14,326,699)	(12,991,230)
Operating profit	3	1,036,977	9,213,599
Interest receivable		400	740
Profit for the financial year available for discretionary division among the members		<u>1,037,377</u>	<u>9,214,339</u>

Statement of total recognised gains and losses

for the year ended 31 December 2013

There are no recognised gains or losses other than those shown in the profit and loss account (2012 – nil).
All amounts are in respect of continuing activities.

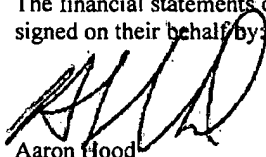
The notes on pages 10 to 15 form an integral part of these financial statements.

Balance sheet

at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	5	1,818,134	1,751,466
Current assets			
Debtors	6	26,789,553	28,771,984
Cash		4,655,028	4,044,729
		31,444,581	32,816,713
Creditors: amounts falling due within one year	7	(15,148,862)	(14,067,735)
Net current assets		16,295,719	18,748,978
Creditors: amounts falling due after one year	8	(1,317,661)	(1,465,206)
Net assets attributable to members		16,796,192	19,035,238
Represented by:			
Members' capital	9	37,122,018	33,938,185
Other reserves		(20,325,826)	(14,902,947)
Total members' other interests		16,796,192	19,035,238
Memorandum of total members' interests			
Loans and other debts due from members	9	(6,370,971)	(5,409,346)
Members' capital and other reserves		16,796,192	19,035,238
Total members' interest	9	10,425,221	13,625,892

The financial statements on pages 7 to 15 were approved by the Designated Members on 8 April 2014 and signed on their behalf by:



Aaron Hood

On behalf of Perella Weinberg Partners Group LP

Designated Member

8 April 2014

The notes on pages 10 to 15 form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Net inflow from operating activities	10(a)	5,749,950	2,596,519
Returns on investments and servicing of finance			
Interest received		400	740
		<u>400</u>	<u>740</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(902,003)	(548,097)
		<u>(902,003)</u>	<u>(548,097)</u>
Net cash inflow before management of liquid resources		<u>4,848,347</u>	<u>2,049,162</u>
Transactions with members	10(b)	(4,238,048)	(4,626,490)
		<u>(4,238,048)</u>	<u>(4,626,490)</u>
Increase (decrease) in cash		<u>610,299</u>	<u>(2,577,328)</u>
Total cash	10(c)	<u>4,655,028</u>	<u>4,044,729</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards on a going concern basis, under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' ("SORP") issued in March 2011.

Turnover

Financial advisory fee income, net of value added tax, is recognised on an accrual 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 fixtures	– 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 2013 turnover is £6,460,256 (2012 - £2,635,462) of revenue transferred to the Partnership from its foreign affiliates, Perella Weinberg Partners LP ("PWP LP") and Perella Weinberg Partners (Europe) LP ("PWP Europe"), for global financial advisory services rendered (see Note 12).

3. Operating profit

This is stated after charging:

	2013 £	2012 £
Auditors' remuneration – audit services	96,202	78,743
Non audit services – tax advisory	45,016	(28,274)
Operating lease – land and buildings	829,287	990,601
Depreciation of owned assets *	506,181	357,207

* Reflects gross depreciation charge for the year of £835,335 (2012 – £726,864) net of allocations to affiliates totalling £329,154 (2012 - £369,657) (see Note 5 and Note 12).

Notes to the financial statements

for the year ended 31 December 2013

4. Staff costs

	2013 £	2012 £
Wages and salaries	13,858,996	14,179,323
Social security costs	1,453,638	1,793,302
Pension costs	429,275	411,900
	<u>15,741,909</u>	<u>16,384,525</u>

The average number of employees during the year was 77 (2012 - 71).

No member received remuneration charged as an expense during the period from incorporation to 31 December 2013.

Members' remuneration

	2013 £	2012 £
Profit for the financial year before members' remuneration and profit share	<u>1,037,377</u>	<u>9,214,339</u>
Profit for the financial year available for discretionary division among the members	<u>1,037,377</u>	<u>9,214,339</u>
Profit allocation in the year in respect of the member with the largest share of profits	<u>1,743,906</u>	<u>3,252,172</u>

The average number of members in the year was 15 (2012 - 9).

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. At 31 December 2013, after the distribution of current year profits to members (see Note 9), the remaining carryover balance of prior and current year advances is £6,370,971 (2012 - £5,409,346).

Notes to the financial statements

for the year ended 31 December 2013

5. Tangible fixed assets

	<i>Leasehold property</i>	<i>Furniture</i>	<i>Equipment</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 January 2013	3,928,466	1,328,697	1,628,981	6,886,144
Additions	10,433	51,388	840,182	902,003
At 31 December 2013	3,938,899	1,380,085	2,469,163	7,788,147
Depreciation				
At 1 January 2013	2,978,198	996,519	1,159,961	5,134,678
Charge for the year	290,450	111,002	433,883	835,335
At 31 December 2013	3,268,648	1,107,521	1,593,844	5,970,013
Net book value				
At 31 December 2013	670,251	272,564	875,319	1,818,134
At 31 December 2012	950,268	332,178	469,020	1,751,466

6. Debtors

	<i>2013</i>	<i>2012</i>
	£	£
Advances to members	6,370,971	5,409,346
Accounts receivable	1,817,417	5,181,643
Prepayments and accrued income	2,620,201	1,455,942
Amount due from affiliates	15,852,058	16,322,173
Other debtors	128,906	402,880
	26,789,553	28,771,984

7. Creditors: amounts falling due within one year

	<i>2013</i>	<i>2012</i>
	£	£
Accruals	6,883,093	8,679,965
Trade creditors	268,005	1,174,467
Due to affiliates	7,982,734	4,183,660
Other creditors	15,030	29,643
	15,148,862	14,067,735

Notes to the financial statements

for the year ended 31 December 2013

8. Creditors: amounts falling due after one year

	2013 £	2012 £
Deferred rent	1,317,661	1,465,206
	<u>1,317,661</u>	<u>1,465,206</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 2013	33,938,185	(14,902,947)	-	19,035,238	(5,409,346)	13,625,892
Capital contributions	3,184,833	-	-	3,184,833	-	3,184,833
Capital distribution	(1,000)	-	-	(1,000)	-	(1,000)
Profit for the year	-	-	1,037,377	1,037,377	-	1,037,377
Profit/(loss) allocation	-	(5,422,879)	(1,037,377)	(6,460,256)	6,460,256	-
Advances to members	-	-	-	-	(7,421,881)	(7,421,881)
At 31 December 2013	<u>37,122,018</u>	<u>(20,325,826)</u>	<u>-</u>	<u>16,796,192</u>	<u>(6,370,971)</u>	<u>10,425,221</u>

The Partnership and its foreign affiliates provide global financial advisory services. During the year ended 31 December 2013, £6,460,256 (2012: £2,635,462) of financial advisory fee revenue was transferred to the Partnership from its affiliates in recognition of services rendered by the Partnership. In 2013, this revenue has been directly allocated to individual members. The corresponding gross loss of £5,422,879 retained in the Partnership is allocated to the Designated Member, Perella Weinberg Partners Group LP ("PWP Group"). This loss, together with prior year losses of £14,902,947 allocated to PWP Group, comprises the balance of other reserves at 31 December 2013.

Notes to the financial statements

for the year ended 31 December 2013

10. Notes to the statement of cash flows

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

	2013 £	2012 £
Operating profit	1,036,977	9,213,599
Depreciation and impairment of tangible fixed assets	835,335	726,864
Decrease/(increase) in debtors	2,944,056	(8,903,625)
Increase in creditors	933,582	1,559,681
At 31 December 2013	<u>5,749,950</u>	<u>2,596,519</u>

(b) Transactions with Members:

Members' capital contribution	3,184,833	-
Members' capital distribution	(1,000)	(5,000)
Advances to Members	(7,421,881)	(4,621,490)
	<u>(4,238,048)</u>	<u>(4,626,490)</u>

(c) Analysis of cash flows

	At 31 December 2012 £	Cash Flow £	At 31 December 2013 £
Cash at bank	<u>4,044,729</u>	<u>610,299</u>	<u>4,655,028</u>

11. Other financial commitments and contingencies

	Land & Buildings 2013 £	Land & Buildings 2012 £
Annual commitment in respect of leases maturing is as follows:		
Leases expiring in greater than five years	<u>1,755,000</u>	<u>1,755,000</u>
	<u>1,755,000</u>	<u>1,755,000</u>

Notes to the financial statements

for the year ended 31 December 2013

12. Related party transactions

During the period, PWP Group and PWP LP paid certain operating expenses amounting to £2,114,099 (2012 - £1,519,347) on behalf of the Partnership. The Partnership was also charged a net fee of £2,385,268 (2012 - £1,954,168) for administrative support services provided by PWP Group. At 31 December 2013, the Partnership has £7,982,734 payable to PWP Group (2012 - £4,183,659) and £505,026 payable to PWP LP (2012 - £181,596) with regard to these undertakings.

In addition, the Partnership incurred administrative expenses on behalf of its affiliates, Perella Weinberg Real Estate UK LLP, PWP Europe, and Perella Weinberg Partners Capital Management Europe LLP amounting to £19,000,481 (2012 - £16,468,113). At 31 December 2013, the Partnership has amounts due from these affiliates of £52,685 (2012 - £289,035), £14,098,130 (2012 - £13,468,171), and £209,735 (2012 - £111,101), respectively.

The Partnership and its foreign affiliates provide global financial advisory services. During 2013, a portion of the fees received by its foreign affiliates, PWP LP and PWP Europe, were attributed to services rendered by the Partnership. For the year ended 31 December 2013, £6,460,256 (2012 - £2,635,462) of financial advisory fee revenue was earned by the Partnership in recognition of those services rendered by the Partnership. At 31 December 2013, the Partnership has £1,996,536 (2012 - £2,635,462) and £4,463,720 (2012 - nil) receivable from PWP LP and PWP Europe, respectively, with regard to this advisory fee revenue.

13. Ultimate parent undertaking and controlling party

The Partnership's immediate parent undertaking is PWP Group, a partnership incorporated in the State of Delaware, United States.

The Partnership's ultimate controlling party is Perella Weinberg Partners LLC, a limited liability company in Delaware, United States.