

# **Aermont Capital LLP**

## **Report and Financial Statements**

**31 December 2019**



## **General Information**

### **Designated Members**

Aermont Capital S.a r.l. (Principal Partner)  
Léon Bressler (Managing Partner)

### **Individual Partners**

Paul Golding  
Vincent Rouget (until 29 June 2018)  
Nathan Shike  
Alison Trewartha (as from 1 January 2018)

### **Auditors**

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

### **Registered Office**

55 St James's Street  
London SW1A 1LA

## Designated Members' report

The Designated Members present their report and financial statements for the year ended 31 December 2019.

### Results and distributions

The results for the year are shown in the profit and loss account on page 8 and the balance sheet as detailed on page 10 shows a satisfactory position.

### Principal activity and review of the business

The principal activity of Aermont Capital LLP (the "Partnership") is to provide investment management and advisory services.

### Key Performance Indicators

	2019	2018
	£	£
Turnover	18,748,108	16,703,037
Profit for the year	6,956,283	6,210,161

The net assets of the Company as at 31 December 2019 were £7,061,283 (2018: £6,315,161).

### Members' profit allocation

Profits are shared among the members in accordance with the Amended and Restated Limited Liability Partnership Agreement dated 26 February 2019. The profit attributable to the member with the highest entitlement to profit was £ 2,628,485 (2018 - £2,785,624).

### Future developments

The Partnership will continue and seek to expand the performance of its investment advisory services.

### Principal risks and uncertainties

The primary objectives of the Partnership are to provide investment advisory services, to limit counterparty risks and to ensure that sufficient working and regulatory capital are maintained.

Principal risks are that opportunities to provide income-generating investment advisory services do not arise or are not obtained by the principals in the business.

### Going concern

The partners have made an assessment of the Partnership's ability to continue as a going concern for a period of at least 12 months from the date of the approval of these financial statements.

That assessment has taken into account:

- That the Partnership has sufficient financial resources and ongoing investment advisory contracts as at 31 December 2019, so the Partners have confidence that the business will continue to operate in the foreseeable future.
- The Partnership's cash flow forecasts, sensitivities regarding the key assumptions in those forecasts, as well as the principal risks and uncertainties – in particular, the ability of the counterparties to the advisory contracts to continue to meet their obligations under them.

## **Designated Members' report (continued)**

### **Going concern (continued)**

At the time of issuing the statutory accounts there are unprecedented market conditions, relating to the impact of COVID 19. The partners have considered the implications of this as part of their assessment of the Partnership's ability to continue as a going concern. Having performed this assessment the partners are satisfied that COVID 19 has no material impact on the Partnership's future cashflows, as cash inflows are secured by large institutional investors via capital commitments, from which management fees are payable to the Partnership. The management fees are received quarterly in advance. The Partnership has no debt and the cashflow forecasts show that the Partnership has sufficient resources to meet its financial liabilities as they fall due. Therefore, the partners continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

Policy for Members' drawings, subscriptions and repayment of members' capital is governed by the Amended and Restated Limited Liability Partnership Agreement dated 26 February 2019.

### **Designated Members**

The Designated Members are:

Aermont Capital S.a r.l. (Principal Partner)  
Léon Bressler (Managing Partner)

### **Individual Partners**

The Individual Partners are:

Paul Golding  
Vincent Rouget (until 29 June 2018)  
Nathan Shike  
Alison Trewartha (as from 1 January 2018)

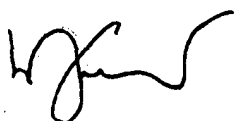
### **Disclosure of information to the auditors**

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 Principal Partner and the Managing Partner.

On behalf of the Members



Léon Bressler  
Designated Member / Managing Partner  
31 March 2020

## 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), including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'. 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 its subsidiaries and of its profit or loss 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 its subsidiary 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 member of Aermont Capital LLP**

### **Opinion**

We have audited the financial statements of Aermont Capital LLP for the year ended 31 December 2019 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.'

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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

### **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 below. We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

### **Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the partner's assessment of the Limited Liability Partnership's ability to continue to operate as a going concern. This is in light of the unprecedented market conditions, caused by the impact of COVID 19. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Limited Liability Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Independent auditors' report**

### **to the member of Aermont Capital LLP**

#### **Other information**

The other information comprises the information included in the annual report set out on pages 2-4, other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 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.

#### **Responsibilities of members**

As explained more fully in the Statement of Designated Member's responsibilities 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, 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 partnership'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 partnership or to cease operations, or have no realistic alternative but to do so.

## **Independent auditors' report**

**to the member of Aermont Capital LLP**

### **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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by The Limited Liability Partnerships. 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 Limited Liability Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephney Dallmann (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 31 March 2020



# Profit and loss account

for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	3	18,748,108	16,703,037
Other income	3	2,802	-
Administrative expenses		(11,794,953)	(10,778,494)
<b>Operating profit</b>	4	6,955,957	5,924,543
Gain on disposal of investment in subsidiaries			284,224
Interest and similar income		326	1,394
<b>Profit for the financial year available for discretionary division among the members</b>		6,956,283	6,210,161

All amounts are in respect of continuing activities.

## Statement of comprehensive income

for the year ended 31 December 2019

	2019 £	2018 £
Profit for the financial year available for discretionary division among the members	<u>6,956,283</u>	<u>6,210,161</u>
Total comprehensive income for financial year	<u><u>6,956,283</u></u>	<u><u>6,210,161</u></u>

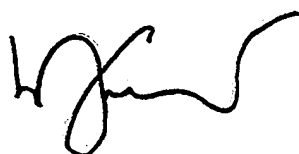
# Balance sheet

as at 31 December 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	6	587,878	641,210
		<u>587,878</u>	<u>641,210</u>
<b>Current assets</b>			
Debtors	7	3,130,207	5,694,251
Cash		6,882,759	4,533,856
		<u>10,012,966</u>	<u>10,228,107</u>
<b>Creditors: amounts falling due within one year</b>	8	(3,539,561)	(4,554,156)
<b>Net current assets</b>		<u>6,473,405</u>	<u>5,673,951</u>
<b>Net assets attributable to members</b>		<u>7,061,283</u>	<u>6,315,161</u>
<b>Represented by:</b>			
Members' interests		<u>7,061,283</u>	<u>6,315,161</u>
Member's capital classified as equity		105,000	105,000
Member's other reserves		6,956,283	6,210,161
Advances due from members	7	(1,200,000)	(1,350,000)
<b>Total members' interest</b>		<u>5,861,283</u>	<u>4,965,161</u>

Registered No: OC329007

The financial statements were approved by Designated Members on 31 March 2020 and signed on their behalf by:



Léon Bressler

Designated Member / Managing Partner

31 March 2020

# Statement of changes in equity

for the year ended 31 December 2019

	<i>Members'</i> <i>capital</i>	<i>Other</i> <i>reserves</i>	<i>Total</i> <i>Members'</i> <i>other</i> <i>interests</i>	<i>Advances</i> <i>due</i> <i>to/(from)</i> <i>members</i>	<i>Total</i> <i>members'</i> <i>interests</i>
	£	£	£	£	£
At 1 January 2018	105,000	4,131,794	4,236,794	(1,200,000)	3,036,794
Profit allocation	-	(4,131,794)	(4,131,794)	4,131,794	-
Profit distribution to members	-	-	-	(2,931,794)	(2,931,794)
Profit for the year	-	6,210,161	6,210,161	-	6,210,161
Advances to members	-	-	-	(1,350,000)	(1,350,000)
At 31 December 2018	<u>105,000</u>	<u>6,210,161</u>	<u>6,315,161</u>	<u>(1,350,000)</u>	<u>4,965,161</u>
Profit allocation	-	(6,210,161)	(6,210,161)	6,210,161	-
Profit distribution to members	-	-	-	(4,860,161)	(4,860,161)
Profit for the year	-	6,956,283	6,956,283	-	6,956,283
Advances to members	-	-	-	(1,200,000)	(1,200,000)
At 31 December 2019	<u>105,000</u>	<u>6,956,283</u>	<u>7,061,283</u>	<u>(1,200,000)</u>	<u>5,861,283</u>

## Statement of cash flows

for the year ended 31 December 2019

	2019 £	2018 £
<b>Operating profit</b>	<b>6,955,957</b>	<b>5,924,543</b>
Depreciation	130,930	164,172
	<u>7,086,887</u>	<u>6,088,715</u>
Decrease/(Increase) in debtors	2,414,044	(1,573,966)
(Decrease) in creditors	(1,014,595)	(1,585,127)
<b>Net cash inflows from operating activities</b>	<b>8,486,336</b>	<b>2,929,622</b>
<b>Cashflows from financing activities</b>		
Interest received	326	1,394
<b>Net cash inflows from financing activities</b>	<b>326</b>	<b>1,394</b>
<b>Cashflows from investing activities</b>		
Proceeds on disposal of investment in subsidiaries	-	391,242
Payment to acquire tangible fixed assets	(77,598)	(3,544)
<b>Net cash outflows from investing activities</b>	<b>(77,598)</b>	<b>387,698</b>
<b>Cashflows from financing activities</b>		
Advances to members	(1,200,000)	(1,350,000)
Profit distribution to members	(4,860,161)	(2,931,794)
<b>Net cash outflows from transactions with members</b>	<b>(6,060,161)</b>	<b>(4,281,794)</b>
<b>Net cash inflows/(outflows) for the year</b>	<b>2,348,903</b>	<b>(963,080)</b>
<b>Reconciliation of net funds</b>		
Cash at the beginning of the year	4,533,856	5,496,936
Net cash inflows/(outflows) during the year	2,348,903	(963,080)
<b>Cash at the end of the year</b>	<b>6,882,759</b>	<b>4,533,856</b>

## Notes to the financial statements

for the year ended 31 December 2019

### 1. The Organisation

Aermont Capital LLP (the “Partnership”) is a limited liability partnership established under the Limited Liability Partnership Act 1907 in England.

On 5 July 2016, the name of the Partnership was changed from PW Real Assets LLP to Aermont Capital LLP.

The registered office of the Partnership was 20 Grafton Street, London, W1S 4DZ until 29 February 2016 and 55 St James’s Street, London, SW1A 1LA, as from 1 March 2016.

Perella Weinberg Real Estate Fund I LP (‘Fund I’) was incorporated on 27 June 2007 and commenced operations on 9 October 2007. Fund I has been established for the purpose of making opportunistic investments in real estate, as well as real estate related assets and businesses, primarily targeting investment opportunities within European markets. The Partnership has been appointed Investment Manager for Fund I. The general partner of Fund I has entered into an Investment Management Agreement under which the Partnership provides investment advisory services to the general partner of Fund I.

Perella Weinberg Real Estate Fund II LP (‘Fund II’) and PW Real Estate Fund III LP (‘Fund III’) were incorporated respectively on 21 May 2012 and 4 June 2015 and commenced operations respectively on 23 July 2012 and 25 November 2015. Similarly to Fund I, Fund II and Fund III have been established for the purpose of making opportunistic investments in real estate, as well as real estate related assets and businesses, primarily targeting investment opportunities within European markets. The Partnership has been appointed Investment Advisor for Fund II and Fund III. The general partners of Fund II and Fund III have entered into an Investment Advisory Agreement under which the Partnership provides investment advisory services to the general partners of Fund II and Fund III. As from 1 January 2019, Aermont Capital Management S.à r.l. (the “Manager”) has been appointed as the alternative investment fund manager in relation to portfolio and risk management in relation to Fund II and Fund III. The Manager has entered into Investment Advisory Agreements under which the Partnership provides investment advisory services to the Manager of Fund II and Fund III.

Aermont Capital Real Estate Fund IV SCSp (‘Fund IV’) has been formed as at 22 March 2018 and commenced operations on 10 August 2018. Fund IV has been established for the purpose of making opportunistic investments in real estate as well as real estate related assets and businesses, focusing on investment opportunities within European markets. The Partnership has been appointed Investment Advisor for Fund IV. The general partner of Fund IV has appointed the Manager as Fund IV’s alternative investment fund manager. The Manager has entered into an Investment Advisory Agreement under which the Partnership provides investment advisory services to the Manager.

Fund I, Fund II, Fund III and Fund IV have no ownership interest in the Partnership.

The Partnership acquired with effective date 1 January 2014 the shares in Perella Weinberg Real Estate Spain S.L. (the ‘Spanish Subsidiary’) at a purchase price of €114,544 (£95,917) (the net assets of the subsidiary as at 31 December 2014). The Spanish Subsidiary was renamed PW Real Assets Spain S.L. on 3 July 2015; and then Aermont Capital Spain S.L. on 7 July 2015. On 19 December 2018, the Spanish Subsidiary was liquidated.

On 4 November 2016, the Partnership acquired the shares in PWRA TSH Holding S.à r.l. (The ‘Luxembourg Subsidiary’ and together with the Partnership and the Spanish Subsidiary, the ‘Group’) at a purchase price of €12,500 (£11,101) (the share capital of the subsidiary). On 28 June 2018, the Partnership disposed of all its shares in the Luxembourg Subsidiary at cost.

Further to the liquidation of the Spanish Subsidiary and the disposal of the Luxembourg Subsidiary in 2018, there will not be any consolidated financial statements for the year 2019.

## Notes to the financial statements

for the year ended 31 December 2019

### 2. Accounting policies

#### *Basis of accounting*

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102').

The financial statements have also been prepared in accordance with applicable accounting standards, under the historical cost basis and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in January 2017.

The financial statements are presented in Sterling (£) and the functional currency of the Partnership is in Sterling (£).

#### *Going concern*

The partners have made an assessment of the Partnership's ability to continue as a going concern for a period of at least 12 months from the date of the approval of these financial statements.

That assessment has taken into account:

- That the Partnership has sufficient financial resources and ongoing investment advisory contracts as at 31 December 2019, so the Partners have confidence that the business will continue to operate in the foreseeable future.
- The Partnership's cash flow forecasts, sensitivities regarding the key assumptions in those forecasts, as well as the principal risks and uncertainties – in particular, the ability of the counterparties to the advisory contracts to continue to meet their obligations under them.

At the time of issuing the statutory accounts there are unprecedented market conditions, relating to the impact of COVID 19. The partners have considered the implications of this as part of their assessment of the Partnership's ability to continue as a going concern. Having performed this assessment the partners are satisfied that COVID 19 has no material impact on the Partnership's future cashflows, as cash inflows are secured by large institutional investors via capital commitments, from which management fees are payable to the Partnership. The management fees are received quarterly in advance. The Partnership has no debt and the cashflow forecasts show that the Partnership has sufficient resources to meet its financial liabilities as they fall due. Therefore, the partners continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### *Turnover*

Turnover represents fees receivable for investment management and investment advisory services provided during the year and arising from continuing activities in the UK. Fees are recognised as services are provided.

#### *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.

#### *Pensions*

Contributions to defined contribution schemes are recognised in the profit and loss account in the year in which they become payable.

#### *Leased assets*

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

## Notes to the financial statements

for the year ended 31 December 2019

### 2. Accounting policies (continued)

#### *Tangible fixed assets*

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Furniture and fittings	– 5 years
Office equipment, software	– 3 years
Leasehold improvements	– 10 years

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

#### *Members' drawings and the subscription and repayment of members' capital*

In accordance with the LLP agreement, from time to time the Company determines the amount of profit to be treated as distribution to members. Profits are treated as allocated. Profit is allocated on a discretionary basis per the members' agreement and therefore is shown as 'Profit for the financial year available for discretionary division among members' in the profit and loss account and therefore is within an equity reserve, 'members' other reserves', on the balance sheet.

Drawings are treated as payments on account of profit allocation and are only repayable to the LLP so far as there are insufficient profits to allocate against such drawings. Any drawings in excess of total profits allocated would be included within 'amounts due from members' within debtors.

The capital requirements of the Partnership are determined by the members/Board and are reviewed regularly. Each member is required to subscribe a proportion of this capital. The amount of capital subscribed by each member is usually linked to the earnings allocated to that member.

### 3. Turnover

Turnover arises in the United Kingdom and relates to management services rendered.

### 4. Operating profit

This is stated after charging:

	2019	2018
	£	£
Auditors' remuneration – audit services	60,850	43,000
Non audit services – tax advisory	59,745	61,282
Other tax services	611,500	113,736
Lease charge	872,109	876,430
Depreciation	130,930	164,172
Foreign exchange loss	324,076	45,121
	<u>2,059,210</u>	<u>1,303,741</u>



## Notes to the financial statements

for the year ended 31 December 2019

### 5. Staff costs

Included in administration expenses are staff costs as shown below:

	2019 £	2018 £
Wages and salaries	5,675,135	5,402,161
Social security costs	748,664	717,296
Pension costs	186,966	161,780
	<u>6,610,765</u>	<u>6,281,237</u>

The average number of employees during the year was 19 (2018 – 17).

Except for allocation of profit under the Partnership Agreement, no member received remuneration for the year ended 31 December 2019 (2018 - £nil).

	2019 £	2018 £
Profit for the financial year before profit share	<u>6,956,283</u>	<u>6,210,161</u>
Profit for the financial year available for discretionary division among members	<u>6,956,283</u>	<u>6,210,161</u>
Profit allocation in the year in respect of the member with the largest share of profits	<u>2,628,485</u>	<u>2,785,624</u>

The average number of members during the year was 4 (2018 - 4).

# Notes to the financial statements

for the year ended 31 December 2019

## 6. Tangible assets

	Leasehold improvements £	Furniture & fittings £	Other equipment £	TOTAL £
<i>Cost</i>				
As at 1 January 2018	830,838	85,432	263,344	1,179,614
Additions	-	-	3,544	3,544
Disposals	-	-	-	-
As at 31 December 2018	830,838	85,432	266,888	1,183,158
Additions	-	-	77,598	77,598
Disposals	-	(4,932)	(263,957)	(268,889)
As at 31 December 2019	830,838	80,500	80,529	991,867
<i>Depreciation</i>				
As at 1 January 2018	(156,044)	(34,482)	(187,250)	(377,776)
Depreciation	(85,237)	(16,117)	(62,818)	(164,172)
Disposals	-	-	-	-
As at 31 December 2018	(241,281)	(50,599)	(250,068)	(541,948)
Depreciation	(85,236)	(16,118)	(29,576)	(130,930)
Disposals	-	4,932	263,957	268,889
As at 31 December 2019	(326,517)	(61,785)	(15,687)	(403,989)
<i>Net book value</i>				
At 31 December 2019	504,321	18,715	64,842	587,878
At 31 December 2018	589,557	34,833	16,820	641,210

## 7. Debtors

	2019 £	2018 £
Amounts due from related entities	1,456,970	3,849,812
Trade debtors	-	116,482
Prepayments	353,517	275,978
Amounts due from members	1,200,000	1,350,000
Other debtors	119,720	101,979
	<u>3,130,207</u>	<u>5,694,251</u>

## Notes to the financial statements

for the year ended 31 December 2019

### 8. Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts due to related entities	294,232	1,711,792
Trade creditors	216,649	75,106
Accruals	663,023	463,490
Other creditors	2,365,657	2,303,768
	<u>3,539,561</u>	<u>4,554,156</u>

Management assessed that the fair values of cash, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### 9. Related party transactions

#### *PWREF II GP*

As at 31 December 2019, the Partnership has

- amount due from Perella Weinberg Real Estate Fund II GP Limited ("PWRE II GP") of £nil (2018 – £1,356,158) for management fees; and
- amount due from PWRE II GP of £3,513 (2018 – £10,229) for travel expenses.

During the year, the Partnership charged PWRE II GP management fees of £nil (2018 – £5,985,542) and £3,513 (2018 – £10,229) in relation to travel expenses.

#### *PWREF III GP*

As at 31 December 2019, the Partnership has

- amounts due to PW Real Estate Fund III GP Limited ("PWRE III GP") of £nil (2018 – £1,722,022) for management fees; and
- amounts due from PWRE III GP of £3,513 (2018 – £10,229) for travel expenses.

During the year, the Partnership charged PWRE III GP for management fees of £nil (2018 – £7,143,438) and £3,513 (2018 – £10,229) in relation to travel expenses.

#### *ACM in relation to Fund II*

As at 31 December 2019, the Partnership has amounts due from Aermont Capital Management S.à r.l. ("ACM") for advisory services provided in relation to Perella Weinberg Real Estate Fund II LP ('Fund II') of £433,579 (2018 - £nil).

During the year, the Partnership charged ACM for advisory fees in relation to Fund II of £4,848,233 (2018 – £nil).

#### *ACM in relation to Fund III*

As at 31 December 2019, the Partnership has amounts due to ACM for advisory services provided in relation to PW Real Estate Fund III LP ('Fund III') of £399,380 (2018 – £nil)

During the year, the Partnership charged ACM for advisory fees in relation to Fund III of £3,617,944 (2018 – £nil).

## Notes to the financial statements

for the year ended 31 December 2019

### 9. Related party transactions (continued)

#### *ACM in relation to Fund IV*

As at 31 December 2019, the Partnership has amounts due to ACM of £147,821 (2018 – £2,974,370 due from ACM) for advisory services provided in relation to Fund IV and for travelling expenses of £nil (2018 – £102,068).

During the year, the Partnership charged ACM for management fees in relation to Fund IV of £9,764,322 (2018 – £2,941,495) as well as travelling expenses of £nil (2018 – £197,464).

As at 31 December 2019 the Partnership also has amounts due to ACM of £180,610 (2018 – £1,806,360 due to ACM).

#### *Other*

As at 31 December 2019, the Partnership has amounts due from Stichting Depository APG Strategic Real Estate Pool (“APG”) of €880,956 (£767,889) (2018 – €714,200 (£632,561)). During the year, the Partnership charged to APG management fees of €880,956 (£748,326) (2018 – €714,200 (£632,561)) in relation to a co-investment with Fund II and Fund III.

As at 31 December 2019, the total balance due from PWP RE Fund I US Feeder LP to the Partnership in relation to an interest free loan is €90,000 (£76,570) (2018 – €90,000 (£80,505)).

As at 31 December 2019, amount due from PWRA TSH Holding S.à.r.l. to the Partnership in relation to an interest free loan is €35,000 (£29,777) (2018 – €35,000 (£30,555)).

As at 31 December 2019, the amount due from Picture Holdco Ltd (indirect subsidiary undertaking of the Fund II) to the Partnership in relation to the recharge of costs was £110,924 (2018 – £71,676).

During the year, the Partnership charged Picture Holdco Ltd for travel expenses of £110,924 (2018 – £71,676).

As at 31 December 2019, the amount due from Aermont Capital SAS (sister entity to the Partnership) to the Partnership in relation to the recharge of IT costs was £55,174 (2018 – £nil).

During the year, the Partnership charged Aermont Capital SAS for IT costs of £55,174 (2018 – £nil).

As at 31 December 2019, the outstanding amounts for travel expenses which were recharged to Fund II, Fund III and Fund IV were £398,510 (2018 – £386,384). During the year, the Partnership charged Fund II for travel expenses of £155,330 (2018 – £184,045), Fund III for travel expenses of £181,006 (2018 – £186,754) and Fund IV for travel expenses of £62,174 (2018 – £197,464).

As at 31 December 2019, an amount equivalent to £11,101 (2018 – £11,101) was due by the Partners to the Partnership following the sale of PWRA TSH Holding S.à.r.l from the Partnership to the Partners.

### 10. Financial Risk Management

The Partnership is exposed to currency exchange rate risk due to a significant proportion of its cash position being denominated in non-Sterling currencies for an equivalent amount of £4,297,498 (2018 – £2,126,241). The net exposure of each currency is monitored and managed by Management.

### 11. Ultimate parent undertaking and controlling party

As from 1 August 2015, the Partnership’s ultimate controlling party is Léon Bressler.

## Notes to the financial statements

for the year ended 31 December 2019

### 12. Commitments and contingencies

#### *Operating lease commitments*

The Partnership has entered into operating real estate leases in London. The future minimum rentals payable under non-cancellable operating leases are as follows:

	2019 £	2018 £
Within one year	562,080	562,080
After one year but no more than five years	2,248,320	2,248,320
More than five years	515,240	1,077,320
	<u>3,325,640</u>	<u>3,887,720</u>

### 13. Subsequent events

Subsequent to the balance sheet date, there has been a world-wide pandemic due to the outbreak of COVID 19. This has caused significant disruptions to businesses and the global economy, resulting in unprecedented market conditions. The partners have considered whether the impact of COVID 19 has an impact on the financial statements. While the full impact is not yet clear, the partners do not consider COVID 19 to impact on the principal risks and uncertainties, significant judgement and estimates or the financial position as reported.