Aermont Capital LLP

Report and Financial Statements

31 December 2021

Registered No: OC329007

General Information

Designated Members
Aermont Capital S.à r.l. (Principal Partner)
Léon Bressler (Managing Partner)

Individual Partners
Paul Golding
Nathan Shike
Alison Trewartha

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

Registered Office
55 St James's Street
London SW1A 1LA

Registered No: OC329007

Designated Members' report

The Designated Members present their report and financial statements for the year ended 31 December 2021.

Results

The results for the year are shown in the profit and loss account on page 9 and the balance sheet as detailed on page 11 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

	2021	*2020*
	£	*£*
Turnover	20,275,552	20,323,333
Profit for the year	7,812,740	9,069,790

The net assets of the Company as at 31 December 2021 were £7,917,740 (2020 - £9,174,790).

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 "LLP Agreement"). The profit attributable to the member with the highest entitlement to profit was £3,637,644 (2020 - £3,691,874).

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

In the context of the Covid-19 pandemic and the geopolitical and economic uncertainties related to the Ukrainian crisis, the partners have made an assessment of the Partnership's ability to continue as a going concern for the period until 31 March 2023.

That assessment has taken into account:

- That the Partnership has sufficient financial resources and ongoing investment advisory contracts as at 31 December 2021, so the partners have confidence that the business will continue to operate during the going concern period ending 31 March 2023.
- 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.

Registered No: OC329007

Designated Members' report (continued)

Going concern (continued)

The partners have considered the implications of the Covid-19 pandemic and the Ukrainian crisis 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 the Covid-19 and the Ukrainian crisis have no material impact on the Partnership's ability to continue as a going concern, as cash inflows are secured by large institutional investors through 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.

The partners believe that the Partnership is able to manage its business risks and to continue to operate during the going concern period ending 31 March 2023. Therefore, the annual financial statements have been prepared on a going concern basis

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

During the year, the Designated Members were:

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

Individual Partners

During the year, the Individual Partners were:

Paul Golding
Nathan Shike
Alison Trewartha

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 a 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

25 March 2022

Statement of Designated Members' responsibilities

The Designated Members are responsible for preparing the Designated 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 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 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 Aermont Capital LLP

Opinion

We have audited the financial statements of Aermont Capital LLP (the "Limited Liability Partnership") for the year ended 31 December 2021 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Limited Liability Partnership's ability to continue as a going concern for the period ending 31 March 2023.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Limited Liability Partnership's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

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

Independent auditors' report

to the members of Aermont Capital LLP (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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 in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Statement of Designated Members' 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent auditors' report

to the members of Aermont Capital LLP (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Limited Liability Partnership and determined that the most significant are the Companies Act 2006, the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in January 2017, FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland', The Financial Services and Markets Act 2000 and the relevant direct and indirect tax regulation in the UK.

- We understood how Aermont Capital LLP is complying with those frameworks by making enquiries of management to understand how the Limited Liability Partnership maintains its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also obtained and read correspondence with relevant authorities, where applicable.

- We assessed the susceptibility of the Limited Liability Partnership's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by: meeting with management to understand where they considered there was susceptibility to fraud; determining which account balances are subjective in nature; and considering the processes and controls that the Limited Liability Partnership has established to prevent and detect fraud, and how those controls are monitored.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: inquiries of senior management, and where applicable, those charged with governance; review of minutes; testing journals identified by specific risk criteria; and obtaining written representations from the designated members of the Limited Liability Partnership.

- Where the risk was considered higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. We also considered the risk of fraudulent or corrupt payments and designed procedures to test transactions back to source information.

- The Limited Liability Partnership is regulated by the Financial Conduct Authority ('FCA') and provides investment advisory and management services. As such, the Senior Statutory Auditor has ensured that the team had the appropriate competence and capabilities.

  We have obtained an understanding of the FCA regulations and the potential impact on the Limited Liability Partnership. In assessing the effectiveness of the control environment, we have considered the compliance of the Limited Liability Partnership to these regulations as part of our audit procedures.

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.

Independent auditors' report

to the members of Aermont Capital LLP (continued)

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 to 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.

Ernst & Young LLP

Stephney Dallmann
For and on behalf of Ernst & Young LLP
London
Date: 30 March 2022

Profit and loss account

for the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	3	20,275,552	20,323,333
Cost of sales		(8,677,081)	(8,101,744)
Gross profit		11,598,471	12,221,589
Administrative expenses		(11,215,838)	(3,151,965)
Other income	3	7,430,107	-
Operating profit	4	7,812,740	9,069,624
Interest and similar income		-	166
Profit for the financial year available for discretionary division among the members		7,812,740	9,069,790

All amounts are in respect of continuing activities.

Statement of comprehensive income

for the year ended 31 December 2021

	2021 £	*2020* £
Profit for the financial year available for discretionary division among the members	7,812,740	9,069,790
Total comprehensive income for financial year	7,812,740	9,069,790

Balance sheet

as at 31 December 2021

	Notes	*2021* £	*2020* £
Fixed Assets			
Tangible fixed assets	6	349,592	463,372
		349,592	463,372
Current assets			
Debtors	7	8,026,685	7,485,471
Cash		3,700,047	4,554,842
		11,726,732	12,040,313
Creditors: amounts falling due within one year	8	(4,158,584)	(3,328,895)
Net current assets		7,568,148	8,711,418
Net assets attributable to members		7,917,740	9,174,790
Members' capital classified as equity		105,000	105,000
Members' other reserves		7,812,740	9,069,790
Members' interest		7,917,740	9,174,790
Advances due from members	7	(1,200,000)	(1,200,000)
Total members' interests, net of advances		6,717,740	7,974,790

Registered No: OC329007

The financial statements were approved by Designated Members on 25 March 2022 and signed on their behalf by:

Léon Bressler

Designated Member / Managing Partner

25 March 2022

Statement of changes in equity

for the year ended 31 December 2021

	Members' capital	*Other reserves*	*Total Members' other interests*	*Advances due to/(from) members*	*Total members' interests*
	£	*£*	*£*	*£*	*£*
At 1 January 2020	105,000	6,956,283	7,061,283	(1,200,000)	5,861,283
Profit allocation	-	(6,956,283)	(6,956,283)	6,956,283	-
Profit distribution to members	-	-	-	(5,756,283)	(5,756,283)
Profit for the year	-	9,069,790	9,069,790	-	9,069,790
Advances to members	-	-	-	(1,200,000)	(1,200,000)
At 31 December 2020	105,000	9,069,790	9,174,790	(1,200,000)	7,974,790
Profit allocation	-	(9,069,790)	(9,069,790)	9,069,790	-
Profit distribution to members	-	-	-	(7,869,790)	(7,869,790)
Profit for the year	-	7,812,740	7,812,740	-	7,812,740
Advances to members	-	-	-	(1,200,000)	(1,200,000)
At 31 December 2021	105,000	7,812,740	7,917,740	(1,200,000)	6,717,740

Statement of cash flows

for the year ended 31 December 2021

	2021	2020
	£	£
Operating profit	***7,812,740***	***9,069,624***
Depreciation	115,637	128,816
	7,928,377	9,198,440
Increase in debtors	(541,214)	(4,355,264)
Increase/(Decrease) in creditors	829,689	(210,666)
Net cash inflow from operating activities	**8,216,852**	**4,632,510**
Cashflows from financing activities		
Interest received	-	166
Net cash inflows from financing activities	-	**166**
Cashflows from investing activities		
Payment to acquire tangible fixed assets	(1,857)	(4,310)
Net cash outflows from investing activities	**(1,857)**	**(4,310)**
Cashflows from financing activities – with members		
Advances to members	(1,200,000)	(1,200,000)
Profit distribution to members	(7,869,790)	(5,756,283)
Net cash outflows from financing activities – with members	**(9,069,790)**	**(6,956,283)**
Net cash outflows for the year	**(854,795)**	**(2,327,917)**
Reconciliation of net funds		
Cash at the beginning of the year	4,554,842	6,882,759
Net cash outflow during the year	(854,795)	(2,327,917)
Cash at the end of the year	**3,700,047**	**4,554,842**

Notes to the financial statements

for the year ended 31 December 2021

1. The Organisation

Aermont Capital LLP (the "Partnership") is a limited liability partnership established under the Limited Liability Partnership Act 1907 in England, regulated by the Financial Conduct Authority (the "FCA").

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 is 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 was 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 was appointed Investment Manager for Fund I. The general partner of Fund I entered into an Investment Management Agreement under which the Partnership provided investment advisory services to the general partner of Fund I. Fund I was dissolved with effect from 22 June 2021.

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

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 (£).

Notes to the financial statements

for the year ended 31 December 2021

2. Accounting policies (continued)

Going concern

In the context of the Covid-19 pandemic and the geopolitical and economic uncertainties related to the Ukrainian crisis, the partners have made an assessment of the Partnership's ability to continue as a going concern for the period until 31 March 2023.

That assessment has taken into account:

- That the Partnership has sufficient financial resources and ongoing investment advisory contracts as at 31 December 2021, so the partners have confidence that the business will continue to operate during the going concern period ending 31 March 2023.
- 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.

The partners have considered the implications of the Covid-19 pandemic and the Ukrainian crisis 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 the Covid-19 and the Ukrainian crisis have no material impact on the Partnership's ability to continue as a going concern, as cash inflows are secured by large institutional investors through 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.

The partners believe that the Partnership is able to manage its business risks and to continue to operate during the going concern period ending 31 March 2023. Therefore, the annual financial statements have been prepared on a going concern basis.

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.

Other income

Other income represents fees receivable for due diligence and other ancillary costs in relation to management services which are recharged to the Manager or related parties at nil margin. Other income is recognised when the 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial 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.

Operating leases

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 is 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 2021

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.

Debtors

Debtors are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest rate method, less impairment. Any losses arising from impairment are recognised in the profit and loss account.

Creditors

Creditors are initially recognised at the transaction price and subsequently measured at amortized cost using the effective interest method.

Cash

Cash comprises cash at banks and on hand.

For the purpose of the cash flow statement, cash consists of cash at banks and on hand as defined above, net of outstanding bank overdrafts.

Expenses

All expenses are recognised on an accruals basis.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of critical judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The partners consider that there are no critical judgements, estimates and assumptions that affect the application of accounting policies during the 2021 year.

Notes to the financial statements

for the year ended 31 December 2021

2. Accounting policies (continued)

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

In accordance with the LLP Agreement, from time to time the Partnership 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 LLP 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 Partnership 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 and other income

Turnover arises in the United Kingdom and relates to management services rendered. Other income represents fees receivable for due diligence and other ancillary costs in relation to management services which are recharged to the Manager or related parties at nil margin.

4. Operating profit

This is stated after charging:

	2021	*2020*
	£	*£*
Auditor's remuneration – audit services	74,000	47,145
Non audit services – tax advisory	65,325	23,753
Other tax services	126,500	198,412
Lease charge	519,924	519,924
Depreciation	115,637	128,816
Foreign exchange loss/(gain)	426,535	(35,427)
	1,327,921	**882,623**

5. Staff costs

Included in cost of sales and administrative expenses are staff costs as shown below:

	2021	*2020*
	£	*£*
Wages and salaries	7,112,414	6,605,372
Social security costs	950,577	886,279
Pension costs	183,443	176,709
	8,246,434	**7,668,360**

Notes to the financial statements

for the year ended 31 December 2021

5. Staff costs (continued)

The average number of employees during the year was 20 out of which 16 are investment deal professionals and 4 are support staff (2020 – 20 out of which 16 are investment deal professionals and 4 are support staff).

Except for allocation of profit under the LLP Agreement, no member received remuneration for the year ended 31 December 2021 (2020 - £nil).

	2021 £	*2020* £
Profit for the financial year before profit share	7,812,740	9,069,790
Profit for the financial year available for discretionary division among members	7,812,740	9,069,790
Profit allocation in the year in respect of the member with the largest share of profits	3,637,644	3,691,874

The average number of members during the year was 4 (2020 - 4).

6. Tangible fixed assets

	Leasehold improvements £	**Furniture & fittings** £	**Other equipment** £	*TOTAL* £
Cost				
As at 1 January 2020	**830,838**	**80,500**	**80,529**	**991,867**
Additions	-	-	4,310	4,310
As at 31 December 2020	**830,838**	**80,500**	**84,839**	**996,177**
Additions	-	-	1,857	1,857
As at 31 December 2021	**830,838**	**80,500**	**86,696**	**998,034**
Depreciation				
As at 1 January 2020	**(326,517)**	**(61,785)**	**(15,687)**	**(403,989)**
Depreciation	(85,237)	(16,118)	(27,461)	(128,816)
As at 31 December 2020	**(411,754)**	**(77,903)**	**(43,148)**	**(532,805)**
Depreciation	(85,237)	(2,597)	(27,803)	(115,637)
As at 31 December 2021	**(496,991)**	**(80,500)**	**(70,951)**	**(648,442)**
Net book value				
At 31 December 2021	**333,847**	**-**	**15,745**	**349,592**
At 31 December 2020	**419,084**	**2,597**	**41,691**	**463,372**

Notes to the financial statements

for the year ended 31 December 2021

7. Debtors

	2021	*2020*
	£	*£*
Amounts due from related entities	5,816,260	5,867,140
Prepayments	436,452	333,912
Amounts due from members	1,200,000	1,200,000
Other debtors and accrued income	573,973	84,419
	8,026,685	**7,485,471**

8. Creditors: amounts falling due within one year

	2021	*2020*
	£	*£*
Trade creditors	663,038	124,940
Accruals	660,866	440,337
Taxation and social security	2,645,197	2,531,979
Other creditors	189,483	231,639
	4,158,584	**3,328,895**

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

ACM in relation to Fund II

As at 31 December 2021, 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 £1,214,873 (2020 - £1,534,602).

During the year, the Partnership charged ACM for advisory fees in relation to Fund II of £3,874,675 (2020 - £4,249,845).

ACM in relation to Fund III

As at 31 December 2021, the Partnership has amounts due from ACM for advisory services provided in relation to PW Real Estate Fund III LP ("Fund III") of £1,900,497 (2020 - £1,592,218).

During the year, the Partnership charged ACM for advisory fees in relation to Fund III of £5,336,089 (2020 - £5,117,206).

Notes to the financial statements

for the year ended 31 December 2021

9. Related party transactions (continued)

ACM in relation to Fund IV

As at 31 December 2021, the Partnership has amounts due from ACM for advisory services provided in relation to Aermont Capital Real Estate Fund IV SCSp ("Fund IV") of £299,322 (2020 - £1,357,568).

During the year, the Partnership charged ACM for management fees in relation to Fund IV of £9,894,329 (2020 - £9,937,665).

Other

As at 31 December 2021, the Partnership also has amounts due from ACM of £567,052 (2020 - due to ACM – £102,768).

As at 31 December 2021, the Partnership has amounts due from Stichting Depository APG Strategic Real Estate Pool ("APG") (co-investor of an investment in Fund II and Fund III) of €1,250,411 (£1,050,720) (2020 - €1,128,379 (£1,014,446)). During the year, the Partnership charged to APG management fees of €1,250,411 (£1,066,259) (2020 - €1,128,379 (£1,018,617)) in relation to a co-investment with Fund II and Fund III.

As at 31 December 2021, the total balance due from PWP RE Fund I US Feeder LP to the Partnership in relation to an interest free loan is €nil (2020 - €90,000 (£80,913)), disclosed under 'Amounts due from related entities' in Note 7. The loan was repaid during the year.

As at 31 December 2021, the amount due from PWRA TSH Holding S.à r.l. (an entity owned by Partners of Aermont Group) to the Partnership in relation to an interest free loan is €35,000 (£29,410) (2020 - €35,000 (£31,466)), disclosed under 'Amounts due from related entities' in Note 7.

As at 31 December 2021, the amount due from Picture Holdco Ltd (indirect subsidiary undertaking of Fund II) to the Partnership in relation to the recharge of costs was £18,529 (2020 - £154,150). During the year, the Partnership charged Picture Holdco Ltd for travel expenses of £18,529 (2020 - £43,226).

As at 31 December 2021, the amount due from Aermont Capital SAS (sister entity to the Partnership) to the Partnership in relation to the recharge of the IT costs was £18,940 (2020 - £25,601). During the year, the Partnership charged Aermont Capital SAS for IT costs of £38,576 (2020 - £53,111)

As at 31 December 2021, the outstanding amounts for travel expenses which were recharged to Fund I, Fund II, Fund III and Fund IV were £143,618 (2020 - £167,843). During the year, the Partnership charged Fund II for travel expenses of £33,197 (2020 - £72,113), Fund III for travel expenses of £66,048 (2020 - £75,869) and Fund IV for travel expenses of £44,373 (2020 – £19,861).

As at 31 December 2021, an amount equivalent to £11,101 (2020 - £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.

As at 31 December 2021, an amount equivalent to £4,083 (2020 - £nil) was due from Maison Coln GP S.à r.l. and Maison Coln SLP GP S.à r.l. (TopCos og co-investor in Maison investment under Fund IV) to the Partnership in relation to operating expenses paid by the Partnership on behalf of these entities.

As at 31 December 2021, an amount equivalent to £453,915 (2020 - £nil) was due from Maison Coln SCSp (co-investor in Maison investment under Fund IV) to the Partnership in relation to invoices recharged by the Partnership for the set-up of Maison Coln SCSp. During the year, the Partnership recharged invoices to Maison Coln SCSp for an amount equivalent to £405,866 (2020 - £nil) in relation with the Maison investment under Fund IV.

As at 31 December 2021, the Partnership has amounts due from Maison Coln GP S.à r.l. for advisory services provided in relation to Maison Coln SCSp of £104,200 (2020 - £nil). During the year, the Partnership charged Maison Coln GP S.à r.l. for management fees in relation to Maison Coln SCSp of £104,200 (2020 - £nil).

Notes to the financial statements

for the year ended 31 December 2021

9. Related party transactions (continued)

During the year, the Partnership recharged invoices to Maison Bidco Limited (indirect subsidiary undertaking of Fund IV) for an amount equivalent to £3,780,616 (2020 - £nil) in relation to the Maison investment under Fund IV.

During the year, the Partnership recharged invoices to ACM for an amount equivalent to £2,669,528 (2020 - £nil) in relation to various investments under Fund IV.

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 £505,578 (2020 - £1,920,308). 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.

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:

	2021	*2020*
	£	*£*
Within one year	562,080	562,080
After one year but no more than five years	1,639,400	2,201,480
	2,201,480	**2,763,560**

13. Subsequent events

Subsequent to the balance sheet date, in February 2022, Russian military invaded Ukraine and a war is going on in the country. Heavy economic sanctions have been taken against Russia. This has caused significant geopolitical and economic uncertainties. The partners have considered whether the impact of the Ukrainian crisis has an impact on the financial statements. While the full impact is not yet clear, the partners do not consider the Ukrainian crisis to impact on the principal risks and uncertainties, significant judgement and estimates or the financial position as reported.