

Registered No OC319198

# Perella Weinberg Partners UK LLP

## Report and Financial Statements

31 December 2007

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Perella Weinberg Partners UK LLP

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Registered No OC319198

**Members**

Perella Weinberg Partners Group LP  
PWP UK LLC  
Joseph Perella  
Peter Weinberg  
Paulo Pereira  
Philip Yates  
Bernard Gault  
Dietrich Becker  
David Landman

**Auditors**

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

**Registered Office**

20 Grafton Street  
London W1S 4DZ

## Designated Members' report

The Designated Members present their report and financial statements for the year ended 31 December 2007

### Principal activity and review of the business

The principal activity of the Partnership is to provide corporate advisory services. The Partnership intends to continue with these activities.

### Results and distributions

The result for the year is 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.

### Key Performance Indicators

Operating revenue for the year ended 31 December 2007 was £ 17,975,836 and the period from incorporation on 19 April 2006 to 31 December 2006 was £141,243

	2007 £	2006 £
Turnover	<u>17,975,836</u>	<u>141,243</u>
Retained profit/(loss)	<u>7,287,479</u>	<u>(5,229,258)</u>

### 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 advisory corporate advisory services.

### Principal risks and uncertainties

The primary objectives of the Partnership are to provide a suitable level return of the partners investment, to limit counterparty risks and to ensure sufficient working and regulatory capital exists.

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

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

### Members

The members of the LLP during the period were

Perella Weinberg Partners Group LP  
PWP UK LLC  
Joseph Perella  
Peter Weinberg  
Paulo Pereira  
Philip Yates  
Bernard Gault  
Dietrich Becker  
David Landman (admitted 11 June 2007)

## Designated Members' report

The following are Designated Members

Perella Weinberg Partners Group LP  
PWP UK LLC

### Disclosure of information to the auditors

So far as each person who was a Partner 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 partners and the partnership's auditor, each partner has taken all the steps that he is obliged to take as partner 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



Designated Member

31 MAR 2008

## **Statement of Designated member's responsibilities in respect of the financial statements**

The members are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Principles

The Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the partnership and of profit or loss of the partnership for that period. In preparing these financial statements, the members are required to

- select suitable and appropriate accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business

The members are responsible for keeping proper accounting records that 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 Regulations 2001. They 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

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

## **Independent auditors' report**

**to the members of Perella Weinberg Partners UK LLP**

We have audited the Limited Liability Partnership's financial statements ('financial statements') for the year ended December 2007 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Cash Flows and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members, as a body, in accordance with Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. 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 auditors' 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 auditors**

The members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of members' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. We also report to you whether in our opinion the information given in the Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Limited Liability Partnership has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law is not disclosed.

We read the members' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Limited Liability Partnership circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Independent auditors' report

to the members of Perella Weinberg Partners UK LLP (continued)

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the partnership's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000, and
- the information given in the Designated Members' report is consistent with the financial statements

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London

**Profit and loss account**  
for the year ended 31 December 2007

	Notes	2007 £	From incorporation to 31 December 2006 £
Turnover	2	17,975,836	141,243
Administrative expenses	4	<u>11,453,319</u>	<u>5,470,265</u>
<b>Operating profit / (loss)</b>	3	6,522,517	(5,329,022)
Other income		472,431	-
Interest receivable		<u>292,531</u>	<u>99,764</u>
<b>Retained profit / (loss) for the financial year</b>		<u><u>7,287,479</u></u>	<u><u>(5,229,258)</u></u>

There are no recognised gains or losses other than those shown in the profit and loss account (2006 nil)  
All amounts are in respect of continuing activities



## Balance sheet

As at 31 December 2007

	Notes	2007 £	2006 £
<b>Tangible fixed assets</b>	5	2,933,655	1,832,525
<b>Current Assets</b>			
Debtors	6	21,389,183	5,592,713
Cash		3,895,365	2,953,301
		<u>25,284,549</u>	<u>8,546,014</u>
<b>Current Liabilities</b>			
Creditors amounts falling due within one year	7	<u>9,741,269</u>	<u>2,198,196</u>
<b>Net current assets</b>		15,543,280	6,347,818
Creditors amounts falling due greater than one year	8	<u>2,188,853</u>	<u>734,740</u>
<b>Total net assets</b>		<u><u>16,288,082</u></u>	<u><u>7,445,603</u></u>
<b>Members' interests</b>			
Total members' interests	9	<u><u>16,288,082</u></u>	<u><u>7,445,603</u></u>

The financial statements on pages 7 to 13 were approved by Designated Members on 31 March 2008 signed on their behalf by

  
Designated Member

Date

31/3/08

## Statement of cash flows

at 31 December 2007

	Notes	2007 £	2006 £
<b>Net cash outflow from operating activities</b>	10(a)	465,123	(7,862,440)
<b>Returns on investments and servicing of finance</b>			
Other income		472,430	-
Interest received		292,531	99,764
		<u>764,961</u>	<u>99,764</u>
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(1,843,020)	(1,958,884)
		<u>(1,843,020)</u>	<u>(1,958,884)</u>
<b>Net cash outflow before management of liquid resources and financing</b>		<u>(612,936)</u>	<u>(9,721,560)</u>
<b>Financing</b>			
Members' interests		1,555,000	12,674,861
		<u>1,555,000</u>	<u>12,674,861</u>
<b>Increase in cash</b>		<u>942,064</u>	<u>2,953,301</u>
<b>Total cash and cash equivalents</b>	10(b)	<u><u>3,895,365</u></u>	<u><u>2,953,301</u></u>

## Notes to the financial statements

at 31 December 2007

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in March 2006

#### Turnover

Advisory fee income is recognised on an accruals basis when a transaction has been completed or retainer fees have been earned per a signed engagement letter

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transactions. Exchange differences are taken to the profit and loss account

#### Depreciation

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

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

#### Lease commitments

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

### 2. Turnover

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

### 3. Operating profit/loss

This is stated after charging

	<i>For the year ended 31 December 2007</i>	<i>From incorporation to 31 December 2006</i>
	£	£
Auditors' remuneration		
Audit services	43,000	30,000
Non audit services - tax advisory	57,008	228,255
Operating lease land & building	1,602,182	785,489
Depreciation of owned assets	741,890	126,359
	<u>2,984,080</u>	<u>1,170,103</u>

## Notes to the financial statements

at 31 December 2007

### 4. Staff costs

	<i>For the year ended 31 December 2007</i>	<i>From incorporation to 31 December 2006</i>
	£	£
Wage and salaries	5,494,582	2,522,389
Social security costs	787,389	243,763
Pension costs	121,754	-
	<u>6,403,724</u>	<u>2,766,152</u>

The average number of employees during the year was 28. The average number of members during the period was 8.

No member received remuneration during the period from incorporation to 31 December 2007.

### 5. Tangible fixed assets

	£	£	£	£
<b>Cost</b>				
At 1 January 2007	1,090,107	526,946	341,831	1,958,884
Additions	1,366,600	256,352	220,068	1,843,020
At 31 December 2007	<u>2,456,707</u>	<u>783,298</u>	<u>561,899</u>	<u>3,801,904</u>
<b>Depreciation</b>				
At 1 January 2007	53,217	41,011	32,131	126,359
Charge in the year	425,045	145,386	171,459	741,890
At 31 December 2007	<u>478,262</u>	<u>186,397</u>	<u>203,590</u>	<u>868,249</u>
<b>Net book value</b>				
At 1 January 2007	<u>1,036,890</u>	<u>485,935</u>	<u>309,700</u>	<u>1,832,525</u>
At 31 December 2007	<u>1,978,445</u>	<u>596,901</u>	<u>358,309</u>	<u>2,933,655</u>

## Notes to the financial statements

at 31 December 2007

### 6. Debtors

	2007 £	2006 £
Advances to members	7,920,840	451,390
Accounts receivable	7,539,533	-
Rental deposit	4,112,500	4,112,500
Prepayments and accrued income	971,683	436,733
Amount due from affiliates	-	87,826
Other debtors	844,627	504,263
	<u>21,389,183</u>	<u>5,592,713</u>

### 7. Creditors, amounts falling due within one year

	2007	2006 £
Accruals	9,240,604	1,966,350
Trade creditors	350,631	163,302
Due to affiliates	107,953	-
Other creditors	42,080	68,544
	<u>9,741,269</u>	<u>2,198,196</u>

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

	2007 £	2006 £
Deferred rent	2,188,853	734,740
	<u>2,188,853</u>	<u>734,740</u>

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

	<i>Members'</i> <i>interests</i> 2007 £	<i>Members'</i> <i>interests</i> 2006 £
Beginning of period	7,445,603	-
Capital contributions	1,555,000	12,674,861
Retained profit / (loss)	7,287,479	(5,229,258)
At 31 December 2007	<u>16,288,082</u>	<u>7,445,603</u>

## Notes to the financial statements

at 31 December 2007

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

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

	2007 £	2006 £
Operating profit / (loss)	6,522,517	(5,329,022)
Depreciation and impairment of tangible fixed assets	741,890	126,359
Increase in debtors	(15,796,469)	(5,592,713)
Increase in creditors	8,997,186	2,932,936
At 31 December 2007	<u>465,123</u>	<u>(7,862,440)</u>

(b) Analysis of cash flows

	<i>At</i> <i>31 December</i> <i>2006</i> £	<i>Cash</i> <i>Flow</i>	<i>At</i> <i>31 December</i> <i>2007</i> £
Cash at bank and in hand	<u>2,953,301</u>	<u>942,064</u>	<u>3,895,365</u>

### 11 Other financial commitments and contingencies

	<i>Land &amp;</i> <i>Buildings</i> 2007 £	<i>Land &amp;</i> <i>Buildings</i> 2006 £
Annual commitment in respect of leases maturing is as follows		
- Leases expiring in greater than five years	1,750,000	1,750,000
	<u>1,750,000</u>	<u>1,750,000</u>

### 12. Related Party Transactions

During the period the parent company had paid certain expenses on behalf of the Partnership. As at 31 December 2007 the Partnership has amounts due to its parent company of £107,954. In addition, the Partnership had paid certain expenses on behalf of its affiliate, Perella Weinberg Real Estate UK LLP, as at 31 December 2007 the Partnership has amounts due from its affiliate of £421,215.

### 13. Ultimate controlling party

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

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