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**Perella Weinberg Partners UK LLP**

**Report and Accounts**

31 December 2006

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COMPANIES HOUSE

# 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

## **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 accounts for the period from incorporation on 19 April 2006 to 31 December 2006

### 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 in the period was £141,243. As this is the first period of operation the year ended 31 December 2007 will give a better indicator of operating performance.

### 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 aim 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 (admitted 28 August 2006)

PWP UK LLC (admitted 28 August 2006)

Joseph Perella (admitted 29 August 2006)

Peter Weinberg (admitted 29 August 2006)

Paulo Pereira (admitted 29 August 2006)

Philip Yates (admitted 29 August 2006)

Bernard Gault (admitted 29 August 2006)

Dietrich Becker (admitted 29 August 2006)

The following are Designated Members

Perella Weinberg Partners Group LP

PWP UK LLC

### Disclosure of information to the auditors

As far as the members are aware, there is no relevant audit information of which the Company's auditors are unaware. All steps which ought to have been taken as members have been completed in order to be

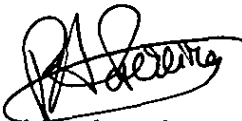
## Designated Members' report

aware of the relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

On 30 January 2007, PriceWaterhouseCoopers resigned as the Partnership's auditor. The Designated Members used their statutory powers under the Companies Act 1985 to appoint Ernst & Young LLP to fill the vacancy in the office of auditor. 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

30 MAR 2007

## **Statement of Designated Members' responsibilities in respect of the accounts**

The Designated Members are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations

Company law requires the Designated Members to prepare accounts for each financial year. Under that law the Designated Members have elected to prepare the financial statement in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the Designated Members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts in accordance with generally accepted accounting principals applied on a consistent basis

The Designated Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to ensure that the accounts comply with the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. The Designated Members are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report**

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

We have audited the accounts of Perella Weinberg Partners UK LLP (the "LLP") for the period from incorporation on 19 April 2006 to 31 December 2006, which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes 1 to 13. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the members, as a body, in accordance with the 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 designated members**

The designated members are responsible for the preparation of the Annual Report and the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Designated Members' Responsibilities in relation to the accounts.

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. We also report to you if, in our opinion, the LLP has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

In addition we report to you if, in our opinion, the company has not kept accounting records and if we have not received all the information and explanations we require for our audit.

We read the Designated 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 accounts. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the accounts and of whether the accounting policies are appropriate to the LLP's 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 accounts 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 accounts.

## **Independent auditors' report**

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

### **Opinion**

In our opinion

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the period then ended,
- the accounts 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 accounts

*Ernst & Young LLP.*

Ernst & Young LLP  
Registered Auditor  
London

30 MAR 2007

## Profit and loss account

for the period from incorporation to 31 December 2006

	<i>Notes</i>	<i>2006</i> £
Turnover	2	141,243
Administrative expenses	4	(5,470,265)
<b>Operating loss</b>	3	<u>(5,329,022)</u>
Interest receivable		99,764
<b>Retained loss for the financial year</b>		<u><u>(5,229,258)</u></u>

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



## Balance sheet

As at 31 December 2006

	<i>Notes</i>	<i>2006</i> £
<b>Tangible fixed assets</b>	5	1,832,525
<b>Current assets</b>		
Debtors	6	5,592,713
Cash		2,953,301
		<u>8,546,014</u>
<b>Current liabilities</b>		
<b>Creditors: amounts falling due within one year</b>	7	2,198,196
<b>Net current assets</b>		<u>6,347,818</u>
<b>Creditors. amounts falling due after more than one year</b>	8	734,740
<b>Total net assets</b>		<u><u>7,445,603</u></u>
<b>Members' interests</b>		
Total Members' interests	9	<u><u>7,445,603</u></u>

The accounts on pages 7 to 13 were approved by Designated Members on 28 March 2007 signed on their behalf by



Designated Member

## Statement of cash flows

at 31 December 2006

	<i>Notes</i>	<i>2006</i> £
<b><i>Net cash outflow from operating activities</i></b>	10(a)	(7,862,440)
<b><i>Returns on investments and servicing of finance</i></b>		
Interest received		99,764
		<u>99,764</u>
<b><i>Capital expenditure and financial investment</i></b>		
Payments to acquire tangible fixed assets		(1,958,884)
		<u>(1,958,884)</u>
<b><i>Net cash outflow before management of liquid resources and financing</i></b>		<u>(9,721,560)</u>
<b><i>Financing</i></b>		
Members' interests		12,674,861
		<u>12,674,861</u>
<b><i>Increase in cash</i></b>	10(b)	<u><u>2,953,301</u></u>

## Notes to the accounts

at 31 December 2006

### 1. Accounting policies

#### Basis of accounting

The accounts 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 fee retainers receivable for corporate advisory services provided during the year and arising from continuing activities in the United Kingdom

### 3. Operating loss

This is stated after charging

	<i>From incorporation to 31 December 2006 £</i>
Auditors' remuneration	
Audit services	30,000
Non audit services – tax advisory	228,255
Operating lease land & buildings	785,489
Depreciation of owned assets	126,359
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## Notes to the accounts

at 31 December 2006

### 4. Staff costs

	<i>From incorporation to 31 December 2006 £</i>
Wages and salaries	2,522,389
Social security costs	243,763
	<u>2,766,152</u>

The average number of employees during the year was 9 The average number of members during the period was 8

No member received remuneration during the period from incorporation to 31 December 2006

### 5. Tangible fixed assets

	<i>Leasehold improvements £</i>	<i>Furniture and fittings £</i>	<i>Office equipment and software £</i>	<i>Total £</i>
Cost				
On incorporation	–	–	–	–
Additions	1,090,107	526,946	341,831	1,958,884
At 31 December 2006	<u>1,090,107</u>	<u>526,946</u>	<u>341,831</u>	<u>1,958,884</u>
Depreciation				
On incorporation	–	–	–	–
Charge in the year	53,217	41,011	32,131	126,359
At 31 December 2006	<u>53,217</u>	<u>41,011</u>	<u>32,131</u>	<u>126,359</u>
Net book value				
On incorporation	–	–	–	–
At 31 December 2006	<u><u>1,036,890</u></u>	<u><u>485,935</u></u>	<u><u>309,700</u></u>	<u><u>1,832,525</u></u>

## Notes to the accounts

at 31 December 2006

### 6. Debtors

	<i>2006</i>
	<i>£</i>
Rental Deposit	4,112,500
Other debtors	504,264
Advances to members	451,390
Prepayments and accrued income	436,733
Amounts due from parent undertaking	87,826
	<u>5,592,713</u>

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

	<i>2006</i>
	<i>£</i>
Accruals	1,966,350
Trade Creditors	163,302
Other creditors	68,544
	<u>2,198,196</u>

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

	<i>2006</i>
	<i>£</i>
Deferred Rent	734,740
	<u>734,740</u>

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

	<i>Members'</i>
	<i>Interest</i>
	<i>£</i>
On incorporation	–
Capital contributions	12,674,861
Retained loss	(5,229,258)
	<u>7,445,603</u>

## Notes to the accounts

at 31 December 2006

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

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

	2006
	£
Operating profit	(5,329,022)
Depreciation and impairment of tangible fixed assets	126,359
Increase in debtors	(5,592,713)
Increase in creditors	2,932,936
Net cash outflow from operating activities	<u>(7,862,440)</u>

(b) Analysis of net debt

	<i>On</i>	<i>Cash 31 December</i>	<i>At</i>
	<i>incorporation</i>	<i>flow</i>	<i>2006</i>
	£	£	£
Cash at bank and in hand	–	2,953,301	2,953,301
	<u>          </u>	<u>          </u>	<u>          </u>

### 11. Other financial commitments and contingencies

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

### 12. Related Party Transactions

During the period the partnership has paid certain expenses on behalf of its parent company. As at 31 December 2006 the partnership has amounts due from its parent company of £87,826

### 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