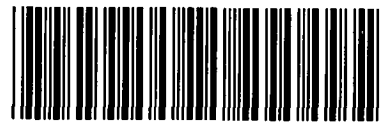


Perella Weinberg Partners UK LLP

Report and Financial Statements

For the year ended 31 December 2018

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Registered No: OC319198

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Perella Weinberg Partners UK LLP

Registered No: OC319198

Designated Members

Perella Weinberg Partners Group LP
PWP UK LLC

Auditors

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Registered Office

20 Grafton Street
London W1S 4DZ

Branch Office

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

Branch Office

Abu Dhabi Global Markets
Al Sila Tower, 8th Floor
P.O. Box 111075
Abu Dhabi, UAE

Designated Members' report

The Designated Members present their report and financial statements of Perella Weinberg Partners UK LLP (the "Partnership") for the year ended 31 December 2018.

Results and distributions

The results for the year ended 31 December 2018 are shown in the statement of comprehensive income on page 8 and the Partnership's statement of financial position as detailed on page 10 shows a satisfactory position. Members' total interest amounted to £51,688,928 (2017 – £29,689,824 Restated).

Principal activity and review of the business

The principal activity of the Partnership is to provide corporate financial advisory services. The Partnership intends to continue with these activities. The Partnership is regulated by the Financial Conduct Authority ("FCA") and has made the disclosures concerning risk management and capital and remuneration required under the FCA Pillar 3 rules on the website <http://www.pillar3.eu/PWP0900409>.

Key Performance Indicators

Operating revenue for the year ended 31 December 2018 was £83,026,209 (2017 - £66,132,055).

	2018	Restated 2017
	£	£
Turnover	<u>83,026,209</u>	<u>66,132,055</u>
Profit for the financial year available for discretionary division among the members	<u>33,608,939</u>	<u>15,039,494</u>

Members' profit allocation

Profits are shared among the members as decided by the Management Committee and governed by the Amended and Restated Partnership Agreement dated 6 February 2019.

Future developments

The Partnership will continue and expand its corporate financial advisory services.

Principal risks and uncertainties

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

Principal risks are that opportunities to provide income-generating corporate finance and other financial advisory services do not arise or are not obtained by the principals in the business; and the services of key professionals are not retained.

The diversity of the Partnership's target market base, the breadth of its geographical offering, and management experience through other down markets helps mitigate these risks. PWP UK's experienced staff have numerous contacts within the industry and actively seek out new client opportunities. Should there be any indications of particular difficulties in obtaining new clients, the Partnership will proactively seek out new opportunities. As a result, this would only be expected to have a short-term effect on the total amount of income. Additionally, it is the

Designated Members' report

Partnership's view that no single member of staff is critical to the firm and the departure of any of our key professionals is likely to only have a short-term effect. The members consider that the key individuals are paid a market-competitive remuneration structure and the risk of loss of these individuals is deemed to be low. Our key professional staff have an equity interest tying them to the firm as well as long notice periods and comprehensive restrictive covenants in place.

Going concern

The Partnership's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2. The financial position of the Partnership and its liquidity position are reflected in the statement of financial position.

The Partnership has considerable financial resources and ongoing financial advisory contracts, as well as the support of its parent. As a consequence, the members believe that it is well placed to manage its business risks successfully. The members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the 12 months from the date the financial statements are available to issue. Thus they 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 are governed by the Amended and Restated Partnership Agreement dated 6 February 2019. Refer to Note 1 for additional details.

Designated Members

The Designated Members are:
Perella Weinberg Partners Group LP
PWP UK LLC

Disclosure of information to the auditors

So far as each person who was a Designated Member at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow members and the Partnership's auditor, each Designated Member has taken all the steps that he is obliged to take as member in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Ernst & Young LLP as the Partnership's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Members



Gary Barancik

On behalf of Perella Weinberg Partners Group LP

Designated Member

20 February 2019

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.

Legislation applicable to limited liability partnerships (Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the Designated Members have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and applicable law. Under this legislation, the Designated Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year. In preparing those financial statements, the Designated Members are required to:

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

The Designated Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006 as modified by 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 AUDITOR'S REPORT TO THE MEMBERS OF PERELLA WEINBERG PARTNERS UK LIMITED LIABILITY PARTNERSHIP ('LLP')

Opinion

We have audited the financial statements of Perella Weinberg Partners UK LLP (Limited Liability Partnership) for the year ended 31 December 2018 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, 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 2018 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

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.



Other information

The other information comprises the information included in the Members' report set out on pages 2 to 3, 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 in relation to which the 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 Members' Responsibilities Statement 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk](#). 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 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.

A handwritten signature in black ink, which appears to read 'Ahmer Huda', is written over the printed name.

Ahmer Huda (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
20 February 2019

**Statement of comprehensive income
for the year ended 31 December 2018**

	Notes	2018 £	Restated 2017 £
Turnover	2	83,026,209	66,132,055
Administrative expenses	4	(49,420,982)	(51,093,001)
Operating profit	3	33,605,227	15,039,054
Interest receivable		23,774	—
Interest payable		(20,062)	440
Profit for the financial year available for discretionary division among members		33,608,939	15,039,494
Other comprehensive income		—	—
Total comprehensive income for the financial year available for discretionary division among members		<u>33,608,939</u>	<u>15,039,494</u>

The notes on pages 12 to 22 form an integral part of these financial statements.

Perella Weinberg Partners UK LLP

Statement of changes in equity
for the year ended 31 December 2018

Reconciliation of movements in members' total interests

	Restated					
	Members' capital £	Due from Designated Member re losses £	Other reserves £	Total members' other interests £	Total loans due to/(from) members £	Members' total interests £
At 1 January 2017	48,294,436	(20,325,826)	—	27,968,610	(5,078,889)	22,889,721
Capital contributions	5,000	—	—	5,000	—	5,000
Capital distribution	—	—	—	—	—	—
Profit for the year	—	—	15,039,494	15,039,494	—	15,039,494
Profit allocation	—	—	(15,039,494)	(15,039,494)	15,039,494	—
Advances to members	—	—	—	—	(8,244,391)	(8,244,391)
At 31 December 2017	<u>48,299,436</u>	<u>(20,325,826)</u>	<u>—</u>	<u>27,973,610</u>	<u>1,716,214</u>	<u>29,689,824</u>
At 1 January 2018	48,299,436	(20,325,826)	—	27,973,610	1,716,214	29,689,824
Capital contributions	621,026	—	—	621,026	—	621,026
Capital distribution	(15,000)	—	—	(15,000)	—	(15,000)
Profit for the year	—	—	33,608,939	33,608,939	—	33,608,939
Profit allocation	—	—	(33,608,939)	(33,608,939)	33,608,939	—
Advances to members	—	—	—	—	(12,215,861)	(12,215,861)
At 31 December 2018	<u>48,905,462</u>	<u>(20,325,826)</u>	<u>—</u>	<u>28,579,636</u>	<u>23,109,292</u>	<u>51,688,928</u>

Amounts due to members are not subordinated.

The Partnership and its foreign affiliates provide global financial advisory services. During the year ended 31 December 2017, £23,609,073 of financial advisory fee revenue was transferred to the Partnership from its affiliates in recognition of services rendered by the Partnership (See Note 10). This revenue is included in the profit for the year which has been allocated to individual members. During the year ended 31 December 2018, no revenue was transferred to the Partnership from its affiliates in recognition of services rendered by the Partnership. To the extent that the Partnership has profits, these profits are distributed to the individual members on a prorata basis based on the outstanding advances extended to those members since inception. Prior year losses are attributable to the Designated Member, Perella Weinberg Partners Group LP ("PWP Group"). These cumulative losses totalling £20,325,826 comprise the balance of other reserves at 31 December 2018 (2017 - £20,325,826).

The notes on pages 12 to 22 form an integral part of these financial statements.

Perella Weinberg Partners UK LLP

Statement of financial position
As at 31 December 2018

	Notes	2018 £	Restated 2017 £
Fixed assets			
Tangible fixed assets	5	<u>1,747,567</u>	<u>2,501,098</u>
Current assets			
Debtors	6	10,026,947	37,286,774
Cash		<u>61,029,826</u>	<u>10,189,743</u>
		71,056,773	47,476,517
<i>Creditors: amounts falling due within one year</i>	7	<u>(43,243,232)</u>	<u>(21,537,770)</u>
<i>Net current assets</i>		<u>27,813,541</u>	<u>25,938,747</u>
<i>Creditors: amounts falling due greater than one year</i>	8	<u>(981,472)</u>	<u>(466,235)</u>
<i>Net assets attributable to members</i>		<u>28,579,636</u>	<u>27,973,610</u>
Represented by:			
Members' capital		48,905,462	48,299,436
Other reserves		<u>(20,325,826)</u>	<u>(20,325,826)</u>
<i>Total members' other interests</i>		<u>28,579,636</u>	<u>27,973,610</u>
Memorandum of total members' interests			
Loans and other debts due to (from) members		23,109,292	1,716,214
Members' capital and other reserves		<u>28,579,636</u>	<u>27,973,610</u>
<i>Total members' interests</i>		<u>51,688,928</u>	<u>29,689,824</u>

The financial statements on pages 8 to 22 were approved by the Designated Members on 20 February 2019 and signed on their behalf by:


Gary Barancik

On behalf of Perella Weinberg Partners Group LP

Designated Member

20 February 2019

The notes on pages 12 to 22 form an integral part of these financial statements.

**Statement of cash flows
for the year ended 31 December 2018**

	2018	Restated 2017
<i>Cash flows from operating activities</i>		
Net profit	33,608,939	15,039,494
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of owned assets	966,133	1,051,880
(Increase) Decrease in operating assets:		
Accounts receivable	6,667,413	(10,340,650)
Prepayments and accrued income	176,112	(707,885)
Amount due from affiliates	20,438,566	4,557,917
Other debtors	(22,264)	1,702,819
Increase (Decrease) in operating liabilities:		
Accruals	(1,260,299)	(110,189)
Trade creditors	238,900	818,292
Due to affiliates	(281,762)	2,665,899
Other creditors	2,230,485	(380,818)
Deferred rent	(99,703)	(427,917)
<i>Net cash (used by) generated from operating activities</i>	<u>62,662,520</u>	<u>13,868,842</u>
<i>Cash flows from investing activities:</i>		
Payments to acquire tangible fixed assets	<u>(212,602)</u>	<u>(601,273)</u>
Cash used in investing activities	<u>(212,602)</u>	<u>(601,273)</u>
<i>Cash flows from financing activities:</i>		
Members' capital contributions	621,026	5,000
Members' capital distributions	(15,000)	-
Due to Members	<u>(12,215,861)</u>	<u>(8,244,391)</u>
Cash used in financing activities	<u>(11,609,835)</u>	<u>(8,239,391)</u>
Net (decrease) increase in cash and cash equivalents	50,840,083	5,028,178
Cash and cash equivalents, beginning of the period	<u>10,189,743</u>	<u>5,161,565</u>
Cash and cash equivalents, end of the period	<u><u>61,029,826</u></u>	<u><u>10,189,743</u></u>

The notes on pages 12 to 22 form an integral part of these financial statements.

**Notes to the financial statements (continued)
for the year ended 31 December 2018**

1. Accounting policies

Statement of Compliance

Perella Weinberg Partners UK LLP is a limited liability partnership registered in the United Kingdom. The registered office of the Partnership is 20 Grafton Street, London W1S 4DZ.

The Partnership's financial statements have been prepared in accordance with 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' (FRS 102), and in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis of preparation

The financial statements have been prepared in accordance with FRS 102 on a going concern basis, under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' dated July 2014.

Going concern

The financial statements have been prepared on a going concern basis, as the members have given an undertaking to provide ongoing financial support to ensure that the Partnership meets its liabilities as and when they fall due for a period of at least twelve months from the date that the financial statements are signed.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. No significant estimates or assumptions were used in the preparation of these financial statements

Turnover

Financial advisory fee income, net of value added tax, is recognised on an accrual basis when a transaction has been completed or retainer fees have been earned per a signed engagement letter.

Foreign currencies

The functional and presentational currency of the Partnership is pound sterling (GBP). Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the Statement of Financial Position. 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 statement of comprehensive income.

**Notes to the financial statements (continued)
for the year ended 31 December 2018**

1. Accounting policies (continued)

Tangible fixed assets

The Partnership measures all property, plant and equipment using the cost model; under this model, the Partnership measures property, plant and equipment at cost less any accumulated depreciation and impairment loss. 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, 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

Items of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the net asset is reduced to its recoverable amount and the impairment loss is recognised as an expense immediately.

Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the Partnership, which will be assessed on the individual partners and not on the Partnership.

Members' profit allocation

Profits are shared among the members as decided by the Management Committee. Amounts becoming due to members in respect of members' profit allocation are debited directly to reserves in the year in which the division occurs. Drawings are recognised as a loan due from members until allocation occurs.

Lease commitments

Rentals payable under operating leases are charged in the statement of comprehensive income on a straight-line basis over the lease term.

Debtors

Debtors balances are initially recognised at fair value, and are subsequently carried at the lower of original fair value and their recoverable amount. A provision for impairment is established when there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the receivables. When a receivable is uncollectable, it is written off against receivables and the amount of the loss is recognised in the statement of comprehensive income.

Creditors

Creditors balances are recognised initially at fair value and are classified as appropriate. They are subsequently measured at amortised cost. A financial liability ceases to be recognised when the relevant obligation has been discharged, cancelled or has expired.

**Notes to the financial statements (continued)
for the year ended 31 December 2018**

1. Accounting policies (continued)

Members' capital and other reserves

Members' capital represents those amounts introduced by the Members of the Partnership to be used in business operations. All amounts credited to each member's capital account shall be immediately and fully available to the Partnership for unrestricted use to cover risks and losses as and when they may occur. Future capital contributions and withdrawals are permitted as outlined by the partnership agreement. Other reserves represent the unallocated profits from operations of the year.

2. Turnover

Turnover represents fees for financial advisory services provided during the year and primarily arising from continuing activities in the United Kingdom. Included in 2017 turnover is £23,609,073 of revenue transferred to the Partnership from a foreign affiliate, Perella Weinberg Partners LP ("PWP LP"), for global financial advisory services rendered (see Note 10). There was no revenue transferred to the Partnership from PWP LP during 2018.

3. Operating profit

This is stated after charging:

	2018 £	2017 £
Auditors' remuneration		
Audit services	142,121	89,509
Non audit services - tax advisory	185,567	69,185
Operating lease - land and buildings	3,868,494	3,804,979
Depreciation of owned assets	966,133	1,051,880

4. Staff costs

	2018 £	2017 £
Wages and salaries	25,521,799	25,617,895
Social security costs	2,526,395	2,557,634
Pension costs	888,836	636,980
	<u>28,937,030</u>	<u>28,812,509</u>

The average number of employees during the year was 87 (2017 - 87).

No member received remuneration charged as an expense during the period from incorporation to 31 December 2018.

Notes to the financial statements (continued)
for the year ended 31 December 2018

4. Staff costs (continued)

Members' remuneration

	2018 £	Restated 2017 £
Profit for the financial year before members' remuneration and profit share	<u>33,608,939</u>	<u>15,039,494</u>
Profit for the financial year available for discretionary division among members	<u>33,608,939</u>	<u>15,039,494</u>
Profit allocation in respect of the member with the largest share of profits during the year	<u>8,594,170</u>	<u>3,220,494</u>

The average number of members in the year was 11 (2017 - 8).

To the extent that the Partnership has profits, these profits are distributed to the individual members on a prorata basis based on the outstanding advances extended to those members since inception. At 31 December 2018, after the distribution of current year profits to members, the remaining carryover balance of prior and current year advances to members is £8,911,936 (2017 - £4,557,442 - Restated). At 31 December 2018, amounts due to members for discretionary payments of £32,021,228 (2017 - £6,273,656) resulted in a net due to members of £23,109,292 (2017 - £1,716,214 Restated).

5. Tangible fixed assets

	Leasehold property £	Furniture and fittings £	Office equipment and software £	Total £
Cost:				
At 1 January 2017	4,246,002	1,599,131	6,222,806	12,067,939
Additions	—	8,156	593,117	601,273
At 31 December 2017	<u>4,246,002</u>	<u>1,607,287</u>	<u>6,815,923</u>	<u>12,669,212</u>
Depreciation:				
At 1 January 2017	4,096,757	1,443,694	3,575,783	9,116,234
Charge in the year	58,225	61,306	932,349	1,051,880
At 31 December 2017	<u>4,154,982</u>	<u>1,505,000</u>	<u>4,508,132</u>	<u>10,168,114</u>
Net book value:				
At 31 December 2017	<u>91,020</u>	<u>102,287</u>	<u>2,307,791</u>	<u>2,501,098</u>

Notes to the financial statements (continued)
for the year ended 31 December 2018

5. Tangible fixed assets (continued)

	Leasehold property £	Furniture and fittings £	Office equipment and software £	Total £
Cost:				
At 1 January 2018	4,246,002	1,607,287	6,815,923	12,669,212
Additions	<u>85,207</u>	<u>47,966</u>	<u>79,429</u>	<u>212,602</u>
At 31 December 2018	<u>4,331,209</u>	<u>1,655,253</u>	<u>6,895,352</u>	<u>12,881,814</u>
Depreciation:				
At 1 January 2018	4,154,982	1,505,000	4,508,132	10,168,114
Charge in the year	<u>31,066</u>	<u>48,627</u>	<u>886,440</u>	<u>966,133</u>
At 31 December 2018	<u>4,186,048</u>	<u>1,553,627</u>	<u>5,394,572</u>	<u>11,134,247</u>
Net book value:				
At 31 December 2018	<u>145,161</u>	<u>101,626</u>	<u>1,500,780</u>	<u>1,747,567</u>

6. Debtors

	2018 £	Restated 2017 £
Accounts receivable	7,714,456	14,381,869
Prepayments and accrued income	1,653,007	1,829,119
Amount due from affiliates	554,707	20,993,273
Other debtors	<u>104,777</u>	<u>82,513</u>
	<u>10,026,947</u>	<u>37,286,774</u>

No debtors balances were past due or impaired as of 31 December 2018 and no impairment losses were recognised during the year.

7. Creditors: amounts falling due within one year

	2018 £	Restated 2017 £
Accruals	12,031,869	13,292,168
Trade creditors	1,057,192	818,292
Due to members	22,494,352	1,716,214
Due to affiliates	3,065,683	3,347,445
Other creditors	<u>4,594,136</u>	<u>2,363,651</u>
	<u>43,243,232</u>	<u>21,537,770</u>

Notes to the financial statements (continued)
for the year ended 31 December 2018

8. Creditors: amounts falling due after one year

	2018	2017
	£	£
Due to members	614,940	—
Deferred rent	<u>366,532</u>	<u>466,235</u>
	<u>981,472</u>	<u>466,235</u>

9. Other financial commitments and contingencies

The aggregate amounts of minimum lease commitments payable to third parties under non-cancellable operating lease contracts are as follows:

	Land & Buildings 2018 £	Land & Buildings 2017 £
Expiry date:		
Within one year	2,552,971	2,009,250
Between two and five years	7,006,930	7,893,069
After five years	—	—
	<u>9,559,901</u>	<u>9,902,319</u>

10. Related party transactions

The Partnership receives administrative services including but not limited to, legal, accounting, information technology, human resources, incentive compensation plans and other support provided by PWP Group, PWP Employer LP, and Perella Weinberg Partners LP. Where feasible to specifically attribute such expenses to the activities of the Partnership, the amounts have been expensed directly by the Partnership and have been included in the respective line items on the statement of comprehensive income. Allocations of expenses not directly attributable to the Partnership reflect the utilization of services provided or benefits received by the Partnership presented on a consistent basis based on the most relevant measure, such as relative usage or pro-rata basis of headcount. For the year ended 31 December 2018, allocated expenses were £7,544,258 (2017 - £7,530,654).

PWP Employer LP provided human resources and payroll processing services to the Partnership related to corporate employees through a shared services agreement. Under this agreement, the Partnership pays a fee based upon \$4 per day per corporate employee. These expenses are reflected in Administrative expenses on the statement of comprehensive income.

In addition, the Partnership incurred administrative expenses on behalf of its affiliates, Perella Weinberg Partners Capital Management Europe LLP ("PWP CME"), Tudor, Pickering, Holt & Co. International, LLP ("TPH International"), and Perella Weinberg Partners France S.A.S. ("PWP France") amounting to £349,389 (2017 - £444,002). PWP CME and TPH International ceased operations during the year ended 31 December 2018.

During 2017, PWP Group and its affiliates utilized a global transfer pricing policy ("Transfer Pricing") in which revenue is shared among related entities based on a residual profit split method. Under this method, each affiliate receives revenue to cover the costs of its employees, as well as routine research and back office support services. Any residual profits are then shared based on each affiliate's relative non-routine contributions. For the year ended 31 December 2017, £23,609,073 of Transfer Pricing revenue was earned by the Partnership, which is reflected in Turnover on the statement of comprehensive income.

**Notes to the financial statements (continued)
for the year ended 31 December 2018**

10. Related party transactions (continued)

During 2018, the Partnership and its affiliates adopted a new global transfer pricing policy that utilizes the Comparable Profits Method, in which a network support fee is provided to an operating affiliate which is unable to sustain a profit by the revenues generated on a stand-alone basis (the "Network Support Fee"). For the year ended 31 December 2018, the Partnership did not recognize any Network Support Fee revenue.

As of 31 December 2018, the Partnership had outstanding amounts due from and to affiliates related to the above transactions which are shown separately in Note 6 and Note 7, respectively. Amounts due to and from affiliates are interest free and are settled in cash within 12 months.

11. Ultimate parent undertaking and controlling party

The Partnership's immediate parent undertaking is PWP Group, a partnership incorporated in the State of Delaware, United States. PWP Holdings LP, a Delaware limited partnership, is the immediate parent of PWP Group. The Partnership's ultimate controlling party is Perella Weinberg Partners LLC, a limited liability company in Delaware, United States.

12. Restatement and Reconciliation of the year ended 31 December 2017 comparatives - Value-Added Tax (VAT) correction

During the year ended 31 December 2018, the Partnership reassessed its calculation of reclaimable Value-Added Tax ("VAT") for the year ended 31 December 2017 as well as prior year periods. The reassessment resulted in an increase to VAT for the year ended 31 December 2017 in the amount of £1,362,852 as well as an increase of £1,411,126 for periods prior to 31 December 2017 for a cumulative increase of £2,773,978. The correction for the year ended 31 December 2017 resulted in an increase to Administrative expenses of £1,362,852 and a reduction to net profits as reflected in the Statement of comprehensive income. The correction of the cumulative impact of £2,773,978 resulted in an increase to VAT payable with a corresponding decrease to Profit allocation, Due to members and Members' total interests on the Statement of financial position. The net VAT position as of 31 December 2017 prior to the restatement was a receivable (reflected in Debtors on the Statement of financial position). Subsequent to the restatement, the net VAT position was a payable and was included on the Statement of financial position in Creditors: amounts falling due within one year resulting in a net restatement of £415,013. The figures for the year ended 31 December 2017 and the opening balances at 1 January 2017 are presented below to reflect the reassessment in the Partnership's net VAT position.

**Notes to the financial statements (continued)
for the year ended 31 December 2018**

Reconciliation of changes to the Statement of comprehensive income for the year ended 31 December 2017:

	Year Ended 31 December 2017		
	As Previously Reported £	Effect of restatement (Impact) £	Restated £
<i>Turnover</i>	66,132,055		66,132,055
Administrative expenses	(49,730,149)	(1,362,852)	(51,093,001)
<i>Operating profit</i>	<u>16,401,906</u>	<u>(1,362,852)</u>	<u>15,039,054</u>
Interest payable	440	-	440
<i>Profit for the financial year available for discretionary division among members</i>	<u>16,402,346</u>	<u>(1,362,852)</u>	<u>15,039,494</u>
Other comprehensive income	-	-	-
<i>Total comprehensive income for the financial year available for discretionary division among members</i>	<u><u>16,402,346</u></u>	<u><u>(1,362,852)</u></u>	<u><u>15,039,494</u></u>

Notes to the financial statements (continued)
for the year ended 31 December 2018

Reconciliation of Statement of changes in equity for the year ended 31 December 2017:

	Year Ended 31 December 2017					
	Members' capital	Due from Designated Member re losses	Other reserves	Total members' other interests	Total loans due to/(from) members	Members' total interests
	£	£	£	£	£	£
	As Previously Reported					
At 1 January 2017	48,294,436	(20,325,826)	—	27,968,610	(3,667,763)	24,300,847
Capital contributions	5,000	—	—	5,000	—	5,000
Capital distribution	—	—	—	—	—	—
Profit for the year	—	—	16,402,346	16,402,346	—	16,402,346
Profit allocation	—	—	(16,402,346)	(16,402,346)	16,402,346	—
Advances to members	—	—	—	—	(8,244,391)	(8,244,391)
At 31 December 2017	<u>48,299,436</u>	<u>(20,325,826)</u>	<u>—</u>	<u>27,973,610</u>	<u>4,490,192</u>	<u>32,463,802</u>
	Effect of Restatement					
At 1 January 2017	—	—	—	—	(1,411,126)	(1,411,126)
Capital contributions	—	—	—	—	—	—
Capital distribution	—	—	—	—	—	—
Profit for the year	—	—	(1,362,852)	(1,362,852)	—	(1,362,852)
Profit allocation	—	—	1,362,852	1,362,852	(1,362,852)	—
Advances to members	—	—	—	—	—	—
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,773,978)</u>	<u>(2,773,978)</u>
	Restated					
At 1 January 2017	48,294,436	(20,325,826)	-	27,968,610	(5,078,889)	22,889,721
Capital contributions	5,000	-	-	5,000	-	5,000
Capital distribution	-	-	-	-	-	-
Profit for the year	-	-	15,039,494	15,039,494	-	15,039,494
Profit allocation	-	-	(15,039,494)	(15,039,494)	15,039,494	-
Advances to members	-	-	-	—	(8,244,391)	(8,244,391)
At 31 December 2017	<u>48,299,436</u>	<u>(20,325,826)</u>	<u>—</u>	<u>27,973,610</u>	<u>1,716,214</u>	<u>29,689,824</u>

Notes to the financial statements (continued)
for the year ended 31 December 2018

Reconciliation of changes to the Statement of financial position for the year ended 31 December 2017:

	<u>As of 31 December 2017</u>		
	<u>As Previously Reported</u>	<u>Effect of restatement (Impact)</u>	<u>Restated</u>
	£	£	£
<i>Fixed assets</i>			
Tangible fixed assets	2,501,098		2,501,098
<i>Current assets</i>			
Debtors	37,701,787	(415,013)	37,286,774
Cash	10,189,743		10,189,743
	47,891,530	(415,013)	47,476,517
<i>Creditors: amounts falling due within one year</i>	(21,952,783)	415,013	(21,537,770)
<i>Net current assets</i>	25,938,747	-	25,938,747
<i>Creditors: amounts falling due greater than one year</i>	(466,235)		(466,235)
<i>Net assets attributable to members</i>	27,973,610	-	27,973,610
<i>Represented by:</i>			
Members' capital	48,299,436		48,299,436
Other reserves	(20,325,826)	-	(20,325,826)
<i>Total members' other interests</i>	27,973,610	-	27,973,610
<i>Memorandum of total members' interests</i>			
Loans and other debts due to (from) members	4,490,192	(2,773,978)	1,716,214
Members' capital and other reserves	27,973,610		27,973,610
<i>Total members' interests</i>	32,463,802	(2,773,978)	29,689,824

**Notes to the financial statements (continued)
for the year ended 31 December 2018**

Reconciliation of Statement of cash flows for the year ended 31 December 2017:

	Year Ended 31 December 2017		
	As	Effect of	
	Previously Reported	restatement (Impact)	Restated
	£	£	£
Cash flows from operating activities			
Net profit	16,402,346	(1,362,852)	15,039,494
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of owned assets	1,051,880		1,051,880
(Increase) Decrease in operating assets:			
Accounts receivable	(10,340,650)		(10,340,650)
Prepayments and accrued income	(707,885)		(707,885)
Amount due from affiliates	4,557,917		4,557,917
Other debtors	207,067	1,495,752	1,702,819
Increase (Decrease) in operating liabilities:			
Accruals	(110,189)		(110,189)
Trade creditors	818,292		818,292
Due to affiliates	2,665,899		2,665,899
Other creditors	(247,918)	(132,900)	(380,818)
Deferred rent	(427,917)		(427,917)
<i>Net cash (used by) generated from operating activities</i>	<u>13,868,842</u>	<u>-</u>	<u>13,868,842</u>
Cash flows from investing activities:			
Payments to acquire tangible fixed assets	(601,273)		(601,273)
Cash used in investing activities	<u>(601,273)</u>	<u>-</u>	<u>(601,273)</u>
Cash flows from financing activities:			
Members' capital contributions	5,000		5,000
Members' capital distributions	-		-
Due to Members	(8,244,391)	-	(8,244,391)
Cash used in financing activities	<u>(8,239,391)</u>	<u>-</u>	<u>(8,239,391)</u>
Net (decrease) increase in cash and cash equivalents	5,028,178		5,028,178
Cash and cash equivalents, beginning of the period	<u>5,161,565</u>		<u>5,161,565</u>
Cash and cash equivalents, end of the period	<u>10,189,743</u>	<u>-</u>	<u>10,189,743</u>

13. Subsequent events disclosure

There have not been subsequent events that have occurred between the year-end date and the date of approval of the financial statements.