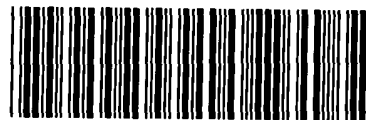


**Perella Weinberg Partners UK LLP**

**Report and Financial Statements**

**For the year ended 31 December 2019**

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**Perella Weinberg Partners UK LLP**

**Registered No: OC319198**

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**Perella Weinberg Partners UK LLP**

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**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 (deregistered 20, May 2019)**  
**Abu Dhabi Global Markets**  
**Al Sila Tower, 8<sup>th</sup> 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 2019.

### Results and distributions

The results for the year ended 31 December 2019 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 £41,701,368 (2018 – £51,688,928).

### 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>.

Effective 20, May 2019 the Partnership's Abu Dhabi branch was closed and deregistered.

### Key Performance Indicators

Operating revenue for the year ended 31 December 2019 was £90,524,277 (2018 – £83,026,209).

	2019 £	2018 £
Turnover	<u>90,524,277</u>	<u>83,026,209</u>
Profit for the financial year available for discretionary division among the members	<u>29,869,925</u>	<u>33,608,939</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 1 December 2019.

### Future developments

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

The Partnership is undertaking an ordinary course reorganisation in order to simplify and streamline its global structure and for regulatory reasons. As part of this reorganisation, the business of the Partnership will be transferred to a new limited entity, Perella Weinberg UK Limited ("PWP UK Ltd") following receipt of the FCA's approval for the change of legal status. The LLP will continue operations until PWP UK Ltd is authorised by the FCA. The licensing application was submitted to the FCA in October 2019. This reorganisation of the Partnership is expected to take place in the twelve-month period after the date that the financial statements are authorised for issuance. As such, these financial statements have been prepared on a basis other than going concern.

**Designated Members' report**

**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 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.

**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 1 December 2019. Refer to Note 1 for additional details.

**Designated Members**

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

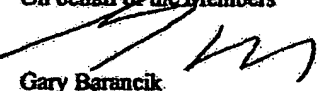
**Disclosure of information to the auditors**

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  
21 February 2020

**Statement of Designated Members' responsibilities**

The Designated Members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

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. For the reasons stated in the members' report and Note 1, the financial statements have been prepared on a basis other than going concern.

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, LLP**

**Opinion**

We have audited the financial statements of Perella Weinberg Partners UK LLP for the year ended 31 December 2019 which comprise the Statement of profit or loss and other comprehensive income, the Statement of changes in equity, the Statement of financial position, the Statement of cash flows and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2019 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter - Other than a going concern basis of accounting**

We draw attention to note 1 to the financial statements which explains that the members intend to reorganise the partnership and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on an other than going concern basis as described in note 1. Our opinion is not modified in respect of this matter.

### **Other information**

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

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

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters 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 Members' Responsibilities Statement set out on page 5, 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.



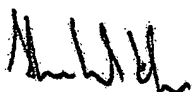
#### **Auditor's responsibilities for the audit of the financial statements**

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied 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.



**Ahmer Huda (Senior statutory auditor)**  
**for and on behalf of Ernst & Young LLP, Statutory Auditor**  
**London**  
**24 February 2020**

Perella Weinberg Partners UK LLP

Statement of comprehensive income  
for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	2	90,524,277	83,026,209
<b>Administrative expenses</b>	4	(60,708,502)	(49,420,982)
<b>Operating profit</b>	3	29,815,775	33,605,227
Interest receivable		54,150	23,774
Interest payable		—	(20,062)
<b>Profit for the financial year available for discretionary division among members</b>		29,869,925	33,608,939
Other comprehensive income		—	—
<b>Total comprehensive income for the financial year available for discretionary division among members</b>		<u>29,869,925</u>	<u>33,608,939</u>

*Note that all profits of the Partnership are derived from continuing operations.*

The notes on pages 12 to 18 form an integral part of these financial statements.

Perella Weinberg Partners UK LLP

Statement of changes in equity  
for the year ended 31 December 2019

Reconciliation of movements in members' total interests

	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 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	48,905,462	(20,325,826)	—	28,579,636	23,109,292	51,688,928

	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 2019	48,905,462	(20,325,826)	—	28,579,636	23,109,292	51,688,928
Capital contributions	5,000	—	—	5,000	—	5,000
Capital distribution	(111,000)	—	—	(111,000)	—	(111,000)
Profit for the year	—	—	29,869,925	29,869,925	—	29,869,925
Profit allocation	—	—	(29,878,205)	(29,878,205)	29,878,205	—
Advances to members	—	—	—	—	(39,751,485)	(39,751,485)
At 31 December 2019	48,799,462	(20,325,826)	(8,280)	28,465,356	13,236,012	41,701,368

Amounts due to members are not subordinated.

The Partnership and its foreign affiliates provide global financial advisory services. During the year ended 31 December 2019, revenue of £32,203,375 (2018 - £nil) 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. 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 £20,334,106 comprise the balance of other reserves at 31 December 2019 (2018 - £20,325,826).

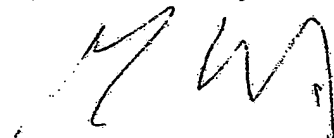
The notes on pages 12 to 18 form an integral part of these financial statements.

Perella Weinberg Partners UK LLP

Statement of financial position  
As at 31 December 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	5	—	1,747,567
<b>Current assets</b>			
Tangible fixed assets	5	967,871	—
Debtors	6	46,902,736	10,026,947
Cash		15,595,847	61,029,826
		63,466,454	71,056,773
<b>Creditors: amounts falling due within one year</b>	7	(35,001,098)	(43,243,232)
<b>Net current assets</b>		28,465,356	27,813,541
<b>Creditors: amounts falling due greater than one year</b>	8	—	(981,472)
<b>Net assets attributable to members</b>		28,465,356	28,579,636
<b>Represented by:</b>			
Members' capital		48,799,462	48,905,462
Other reserves		(20,334,106)	(20,325,826)
<b>Total members' other interests</b>		28,465,356	28,579,636
<b>Memorandum of total members' interests</b>			
Loans and other debts due to (from) members		13,236,012	23,109,292
Members' capital and other reserves		28,465,356	28,579,636
<b>Total members' interests</b>		41,701,368	51,688,928

The financial statements on pages 8 to 18 were approved by the Designated Members on 21 February 2020 and signed on their behalf by:



Gary Barancik

On behalf of Perella Weinberg Partners Group LP

Designated Member

21 February 2020

The notes on pages 12 to 18 form an integral part of these financial statements.

Perella Weinberg Partners UK LLP

Statement of cash flows  
for the year ended 31 December 2019

	2019	2018
<b>Cash flows from operating activities:</b>		
Net profit	29,869,925	33,608,939
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	976,969	—
Loss on disposal of tangible fixed assets	21,326	—
Depreciation of tangible fixed assets	1,181,014	966,133
(Increase) Decrease in operating assets:		
Accounts receivable	(9,350,894)	6,667,413
Prepayments and accrued income	(2,502,879)	176,112
Amount due from affiliates	(25,987,852)	20,438,566
Other debtors	(11,133)	(22,264)
Increase (Decrease) in operating liabilities:		
Accruals	2,639,464	(1,260,299)
Trade creditors	(981,146)	238,900
Due to affiliates	1,321,513	(281,762)
Other creditors	(2,237,353)	2,230,485
Deferred rent	(92,804)	(99,703)
Net cash provided by (used in) operating activities	(5,153,850)	62,662,520
<b>Cash flows from investing activities:</b>		
Payments to acquire tangible fixed assets	(422,644)	(212,602)
Net cash used in investing activities	(422,644)	(212,602)
<b>Cash flows from financing activities:</b>		
Members' capital contributions	5,000	621,026
Members' capital distributions	(111,000)	(15,000)
Due to Members	(39,751,485)	(12,215,861)
Net cash used in financing activities	(39,857,485)	(11,609,835)
Net (decrease) increase in cash and cash equivalents	(45,433,979)	50,840,083
Cash and cash equivalents, beginning of the period	61,029,826	10,189,743
Cash and cash equivalents, end of the period	15,595,847	61,029,826

The notes on pages 12 to 18 form an integral part of these financial statements.

**Notes to the financial statements  
for the year ended 31 December 2019**

**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 basis other than going concern, under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' dated July 2014. Under this basis, all assets are classified as current and are stated at estimated recoverable amounts and all liabilities are classified as falling due within one year and are stated at their estimated settlement amounts. The Partnership has not accrued for reorganisation or liquidation fees as these fees will be born by the parent.

***Future of the Partnership***

These financial statements have been prepared on a basis other than going concern, as it is the intention of the members to reorganise the Partnership within at least twelve months from the date that the financial statements are signed. The member's plan for the intended reorganisation is for the Partnership's assets and liabilities to be transferred to PWP UK Ltd.

***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  
for the year ended 31 December 2019**

**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 which equals the estimated recoverable amounts at which the assets will be transferred to PWP UK Ltd upon reorganisation. 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	– Lesser of 10 years or remaining lease term
Furniture and fittings	– 5 years
Office equipment	– 5 years
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. As of 31 December 2019, Debtors balances are stated at estimated recoverable amounts.

***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

**Notes to the financial statements  
for the year ended 31 December 2019**

**1. Accounting policies (continued)**

discharged, cancelled or has expired. As of 31 December 2019, Creditors balances are stated at their estimated settlement amounts.

**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. As of 31 December 2019, Members' capital and other reserves are stated at estimated recoverable amounts.

**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 2019 turnover is £32,203,375 (2018 - £0) (nil) of revenue transferred to the Partnership from PWP Group under a global transfer pricing policy ("Transfer Pricing") in which revenue is shared among related entities based on a residual profit split method (see Note 10).

**3. Operating profit**

This is stated after charging:

	2019 £	2018 £
Auditors' remuneration		
Audit services	172,002	142,121
Non audit services - tax advisory	501,833	185,567
Operating lease - land and buildings	4,615,443	3,868,494
Depreciation of owned assets	1,181,014	966,133
Foreign currency exchange gains (losses)	(1,159,363)	(528,945)

**4. Staff number and costs**

	2019 Number	2018 Number
The monthly average number of people employed was:		
Advisory professionals	83	72
Administration	16	15
	<u>99</u>	<u>87</u>
	2019 £	2018 £
Wages and salaries	31,121,547	25,521,799
Social security costs	3,358,610	2,526,395
Pension costs	850,876	888,836
	<u>35,331,033</u>	<u>28,937,030</u>



Notes to the financial statements  
for the year ended 31 December 2019

4. Staff number and costs (continued)

In conjunction with the reorganisation and planned transformation to a new limited entity, the members of the Partnership became employees effective December 1, 2019. Prior to this conversion, no member received remuneration charged as an expense during the period from incorporation to 31 December 2019.

Members' remuneration

	2019 £	2018 £
Profit for the financial year before members' remuneration and profit share	<u>29,869,925</u>	<u>33,608,939</u>
Profit for the financial year available for discretionary division among members	<u>29,869,925</u>	<u>33,608,939</u>
Profit allocation in respect of the member with the largest share of profits during the year	<u>6,331,197</u>	<u>8,594,170</u>

The average number of members in the year was 12 (2018 - 11).

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 2019, after the distribution of current year profits to members, the remaining carryover balance of prior and current year advances to members is £1,138,973 (2018 - £8,911,936). At 31 December 2019, amounts due to members for discretionary payments of £14,374,985 (2018 - £32,021,228) resulted in a net due to members of £13,236,012 (2018 - £23,109,292).

5. Tangible fixed assets

	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>

Notes to the financial statements  
for the year ended 31 December 2019

5. Tangible fixed assets (continued)

	Leasehold property £	Furniture and fittings £	Office equipment and software £	Total £
Cost:				
At 1 January 2019	4,331,209	1,655,253	6,895,352	12,881,814
Additions	420,019	—	2,625	422,644
Disposals	(224,691)	—	—	(224,691)
At 31 December 2019	4,526,537	1,655,253	6,897,977	13,079,767
Depreciation:				
At 1 January 2019	4,186,048	1,553,627	5,394,572	11,134,247
Charge in the year	388,383	47,511	745,120	1,181,014
Disposals	(203,365)	—	—	(203,365)
At 31 December 2019	4,371,066	1,601,138	6,139,692	12,111,896
Net book value:				
At 31 December 2019	155,471	54,115	758,285	967,871

6. Debtors

	2019 £	2018 £
Amount due from affiliates	26,542,559	554,707
Accounts receivable	16,088,381	7,714,456
Prepayments and accrued income	4,155,886	1,653,007
Other debtors	115,910	104,777
	46,902,736	10,026,947

As of 31 December 2019, debtors balances of £610,366 (2018 - £0) (nil) were impaired and £976,969 (2018 - £120,709) of impairment losses were recognised during the year.

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	14,671,333	12,031,869
Trade creditors	76,046	1,057,192
Due to members	13,236,012	22,494,352
Due to affiliates	4,387,196	3,065,683
Other creditors	2,356,783	4,594,136
Deferred rent	273,728	—
	35,001,098	43,243,232

Notes to the financial statements  
for the year ended 31 December 2019

8. Creditors: amounts falling due greater than one year

	2019	2018
	£	£
Due to members	—	614,940
Deferred rent	—	366,532
	<u>—</u>	<u>981,472</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 2019	Land & Buildings 2018
	£	£
Expiry date:		
Within one year	2,218,317	2,552,971
Between two and five years	3,372,006	7,006,930
After five years	—	—
	<u>5,590,323</u>	<u>9,559,901</u>

Future lease commitments payable under the operating lease contracts upon reorganisation will be transferred to the new entity without extra penalties incurred.

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 2019, allocated expenses were £11,241,089 (2018 - £7,544,258).

PWP Employer LP provided human resources and payroll processing services to the Partnership related to corporate employees through a shared services agreement. During 2018, this agreement directed the Partnership to pay a fee based upon \$4 per day per corporate employee. These expenses are reflected in Administrative expenses on the statement of comprehensive income. During 2019, the shared services agreement was amended and the administrative fee is no longer payable.

In addition, the Partnership incurred administrative expenses on behalf of certain foreign affiliates amounting to £397,381 (2018 - £349,389).

The Partnership and its affiliates participate in a 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 2019, £32,203,375 (2018 - £0) (nil) of Network Support Fee revenue was earned by the Partnership, which is reflected in Turnover on the statement of comprehensive income.

**Notes to the financial statements  
for the year ended 31 December 2019**

**10. Related party transactions (continued)**

As of 31 December 2019, 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. Subsequent events**

It is the intention of the members to reorganise the Partnership and transfer the business of the Partnership to the new limited entity, PWP UK Ltd following receipt of the FCA's approval for the change of legal status. The transfer is anticipated to take place on or before 31 March 2020.