

Greenhill & Co. International LLP

Members' Report and Financial Statements

31 December 2015

Registered No: OC332045

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COMPANIES HOUSE

Members

Greenhill & Co. Europe Holdings Limited

Greenhill & Co. Cayman Limited

C Bauer-Schlichtergroll (ceased to be a member with effect from 1 January 2016)

P Bouten (joined 1 January 2015)

G Davies

L Ferrari (ceased to be a member with effect from 1 January 2016)

C Gournay

R Hill

A Jagannathan

J Lupton

S Moorhead

A Parsons

P Stott (ceased to be a member with effect from 31 December 2015)

H Tidbury

D Wyles

All members are designated members.

Auditors

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

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Registered Office

Lansdowne House
57 Berkeley Square
London W1J 6ER

Strategic Report

The members present their strategic report for the year ended 31 December 2015.

Principal activities and review of the business

Greenhill & Co. International LLP (the “partnership”), an authorised Corporate Finance Advisory Firm regulated by the Financial Conduct Authority (FCA), is engaged in the investment banking business providing financial advisory services to corporations, institutions, individuals and others in connection with mergers, acquisitions, divestitures, tender and exchange offers, leveraged buy-outs, restructuring, recapitalisations, other extraordinary corporate transactions, and global capital advisory services.

The financial statements for Greenhill & Co. International LLP as of and for the year ended 31 December 2015 are presented herein.

Key performance indicators

Given the straightforward nature of the business, the key performance indicators used by the members to determine progress and performance is (i) advisory fees which is captured within Turnover on the income statement and (ii) Profit Margin.

The key financial and other performance indicators during the year were as follows:

	2015	2014	Change
	£000	£000	%
Turnover	34,480	41,237	(16)%
Profit Margin	52%	56%	

Advisory fees are driven by the number of successful transactions generated by the individual members and their supporting teams. The members meet at least monthly and sometimes more often to discuss various ongoing transactions along with the overall business environment and possible opportunities to generate additional advisory assignments.

Turnover figures can vary year over year due in large part to the successful completion of a client's transaction, the timing of which is outside of the partnerships control. Unlike other more diversified investment banking entities, which generate revenues from commercial lending, securities trading and underwriting, or have asset management businesses, the number and scale of successfully completed client transactions or the market for advisory services generally would have a material effect on the turnover figures of the partnership year over year.

Profit margins can also vary year over year, but can be controlled through effective monitoring of compensation and non-compensation expenses. The partnerships largest expense relates to compensation mainly in the form of cash compensation, related employment taxes and the amortization of long-term incentive compensation awards of restricted stock units. Awards of restricted stock units are discretionary and are amortised into compensation expense during the service period over which the award vests, which is generally five years for the majority of the awards. The partnership also records dividend equivalent payments on outstanding restricted stock units as compensation. Compensation expense as a percentage of turnover was 20% in 2015 (2014: 22%). Non-Compensation expenses as a percentage of turnover was 28% in 2015 (2014: 23%).

Principal risks and uncertainties

The principal business risks facing the partnership arise from economic climate, the non-recurring nature of the various advisory engagements, the impact to the reputation of the partnership if it does not provide sound advice and an extensive regulatory environment.

The partnership derives revenues from advisory fees. Adverse market or economic conditions would likely affect the number, size and timing of transactions on which it provides advice and therefore can adversely affect the partnerships advisory fees which would adversely affect turnover.

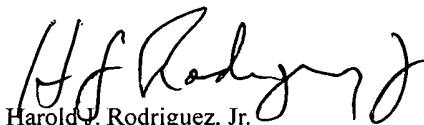
Key performance indicators continued

The partnership also relies on generating revenue via non-recurring engagements. Non-recurring engagements can cause revenue to vary from period to period. As a result, high activity levels in any period are not necessarily indicative of continued high levels of activity in the next succeeding period or any other period. In addition, the partnership derives most of our engagement revenues at key transaction milestones, such as announcement or closing, and the timing of these milestones is outside our control. In cases where an engagement is terminated prior to the successful completion of a transaction or project, whether due to market reasons or otherwise, the partnership may earn limited or no fees and may not be able to recoup the costs incurred prior to the termination.

As an investment banking firm, the partnership depends to a large extent on relationships with clients and its reputation for integrity and high-calibre professional services to attract and retain clients. As a result, if a client is not satisfied with the services provided, it may cause reputational harm, which could impact the volume of future business.

The financial services industry is subject to extensive regulation. Regulatory agencies are empowered to conduct periodic examinations and administrative proceedings that can result in censure, fine, issuance of "cease and desist" orders or suspension of personnel or other sanctions, including revocation of our license or registration of our regulated subsidiaries. In addition, as a result of recent highly publicised scandals in the financial services industry, scrutiny by regulators of financial services firms has increased significantly. Even if a sanction imposed against the partnership or our personnel is small in monetary amount, the adverse publicity arising from the imposition of sanctions by regulators could harm the partnership's reputation and cause the loss of existing clients or failure to gain new clients.

On behalf of the board

A handwritten signature in black ink, appearing to read "H. Rodriguez, Jr.", written over the printed name.

Harold J. Rodriguez, Jr.

April 26, 2016

Members' report

The members present their annual report and financial statements for the year ended 31 December 2015.

Results

The partnership made profits of £17,863,000 and £23,028,000 for the years ended 31 December 2015 and 2014, respectively. The results are shown in the Income Statement on page 8. The LLP's Statement of Financial Position detailed on page 10 shows a satisfactory position. Members' total interests amounted to £14,746,000.

Future developments

The members aim to maintain the management policies which have resulted in the partnership growth in recent years. Advisory services on mergers & acquisitions, financings and restructuring engagements are the dominant sources of revenue and are expected to remain so for the foreseeable future.

Members and their interests

The members at 31 December 2015 were those listed on page 1. Due to the non-capital nature of the business, members were not required to make capital commitments, and none of the individual members had any beneficial interest in the partnership capital.

Members profit allocation

Any profits are shared among the members as governed by the Partnership Agreement dated 19 December 2007. Each member's allocation of profits will vary based on individual performance and the performance of the partnership as a whole.

Policy with respect to members' drawings and subscriptions and repayment of members' capital

The members receive drawings on a periodic basis and may receive an annual discretionary bonus payment in February when the partnership has sufficient funds. In 2015, the members drew £12,030,000 (2014 - £37,324,000). Policies for members' drawings, repayment of drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 19 December 2007.

Charitable contributions

During the year, the partnership made charitable contributions of £40,150 (2014 - £59,333).

Going concern

After reviewing forecasts and making enquiries, the members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

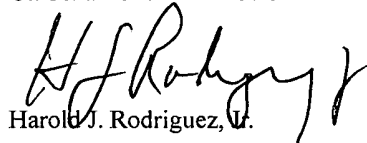
Disclosure of information to the auditors

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

Auditors

Ernst & Young LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

On behalf of the members



Harold J. Rodriguez, W.

April 26, 2016

Statement of members' responsibilities in respect of the financial statements

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

The Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements for each financial year. Under that regulation, the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' and applicable law). Under the regulation, the 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 period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are responsible for keeping 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

We have audited the financial statements of Greenhill & Co. International LLP ("the Partnership") for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 15. 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'.

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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act of 2006) Regulations 2008. 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 102 'The Financial Reporting Standard applicable to the UK and Ireland' and applicable law; and
- have been prepared 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Janet Leslie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

26 April 2016

Income Statement

For the year ended 31 December 2015

	<i>Notes</i>	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
<i>Turnover</i>	3	34,480	41,237
Administration expenses		<u>(16,673)</u>	<u>(18,239)</u>
<i>Operating profit</i>	4	17,807	22,998
Interest receivable		<u>56</u>	<u>30</u>
<i>Profit on ordinary activities</i>		17,863	23,028
<i>Retained profit for the financial year available for discretionary division among the members</i>	12	<u><u>17,863</u></u>	<u><u>23,028</u></u>

All operations are continuing.

There are no components of other comprehensive income recognised as a part of total comprehensive income outside the income statement.

Statement of Changes in Equity at 31 December 2015

	<i>Members' capital</i>	<i>Other reserves</i>	<i>Total members' capital interests</i>	<i>Loans and other debts to members</i>	<i>Total members' interests</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 31 December 2013	500	1,278	1,778	21,354	23,132
Profit for the financial year available for division among members	—	23,028	23,028	—	23,028
After profit for the year	500	24,306	24,806	21,354	46,160
Allocated profit	—	(23,028)	(23,028)	23,028	—
Current period drawing by individual members	—	—	—	(4,783)	(4,783)
Distribution to corporate member	—	—	—	(32,541)	(32,541)
Share based contributions	—	93	93	—	93
At 31 December 2014	500	1,371	1,871	7,058	8,929
Profit for the financial year available for division among the members	—	17,863	17,863	—	17,863
After profit for the year	500	19,234	19,734	7,058	26,792
Allocated profit	—	(14,947)	(14,947)	14,947	—
Current period drawing of profits by individual members	—	—	—	(4,812)	(4,812)
Distribution to corporate member	—	—	—	(7,218)	(7,218)
Share based contributions	—	(16)	(16)	—	(16)
At 31 December 2015	500	4,271	4,771	9,975	14,746

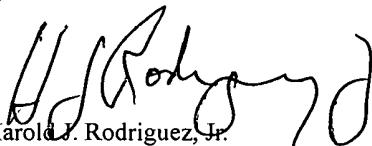
Loans due to members represent the aggregate amount of money owed to members in respect of profits, and rank below other unsecured creditors in the event of a winding up.

Share based contributions represent the fair market value of the equity-settled component of the share based payments, utilizing an observable market price of the partnership's ultimate parent, Greenhill & Co. Inc.

Statement of Financial Position at 31 December 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	6	200	233
Current assets			
Debtors	7	6,678	11,063
Cash at bank and in hand		11,225	3,180
		<u>17,903</u>	<u>14,243</u>
Creditors: amounts falling due within one year	8	<u>(3,215)</u>	<u>(5,339)</u>
Net current assets		<u>14,688</u>	<u>8,904</u>
Total assets less current liabilities		14,888	9,137
Creditors: amounts falling due after more than one year	8	(142)	(208)
Net assets attributable to members		<u>14,746</u>	<u>8,929</u>
Represented by:			
Loans and other debts due to members			
Other amounts		9,975	7,058
Equity			
Members' interests' - members' capital		500	500
Members' interests' - other reserves		4,271	1,371
Total members' capital		<u>4,771</u>	<u>1,871</u>
Total members' interests'		<u>14,746</u>	<u>8,929</u>

The financial statements were approved by order of the members on April 26, 2016 and were signed on its behalf by:


Harold J. Rodriguez, Jr.
April 26, 2016

Notes to the financial statements at 31 December 2015

1. Accounting policies

Statement of compliance

Greenhill & Co., International LLP (the "partnership") is a limited liability partnership incorporated in December 2007. The registered office of the LLP is Lansdowne House, 57 Berkeley Square, London W1J 6ER.

The partnership's financial statements have been prepared in accordance with FRS 102 as it applies to these financial statements for the year ending 31 December 2015 and in accordance with the requirements of the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis of preparation

The financial statements of the partnership were approved for issue by the members on April 26, 2016.

The financial statements are prepared in accordance with applicable UK accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' dated 14 July 2014.

The partnership transitioned from the previously extant UK GAAP to FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in Note 2.

The financial statements are prepared on a going concern basis under the historical cost convention. The members have made an assessment of the partnership's ability to continue as a going concern. After reviewing forecasts and making enquiries, the members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future.

Exemptions Applied

Greenhill & Co., International LLP is a qualifying entity as per FRS 102 as it is a member of a group where the parent of that group (Greenhill & Co., Inc.) prepares publicly available consolidated financial statements which can be obtained from the United States Securities and Exchange Commission's EDGAR electronic database, via the ticker symbol GHL (<https://www.sec.gov/edgar/searchedgar/webusers.htm>).

As a qualifying entity, the partnership has taken advantage of the exemption in section 1.11-1.12 of FRS 102 from the requirement to prepare a statement of cash flows and from the requirement of section 33 Related Party Disclosures paragraph 33.7 to disclose key management personnel compensation.

Share based payments

In accordance with the requirements of FRS 102, share based payments are recorded as a charge to compensation expense. Such payments, as described further in Note 10, comprise both an equity-settled component and a cash-settled component, the latter arising because the employee has the option to utilize part of the award to settle the associated withholding tax liability rather than receive the full award in the form of shares. For the equity-settled component, compensation expense is determined at the date of the grant with a corresponding equity contribution from Greenhill & Co., Inc. ("Greenhill"), the partnership's ultimate holding company. For the cash-settled component, compensation expense is re-measured at each reporting date with reference to current market values, with a corresponding liability. The fair value of the share based payments with future service requirements are generally amortised over a three to five year service period following the date of grant applying straight-line amortisation separately to each individual tranche. The partnership records dividend equivalent payments, net of clawbacks, on outstanding restricted stock units ("RSUs") as compensation expense.

The partnership accounts for reimbursements it makes to Greenhill on the transfer of shares awarded under the share-based payment plan as a return of the equity contribution on the vesting date. Any difference between the total amount which has been credited to equity over the vesting period and the amount which is reimbursed to Greenhill is also recognised directly in equity.

1. Accounting policies continued

Revenue recognition

It is the partnership's accounting policy to recognise revenue when (i) there is persuasive evidence of an arrangement with a client, (ii) the agreed-upon services have been completed and delivered to the client or the transaction or events noted in the engagement letter are determined to be substantially complete, (iii) fees are fixed and determinable, and (iv) collection is reasonably assured.

The partnership recognises advisory fee revenues for mergers and acquisitions or financing advisory and restructuring engagements when the services related to the underlying transactions are completed in accordance with the terms of the engagement letter and all other requirements for revenue recognition are satisfied.

The partnership recognises global capital advisory fees at the time of the client's acceptance of capital or capital commitments to a fund in accordance with the terms of the engagement letter.

While the majority of the partnership's fee revenue is earned at the conclusion of a transaction or closing of a fund, announcement fees and on-going retainer fees, substantially all of which relate to non-success based strategic advisory and financing advisory and restructuring assignments, are also earned and recognised as advisory fee revenue over the period in which the related service is rendered, all on an accrual basis, net of VAT and rebates.

The partnership's clients reimburse certain expenses incurred by the partnership in the conduct of advisory engagements. Expenses are reported net of such client reimbursements, which are recognized upon invoicing.

Revenue Sharing

To the extent the partnership assists an affiliate with the sourcing and the execution of a revenue generating advisory assignment, a portion of the revenues is allocated to the partnership in accordance with a revenue sharing analysis. Under the analysis, sourcing and execution contributions by an entity to an engagement are equally weighted and further allocated if either the sourcing or execution is shared by affiliates. Revenues subject to revenue sharing are recorded at the net amount allocated to the partnership as advisory revenue on the statement of profit or loss.

Foreign currency transactions

The functional and presentation currency of the partnership is the British Pound (GBP). Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-measured at the rate of exchange ruling at the balance sheet date. All differences arising from transactions denominated in foreign currencies are included in the income statement.

Operating leases

Costs in respect of operating leases are charged against profits for the year on a straight-line basis over the term of the lease.

Provisions

Specific provisions represent the quantification of actual and expected losses from identified accounts. The amounts of the specific provision are the partnership's conservative estimate of amounts needed to reduce the carrying value of the asset to the expected net realisable value, taking into account the financial status of the customer. The carrying value of trade debtors is net of bad debt provisions as at 31 December 2015 and for the year ended 31 December 2014.

Trade receivables

Trade receivables are measured at fair value on initial recognition. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

Taxation

Taxes payable on the partnership's profits earned during the period are the liability of the members. Therefore, no current or deferred tax is provided in the financial statements.

1. Accounting policies continued

Tangible Fixed Assets

The partnership measures all items of property, plant and equipment using the cost model. Fixed assets are initially recorded at cost and subsequently measured at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, other than artwork, 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:

Computer equipment	-	4 years
Furniture and fittings	-	4 years
Leasehold improvements	-	lesser of 10 years or the remaining lease term

Expense allocations

Certain expenses are allocated among the partnership and its affiliates on an agreed upon basis in accordance with an expense sharing arrangement. These expenses include corporate overhead for finance and legal support and charges for communications and information services. Expenses incurred have been recognised on an accrual basis.

Expenses allocated to the partnership are recorded in their respective expense categories with corporate overhead expenses included in administration expenses on the income statement. For the year ended 31 December 2015, expenses allocated to the partnership amounted to £339,177 (2014 - £300,682).

Intercompany advisory fee

The partnership has a service agreement in place with Greenhill & Co. Sweden AB ("Greenhill Sweden"), a company governed by the Swedish Financial Supervisory Authority, to offer corporate finance advice to corporations, institutions, individuals and others in connection with mergers, acquisitions, divestitures, tender and exchange offers, leveraged buy-outs, restructuring, recapitalisations, and other extraordinary corporate transactions in Sweden and other Nordic locations. As compensation for this service, the partnership pays a service fee to the Greenhill Sweden for the total cost of services plus 15%. Expenses incurred by the partnership pursuant to this arrangement amounted to £1,922,024 (2014: £1,891,110).

Pensions

Certain employees of the partnership participate in a defined contribution scheme. Contributions to the scheme are charged to the income statement as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately in an independent administered fund.

Members' participation rights

Members' participation rights are the rights of a member against the partnership that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the partnership are analysed between those that are, from the partnership's perspective, either a financial liability or equity, in accordance with FRS 102, Section 22. A members' participation right results in a liability unless the right to any payment is discretionary on the part of the partnership.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classified as equity if the partnership has an unconditional right to refuse payment to members. If the partnership does not have such an unconditional right, such amounts are classified as liabilities.

Profits are divided only after a decision by the members of the partnership and the partnership has an unconditional right to demand repayment of amounts previously drawn by members during the year where it anticipates that there will be insufficient profits to cover such drawings. Drawings are recognised as a loan due from members until allocation occurs. Hence profits are initially classified as an appropriation of equity rather than as an expense, and shown as a residual amount available for discretionary division among members in the income statement. Within the balance sheet, such amounts are initially classified as equity appropriations and presented within "Members' interests - other reserves". Following the allocation of profits, the amount allocated is transferred from Equity into Loans and other debts due to members.

Aside from profit allocations, there are no other amounts applied to members.

2. Transition to FRS 102

The partnership transitioned on 1 January 2014 from the previously extant UK GAAP to FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

There have been no adjustments required on the transition from old UK GAAP to FRS 102. The accounting policies applied under the partnership's previous accounting framework are materially the same as under FRS 102. As a result there have been no transition differences between the two frameworks and there is no effect on the equity position of the partnership as at 1 January 2014 and 31 December 2014.

3. Turnover

Turnover represents fees for the provision of corporate finance advisory services conducted by the partnership in the United Kingdom. Corporate financial advisory services include engagements relating to mergers and acquisitions, financing advisory and restructuring, and capital advisory services. Turnover is stated net of value added tax.

4. Operating profit

This is stated after charging:

	2015	2014
	£000	£000
Auditor's remuneration — audit of the financial statements	13	13
— audit related assurance services	4	4
— non-audit services	—	—
Professional fees	1,041	756
Intercompany advisory fee	1,922	1,891
Depreciation of owned fixed assets	71	74
Foreign exchange (gains) losses	(82)	(69)
Operating lease rentals:		
— office equipment	68	76
— land and buildings	1,239	1,239

5. Staff costs

	2015	2014
	£000	£000
Wages and salaries	5,621	7,032
Social security costs	767	897
Other pension costs	325	359
Share based payments	164	470
Dividends on share based payments, net of clawbacks	44	48
	<u>6,921</u>	<u>8,806</u>

The equity-settled component of the above share based payments expense amounted to £163,667 (2014 — £332,147).

The average monthly number of employees during 2015 was 62 (2014 — 63).

	2015	2014
Investment banking	49	49
Administration	13	12
	<u>62</u>	<u>61</u>

6. Tangible fixed assets

	<i>Leasehold improvements</i> £000	<i>Artwork</i> £000	<i>Computer equipment</i> £000	<i>Furniture and fixtures</i> £000	<i>Total</i> £000
Cost or valuation:					
At 31 December 2014	1,751	55	1,205	626	3,637
Additions	—	—	41	—	41
At December 2015	<u>1,751</u>	<u>55</u>	<u>1,246</u>	<u>626</u>	<u>3,678</u>
Depreciation:					
At 31 December 2014	1,704	—	1,079	621	3,404
Provided during the year	13	—	58	3	74
At December 2015	<u>1,717</u>	<u>—</u>	<u>1,137</u>	<u>624</u>	<u>3,478</u>
Net book value:					
At 31 December 2014	<u>47</u>	<u>55</u>	<u>126</u>	<u>5</u>	<u>233</u>
At December 2015	<u>34</u>	<u>55</u>	<u>109</u>	<u>2</u>	<u>200</u>

7. Debtors

	2015	2014
	£000	£000
Amount due from affiliates	536	4,887
Trade debtors	5,306	5,519
Other assets	592	498
Prepayments and accrued income	244	159
	<u>6,678</u>	<u>11,063</u>

8. Creditors

	2015	2014
	£000	£000
Other taxes and social security costs	361	212
Other creditors	1,322	2,455
Amount due to affiliates	1,329	2,311
Cash-settled component of share based payments falling due within one year	202	361
Amounts falling due within one year	<u>3,214</u>	<u>5,339</u>
Cash-settled component of share based payment falling due in greater than one year	143	208
Total creditors	<u>3,357</u>	<u>5,547</u>

9. Members' shares of profits

Distributions of £7,218,000 (2014 - £32,541,000) were made to the corporate member.

In respect of other members:

(i) Members' share of profits

Profits are shared among the members after the year end, in accordance with the partnership agreements.

	2015	2014
Average number of members (No.)	14	15
Average profit per member (£000)	1,276	1,535

(ii) The remuneration of the members of Greenhill & Co. International LLP comprised:

	2015	2014
	£000	£000
Aggregate emoluments in respect of qualifying services	4,409	5,953
Aggregate of partnership contributions paid in respect of defined contribution pension schemes	14	14
Aggregate amounts receivable under restricted stock unit schemes (cash-settled component)	1,142	2,626

A portion of members' emoluments was charged as a corporate overhead in both the current and prior year and is included in expense allocated to the partnership.

(iii) Member with largest entitlement

The largest entitlement awarded to an individual member in 2015 and 2014 amounted to £853,050 and £1,400,619 respectively, which represented the profit share allocated to the member plus remuneration. These amounts also include amounts received by the member under Greenhill's equity incentive scheme. The remuneration of this member is comprised as follows:

	2015	2014
	£000	£000
Emoluments in respect of qualifying services	608	376
Amounts received under restricted stock unit schemes	226	1,022
Awards made under the equity incentive plan		
Number of members who received shares under the restricted stock unit plan	13	13
Number of members who accrued benefits under defined contribution pension schemes	1	1

10. Restricted stock units

The partnership participates in an equity incentive plan of Greenhill to motivate its employees and allow them to participate in the ownership of its stock. Under the partnership's plan Restricted Stock Units ("RSUs"), which represent a right to a future payment equal to one share of Greenhill's common stock, may be awarded to employees. Awards granted under the plan generally vest ratably generally over a period of three to five years beginning on the first anniversary of the grant date or for certain accruals in full on the fifth anniversary of the grant date. To the extent the RSUs are outstanding at the time a dividend is paid on the common stock, a dividend equivalent amount is paid to the holders of the RSUs. In the event that the holder's employment is terminated under circumstances in which units awarded under the plan are forfeited, any dividend equivalent payments related to such forfeiture, which are unvested for accounting purposes, are required to be repaid to the partnership.

RSUs are issued to employees under the equity incentive plan, primarily in connection with annual bonus awards and compensation agreements for new hires. In accordance with the requirements of FRS 102, share based payments are recorded as a charge to compensation expense. Such payments comprise of both an equity-settled component and a cash-settled component, the latter arising because the employee has the option to utilize part of the award to settle the associated withholding tax liability rather than receive the full award in the form of shares. For the equity-settled component, compensation expense is determined at the date of the grant with a corresponding equity contribution from Greenhill. For the cash-settled component, compensation expense is re-measured at each reporting date with reference to current market values, with a corresponding liability. The fair value of the share based payments with future service requirements are generally amortised over a three to five-year service period following the date of grant applying straight-line amortisation separately to each individual tranche. The partnership records dividend equivalent payments, net of clawbacks on outstanding restricted stock units as compensation.

The number of units awarded in 2015 was 39,643 (2014 - 37,472) with a weighted average fair value of £23.44 (2014 - £30.11). The fair value is based on the market price of Greenhill's shares at the grant date. The partnership recognised total expenses, net of forfeitures, of £163,897 during the year ended 31 December 2015 (2014 - £470,079). For the year ended 31 December 2015, the partnership recorded as compensation expense the dividend equivalent amounts paid on the outstanding RSUs which amounted to £44,205 (2014 - £47,991), net of clawbacks, on outstanding RSUs.

The partnership has entered into an inter-company recharging agreement with Greenhill whereby on the transfer of shares by Greenhill to employees of the partnership pursuant to the plan, the partnership reimburses Greenhill for an amount based on the fair market value of each RSU award which has vested.

11. Obligations under operating leases

As of December 31, 2015, the aggregate minimum future rental payments, under non-cancellable operating leases are as follows:

	2015	2014
	<i>Land and buildings</i>	<i>Land and buildings</i>
	£000	£000
Operating leases which expire:		
Not more than one year	1,239	1,239
One to five years	1,910	3,150
More than five years	—	—
	<u>3,149</u>	<u>4,389</u>

In June 2013, the partnership entered into a new 5 year lease agreement for their registered office, Landsdowne House, London W1J 8ER.

12. Pension commitments

The partnership operates a defined contribution pension scheme for certain members and employees. Contributions to the scheme are paid as they become due in accordance with the rules of the scheme. The partnership incurred expenses of £323,692 (2014: £358,650) during the year ended 31 December 2015 and has no outstanding liability as of 31 December 2015.

13. Related parties

At 31 December 2015, the partnership had receivables of £536,000 (2014 - £4,887,000) due from affiliates and payables of £1,329,000 (2014 - £2,311,000) due to affiliates, which generally relate to services rendered by other offices for client engagements during the year. It also included corporate overheads, general operating expense and intercompany advisory fees and are included as components of debtors and creditors, respectively, on the balance sheet. See Note 1 - Accounting policies - Expense allocations and Intercompany advisory fee for further details.

14. Risk management objectives and policies

The partnership is exposed, through its operations, to operational, credit, liquidity, currency, and interest rate risks. The policy for managing each of these risks is below:

Operational risk

The partnership defines operational risk as risk of loss resulting from inadequate internal processes, people and systems, or from external events, including risk of damage through loss of reputation or standing. Due to their significant role in leading the partnership, members' actions are especially important regarding operational risk. The partnership is committed to regulatory compliance and has developed policies and procedures in order to stay abreast of regulatory developments. The partnership preserves its reputation by ensuring compliance with regulations and ethical standards, attracting and retaining talented staff, regular meetings of the members to discuss any current assignment issues or concerns, and providing accurate and timely execution of contractual obligations.

Credit risk

Credit risk is the exposure to the possibility of financial loss resulting from a client's failure to meet its financial obligations. As the partnership is in the business of offering advisory services in connection with corporate transactions, credit risk does not normally arise in the normal course of business. For non-trade related advances, credit checks are undertaken prior to the transactions being entered into.

Liquidity risk

The partnership deems liquidity risk as the failure to have sufficient financial resources to meet its day to day capital and cash flow requirements. To mitigate liquidity risk, the partnership has implemented cash management policies to ensure that there are strict guidelines to follow in relation to the products and the duration that surplus funds can be invested.

We maintain our cash in institutions with high credit ratings. In the event of a significant deterioration of the credit markets or the failure of one or more banking institutions, there can be no assurance that we will be able to access our cash. Our inability to access our cash could have a material adverse effect on our liquidity.

Currency risk

Currency risk arises as the partnership has intercompany activity with affiliates of the partnership and cash amounts denominated in currency other than sterling. Management mitigates this risk by constantly monitoring currency exposures and aiming to mitigate currency risk by frequently settling the intercompany balances with its affiliates and minimizing the non-sterling cash balances.

Interest rate risk

The partnership's interest rate risk is derived from interest bearing deposits in which the partnership invests surplus funds. Management monitors interest rate risk by placing funds in overnight deposits, longer period deposits, and on a floating rate basis. Management conducts market analysis of interest rate expectations before placing amounts.

Political risk

On the 23rd June 2016, the United Kingdom will be holding a national referendum on its continued membership of the European Union. The situation is being monitored closely. We are looking at the potential implications for our business and its clients based upon the information available.

15. Ultimate controlling parties

Greenhill & Co. Europe Holdings Limited, a company incorporated in the United Kingdom is the immediate controlling party of the partnership. The partnership's ultimate holding company is Greenhill, incorporated in the United States of America. Greenhill has included the partnership in its group financial statements, copies of which may be obtained from its registered office, 300 Park Avenue, New York, NY 10022, United States of America.