

Carlyle Real Estate Advisors LLP

Reports and financial statements for the year ended 31 December 2020



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Corporate information

Designated members

CREA UK, L.L.C.
Peter Stoll

Registered Office

1 St James's Market
LONDON
SW1Y 4AH

Registered Number

OC 357085

Auditors

Ernst and Young LLP
25 Churchill Place
Canary Wharf
LONDON
E14 5EY

Members' report

Company registration number: OC 357085

The members present their report and the audited financial statements of Carlyle Real Estate Advisors LLP for the year ended 31 December 2020.

Principal activity, review of business and future developments

Carlyle Real Estate Advisors LLP (the "LLP") was incorporated on 11 August 2010 and began trading on 18 November 2010. The principal activity of the LLP is to provide investment advisory and business development services.

The UK officially left the EU on 31 January 2020, and an agreement was reached on 24 December 2020 which came into effect as of 1 January 2021. We had contingency and risk mitigation plans for this outcome.

The current outbreak of Coronavirus disease 2019 (COVID-19) is having an adverse impact on general commercial activity and the economies and financial markets of many countries, which could adversely affect the business, financial condition and performance of us and our clients. Depending on factors such as location and industry sectors, our client's funds may see a range of impacts which, given the current degree of uncertainty, it is not possible to quantify at this time. We are monitoring the situation closely and have adopted various measures to mitigate the risks involved such as crisis management and business continuity planning.

We are monitoring the situation closely and have adopted various measures to mitigate the risks involved such as crisis management and business continuity planning.

The LLP's key financial performance is detailed in the table below:

	2020	2019
	£ 000's	£ 000's
Turnover	10,782	10,005
Profit for the financial year available for discretionary distribution amongst members	5,320	4,870
Members' other interests	2,496	1,284

Designated members

The designated members who served during the year and to the date of this report are detailed on page 2.

Policy with respect to members' drawings, subscription and repayment of members' capital

Any profits are shared among the members as decided by the principal member. At the discretion of the principal member, each member is entitled to take drawings from their capital account in advance of profits being allocated to this account. New members are required to pay an initial capital contribution on admission. On withdrawal from the LLP, members are entitled to the return of their initial capital contributions. Capital contributions may not be withdrawn at any other time.

Going concern

We have considered the ongoing effects of the 2020 outbreak of COVID-19 on the Company's operations and have concluded that the impact is likely to be limited. Following the advice issued by the UK Government in March 2020 regarding employees working from home and other social distancing measures, we have enacted procedures to facilitate this and have a detailed plan that enables effective operation to continue whilst employees are not physically present in the LLP's offices.

Due to the Cost-plus nature of the remuneration structure, we anticipate that there will be a decrease in office related costs and proportional decrease in revenue due to the lack of employee related office and travel costs for the duration of the pandemic and relief available to businesses to support efforts to fight the spread of Coronavirus and limit its impact on the UK economy.

Members' report (continued)

Company registration number: OC 357085

We do not foresee the temporarily decreased cost base having an impact on the entity's ability to continue as a Going Concern.

The designated members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future, being at least until 21 April 2022; twelve months from the date that the financial statements are authorised for issue. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditors

Ernst & Young LLP continue to be appointed auditors of the LLP.

Statement of disclosure of information to the auditors

Each of the designated members at the date of the approval of this report confirms that:

- so far as each designated member is aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- each designated member has taken all the steps that they ought to have taken as a designated member to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Statement of designated members' responsibilities in respect of the financial statements

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

Legislation applicable to limited liability partnerships requires the designated 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 applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships. Under the relevant 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 LLP and of the profit or loss of the LLP for that period.

In preparing those financial statements, the members are required to:

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

The designated members are responsible for keeping proper accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as modified by the Limited Liability Partnerships (Financial statements and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the members and signed on their behalf:



.....
Peter Stoll, Designated Member
21 April 2021

Independent Auditor's Report

to the members of Carlyle Real Estate Advisors LLP

Opinion

We have audited the financial statements of Carlyle Real Estate Advisors LLP for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Reconciliation of movements in members' interests and the related notes 1 to 14, 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 2020 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

Independent Auditor's Report (continued)

to the members of Carlyle Real Estate Advisors LLP

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

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 course of 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 themselves. 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the

Independent Auditor's Report (continued)

to the members of Carlyle Real Estate Advisors LLP

primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

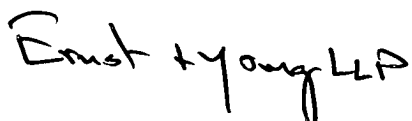
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the LLP and determined that the most significant are the United Kingdom accounting standards including Financial Reporting Standard 102 and the Companies Act 2006 as applied to limited liability partnerships and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how Carlyle Real Estate Advisors LLP is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding by reviewing board meeting minutes and relevant policy and procedures manuals. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the LLP's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by designating revenue recognition as a fraud risk. We incorporated data analytics and performed journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business. We recalculated the revenue based on the transfer pricing arrangement applied by management and tested a sample of inputs in the calculation back to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses, review of breaches and complaints register, and review of Board meeting minutes.

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

21 April 2021

Income statement

for the year ended 31 December 2020

	Note	2020 £ 000's	2019 £ 000's
Turnover	2	10,782	10,005
Administrative expenses		(4,021)	(3,687)
Operating profit	3	6,761	6,318
Interest receivable and similar income		4	11
Foreign exchange losses		(14)	(5)
Profit for the financial year before members' remuneration and profit share		6,751	6,324
Members' remuneration charged as an expense	4	(1,431)	(1,454)
Profit for the financial year available for discretionary distribution amongst members		5,320	4,870

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 December 2020

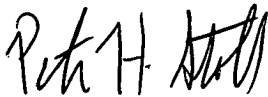
	2020 £ 000's	2019 £ 000's
Profit for the financial year available for discretionary distribution amongst members	5,320	4,870
Total comprehensive income for the year	5,320	4,870

Statement of financial position (OC 357085)

as at 31 December 2020

	Note	2020 £ 000's	2019 £ 000's
Fixed assets			
Tangible assets	5	8	11
		<u>8</u>	<u>11</u>
Current assets			
Debtors	6	3,897	3,850
Cash and cash equivalents	8	2,386	398
		<u>6,283</u>	<u>4,248</u>
Creditors: amounts falling due within one year	7	(3,795)	(2,975)
Net current assets		<u>2,488</u>	<u>1,273</u>
Net assets		<u><u>2,496</u></u>	<u><u>1,284</u></u>
Members' other interests			
Members' capital		961	907
Other reserves		1,535	377
Total		<u><u>2,496</u></u>	<u><u>1,284</u></u>
Memorandum of members' total interests			
Amounts due to members		2,385	1,360
Members' other interests		2,496	1,284
Members' total interests		<u><u>4,881</u></u>	<u><u>2,644</u></u>

The amounts were approved by the designated members on 21 April 2021:



Peter Stoll
Designated Member

Statement of cash flows

for the year ended 31 December 2020

	Note	2020 £ 000's	2019 £ 000's
Net cash flow from operating activities	8	5,634	3,837
Net cash flow from investing activities	8	2	(5)
Net cash flow from financing activities	8	(3,648)	(5,876)
Increase / (Decrease) in cash in the year		<u>1,988</u>	<u>(2,044)</u>

Reconciliation of net cash flow to movement in net funds

Increase / (Decrease) in cash	1,988	(2,044)
Net funds at 1 January	398	2,442
Net funds at 31 December	<u>2,386</u>	<u>398</u>

Reconciliation of movement in members' interest

for the year ended 31 December 2020

	Members' Capital £ 000's	Other Reserves £ 000's	Total £ 000's
At 1 January 2019	901	2,377	3,278
Capital contributions	6	—	6
Profits available for division among members	—	4,870	4,870
Distributions to individual members	—	(2,701)	(2,701)
Distributions to corporate member	—	(3,181)	(3,181)
Fair value (increase) on shares vested in the year	—	(988)	(988)
At 31 December 2019	907	377	1,284
Capital contributions	54	—	54
Profits available for division among members	—	5,320	5,320
Distributions to individual members	—	(3,523)	(3,523)
Distributions to corporate member	—	(179)	(179)
Fair value (increase) on shares vested in the year	—	(460)	(460)
At 31 December 2020	961	1,535	2,496

Notes to the Financial Statements

for the year ended 31 December 2020

1. Significant accounting policies

i. Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Companies Act 2006 as applied by LLPs the Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in January 2017

The Designated Members have determined the LLP is not a financial institution as defined by FRS 102.

ii. Going concern

The financial statements are prepared on a going concern basis under the historical cost convention modified to include the measurement at fair value of financial assets through profit & loss.

On January 30, 2020, the World Health Organization declared the outbreak of Covid-19 to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

Management continues to monitor the impact that the Covid-19 pandemic has on the LLP and the economies in which the LLP operates. Management has performed a Covid -19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has modelled a number of adverse scenarios to assess the potential impact that Covid-19 may have on the LLP's operations, liquidity and solvency including an assessment of any relevant mitigations management have within their control to implement.

The LLP provides services to group entities and receives a sub-advisory fee based on the reimbursement of its costs plus a mark-up. The designated members do not expect COVID-19 to have a material impact on the LLP's future operations, ability to continue trading or future profitability. The LLP is dependent on the ability of the group entities to which it provides services to continue to pay the fees due.

The designated members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future, being at least until 21 April 2022; twelve months from the date that the financial statements are authorised for issue. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

iii. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

- Furniture, fittings and equipment – 5 years on a straight-line basis
- Computer equipment and software – 3 years on straight-line basis

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

iv. Turnover

All revenue streams are recognised to the extent that the LLP obtains the right to consideration in exchange for its performance of its obligations of its obligations. Revenue is accounted for on an accruals basis and is measured when it crystallises at the fair value of the consideration for an arm's length transaction, excluding discounts, rebates, VAT and other sales taxes or duty.

v. Taxation

Taxation of the proportion of the LLP's profits allocated to each member is the responsibility of each member. Consequently, neither current taxation nor related deferred taxation has been accounted for in these financial statements.

vi. Foreign currencies

The functional and presentational and presentational currency of the LLP is 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 translated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement.

vii. Pensions

The LLP operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income statement in the period they are payable.

viii. Equity-based compensation

Compensation expense relating to the issuance of equity-based awards to the LLP's members and employees is measured at fair value on the grant date. The compensation expense for awards that vest over a future service period is recognised over the relevant service period on a straight-line basis, adjusted for estimated forfeitures of awards not expected to vest. The compensation expense for awards that do not require future service is recognised immediately. Cash settled equity-based awards are classified as liabilities and are re-measured at the end of each reporting period. Equity-based compensation expenses are shown within administrative expenses on the income statement.

ix. Key judgements and estimates

In applying the LLP's accounting policies, the members may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The members consider the following to be significant accounting judgements made during the year:

- Classification of member's remuneration as discretionary or fixed remuneration
- Estimation of equity compensation

The members' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the year in which the estimate is revised.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

2. Turnover

Turnover principally arises through an investment advisory agreement with Carlyle Investment Management, L.L.C, which is incorporated in the U.S.

3. Operating profit

This is stated after charging:

	2020 £ 000's	2019 £ 000's
Auditor's remuneration		
- audit services	19	17
- taxation services	12	8
Depreciation charges	5	5
	<u>36</u>	<u>30</u>

4. Members and employees

	Note	2020 £ 000's	2019 £ 000's
Members' remuneration charged as an expense		1,431	1,454
Wages and salaries		2,334	1,921
Social security costs		357	275
Other costs		264	167
Equity-based compensation	10	37	47
		<u>4,423</u>	<u>3,864</u>

The highest paid member received £1,888,410 (2019: £1,438,000) as remuneration from the LLP during the year.

The average monthly number of members and employees during the year was:

	2020 No.	2019 No.
Members	4	4
Employees	13	12

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

5. Tangible fixed assets

	Office Furniture £ 000's	Computer equipment and software £ 000's	Totals £ 000's
Cost:			
At 1 January 2020	4	12	16
Additions	—	2	2
At 31 December 2020	4	14	18
Depreciation:			
At 1 January 2020	1	4	5
Charge during the year	—	5	5
At 31 December 2020	1	9	10
Net book value:			
At 31 December 2020	3	5	8
At 31 December 2019	3	8	11

6. Debtors

	2020 £ 000's	2019 £ 000's
Receivables from affiliates	3,883	3,843
Prepayments and accrued income	14	7
	3,897	3,850

Receivables from affiliates are unsecured, interest free and due on demand.

7. Creditors: amounts falling due within one year

	2020 £ 000's	2019 £ 000's
Trade Creditors	41	2
Payable to affiliates	111	642
Accruals	1,258	934
Other taxes and social security	—	37
Distribution payable to members	2,385	1,360
	3,795	2,975

Payables to affiliates are unsecured, interest free and payable on demand.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

8. Notes to the statement of cash flows

	2020 £ 000's	2019 £ 000's
a) Operating activities		
Operating profit	6,761	6,318
Depreciation	5	5
(Increase) in debtors	(47)	(83)
Increase in creditors	820	44
Foreign exchange loss	(14)	(5)
Fair value (increase) on shares vested in year	(460)	(988)
Members remunerations charged as an expense	(1,431)	(1,454)
Net cash flow from operating activities	5,634	3,837
b) Investing activities		
Payments for fixed asset	(2)	(16)
Interest received and similar income	4	11
Net cash flow from investing activities	2	(5)
c) Financing activities		
Capital contributions	54	6
Distributions paid to members	(3,523)	(2,701)
Distributions paid to corporate member	(179)	(3,181)
Net cash flow from financing activities	(3,648)	(5,876)
Total cash flows during the year	1,988	(2,044)
d) Analysis of net funds		
Opening balance	398	2,442
Cash flows	1,988	(2,044)
Cash and cash equivalents	2,386	398
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	25	22
Short-term deposits	2,361	376
	2,386	398

9. Pension

The LLP operates a defined contribution pension scheme for its employees and during the year it contributed £67,000 (2019: £50,000). The assets of the scheme are held separately from those of the LLP in an independently administered fund.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

10. Equity-based compensation

In 2012 the entity that the designated members consider to be the ultimate controlling party listed on the NASDAQ stock exchange. During the year certain employees have been granted common units in that entity.

The table below details the impact of equity based compensation that has been charged as an expense to administrative expenses:

	2020 £ 000's	2019 £ 000's
Charged to administrative expenses		
Equity settled	37	47
	<u>37</u>	<u>47</u>

The number of common units granted and the weighted average fair value at measurement date is detailed in the table below. The currency amounts in the table below are not stated in thousands but in units and sub-units. Included within members remuneration charged as expense is £641,249 (2019: £705,326) in relation to equity based compensation paid to members of the LLP

	2020 No.	2019 No.
Units granted		
Equity settled		
Outstanding at 1 January	1,360	3,281
Granted during the year	—	1,274
Forfeited during the year	—	(1,881)
Vested during the year	(680)	(1,314)
Outstanding at 31 December	<u>680</u>	<u>1,360</u>

The vesting requirement is that employees granted equity-based compensation are employed at the date of vesting. The maximum vesting term outstanding is three years.

	2020 £	2019 £
Weighted average fair value at measurement date		
Equity settled	18.93	19.49

The shares granted to employees and members are publicly traded and observable market prices have been used when determining the fair value of the awards. The granted awards generally do not give rise to the right to receive distributions and therefore expected related distribution income has been disregarded when determining the fair value of the awards. The LLP has calculated the weighted average fair value at measurement date on the basis of grant values translated at the year-end spot rate.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

11. Related party transactions

There were no transactions with related parties other than with the Members and the parties disclosed below. Movements on Members' capital and other reserves are set out in the Reconciliation of Movement in Members' interests.

The table below details the impact of related party transactions in the income statement:

		2020 £ 000's	2019 £ 000's
Turnover			
Carlyle Investment Management, L.L.C.	Advisory fees	10,782	10,005
Administrative expenses paid by CECP Advisors LLP on behalf of CREA LLP		460	1,397
Administrative expenses paid by Carlye Real Estate Advisors LLP on behalf of Carlyle Real Estate SGR SpA		54	52

As at 31 December 2020, the LLP had the following balances with group affiliates that are unsecured, payable on demand and are not subject to interest:

	2020 £ 000's	2019 £ 000's
Amounts due from affiliated entities		
Carlyle Investment Management, L.L.C.	3,854	3,830
Carlyle Real Estate SGR SpA	29	13
	<u>3,883</u>	<u>3,843</u>
Amounts due to affiliated entities		
CECP Advisors LLP	111	537
The Carlyle Group Employee Co, L.L.C.	—	105
	<u>111</u>	<u>642</u>

12. Commitments

The LLP has not engaged in any operating or financial commitments in either financial year. The property lease commitment is held with a fellow subsidiary which then recharges a proportion of the annual costs to the LLP.

13. Controlling party

The immediate controlling party and the principal member is CREA UK, L.L.C. which is incorporated in Delaware, USA. The ultimate controlling party is considered to be The Carlyle Group Inc. which is also incorporated in Delaware, USA, and is listed on the NASDAQ stock exchange (ticker: CG).

14. Subsequent events

The UK left the EU on 31 January 2020 with a Withdrawal Agreement and entered a transition period that ended on 31 December 2020. On 24 December 2020, the UK and the EU agreed on the terms of the UK-EU Trade and Cooperation Agreement. The UK has approved the agreement and it came into effect provisionally at 11pm on 31 December 2020, pending the EU taking the necessary steps to fully approve it.

Notes to the Financial Statements (continued)

for the year ended 31 December 2020

In relation to the assessment and monitoring of economic, political and regulatory risks, the LLP has evaluated the impact of the outcome of the June 2016 referendum in relation to the UK's membership of the EU on the LLP's business strategy and business risks in the short, medium and long term. In the short term, there is no significant impact expected on the LLP's business activities, there will be no immediate change in the business strategy and it does not affect the going concern position of the LLP.