CPCP DESIGNATED ACTIVITY COMPANY

(Registration number – 644844)

Annual Report and Audited Financial Statements

For the Year Ended 31 December 2020

Contents

Directors and Other Information

Directors:
Teddy Otto (nationality: Irish – Irish resident)*
Neil Clifford (nationality: Irish – Irish resident)*

*Non-executive Directors

Administrator:
SS&C Financial Services (Ireland) Limited
La Touche House
International Financial Services Centre
Dublin 1
Ireland

Company Secretary & Registered Office:
Carne Global Financial Services Limited
2nd Floor, Block E
Iveagh Court
Harcourt Road
Dublin 2

Legal Advisers as to Irish Law:
Dechert
3 George's Dock
IFSC
Dublin 1
Ireland

Independent Auditor:
Ernst & Young
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2, Ireland

Trustee & Depositary:
The Bank of New York Mellon SA/NV, Dublin Branch
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Legal Advisers as to US Law:
Dechert LLP
1095 Avenue of the Americas
New York,
NY 10036
USA

Directors' Report

Report of the Directors
The Directors present the annual report together with the audited financial statements for CPCP Designated Activity Company (the "Company") for the year ended 31 December 2020.

Principal Activities and Overview of the Business
CPCP Designated Activity Company (the "Company") is a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997 (as amended) and was incorporated on 1 March 2019 in Ireland under the Companies Act 2014 and commenced operations on 17 June 2019. The registered number is 644844.

The Company is wholly owned by Crescent Private Credit Partners LP.

The profit participating notes are solely issued to Crescent Private Credit Partners LP pursuant to a Deed of Amendment and Release dated 1 April 2019 and held subject to benefit of provision which shall be binding on the Company, as the issuer and the notes holder. Refer to Note 8 to the financial statements for the movement in value of profit participating notes. The profit participating notes are listed on the International Stock Exchange Guernsey.

The investment objective of the Company is to generate high current income while preserving investors' capital by investing up to 100 per cent of its net assets into Cayman Islands exempted limited partnerships, CPCP Levered Unitranche Investments LP and CPCP Unitranche Investments LP (the "Investment Partnerships"). The Investment Partnerships make investments on a leveraged and unleveraged basis primarily in senior secured loans of private U.S. lower-middle-market companies that are, in many cases, controlled by private equity investment firms.

Principal Risk s and Uncertainties
The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The principal uncertainty the company faces currently is in relation to COVID-19. See Going Concern Section for further detail relating to COVID-19. The principal risks and uncertainties of the Company are limited to those aforementioned.

Results and Future Developments
The results of operations are set out on page 15 which provide a fair review of business operations and results; the net unrealised gain on investments, which the company consider to be the key performance indicator, has been driven by the positive performance of the Investment Partnerships. The Directors intend to continue to develop the activities of the Company.

Dividend Policy
There were no dividends paid or proposed during the financial year.

Directors, Secretary and Other Interests
Listed below are the Directors who held the office during the year.

Teddy Otto
Neil Clifford

Directors' Report (Continued)

Directors, Secretary and Other Interest (continued)

Listed below is the Secretary who held the office during the year:
Carne Global Financial Services Limited

The Crescent Private Credit Partners LP is a limited partnership and note holder of the Company, incorporated and managed by the investment manager which is a wholly owned subsidiary by Crescent Capital Group, LP (the "Group Companies"). For the year 1 January 2020 to 31 December 2020, the Directors and Secretary had no direct or beneficial interest in shares, share warrants, debentures, loan stock or options of the Company or Group Companies or a contract of significance with the Company or Group Companies.

Accounting Records
The Directors believe that they have complied with the requirements of Section 281 to Section 285 of the Companies Act 2014; adequate accounting records are kept by appointing an administrator with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at the offices of the Administrator, SS&C Financial Services (Ireland) Limited, La Touché House, International Financial Services Centre, Dublin 1, Ireland. The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records include the use of appropriate systems and procedures and the delegation to the Administrator, SS&C Financial Services (Ireland) Limited.

Political donations
No political donations were made during the year.

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements
The Directors are responsible for preparing the annual report and financial statements, in accordance with Irish law and regulations.

Irish law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act of 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and reasons for any material departures from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Report (Continued)

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements (continued)

The Directors are responsible for keeping and causing to be kept adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act of 2014 and enable those financial statements to be audited.

The Directors 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.

The financial statements conform to the aforementioned requirements.

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

On January 30, 2020, the World Health Organization ("WHO") declared the COVID-19 outbreak a global health emergency. On March 11, 2020, the WHO announced that COVID-19 is a pandemic. As a result of the Coronavirus, many countries have required companies to limit or suspend business operations and have implemented travel restrictions. These actions have disrupted supply chains and curtailed operations of many companies around the world, including but not limited to companies in the tourism, hospitality, transportation, retail, entertainment, gaming and manufacturing sectors. In addition, many US states and municipalities have instituted restrictions or recommendations regarding interpersonal activities, such as encouraging social distancing, that have materially changed commercial activity in large parts of the US. Given the nature of the outbreak and the on-going developments, there is a high degree of uncertainty and it is not possible at this time to predict the extent and nature of the overall future impact on the Company. While the global pandemic has negatively impacted certain of the portfolio companies held within the Company, such impacts are generally considered temporary in nature and the impacts have been considered in our December 31, 2020 valuations. The Company has not been impacted by the pandemic in such a degree that it has affected its ability to continue as a going-concern.

Subsequent events after year end

The subsequent events in relation to the Company are disclosed in Note 14.

Directors' Report (Continued)

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements (continued)

Audit Information
The Directors in office at the date of this report have each confirmed that:

- As far as each one is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- they have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors Compliance Statement
The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations.

The Directors confirm that they have:

- Drawn up a compliance policy statement setting out the Company's policies respecting compliance by the Company with its relevant obligations.

- Put in place appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations.
- Conducted a review, during the financial year ended 31 December 2020, of the arrangements and structures, as referred to above.

Independent Auditor
Ernst & Young, Chartered accountants and Statutory audit firm will be eligible for re-appointment annually and will continue in office in accordance with Section 383(2) of the Companies Act 2014.

Research and development
No research and development activities were carried out during the year.

Approved and authorised for issue on behalf of the Board of Directors.

Neil Clifford

Director: Winfried (Teddy) Otto

Date: 24 June 2021

Director: Neil Clifford

Date: 24 June 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPCP DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CPCP Designated Activity Company ('the Company') for the year ended 31 December 2020, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's Going Concern assessment process and engaged with management early to ensure all key factors were considered in their assessment;
- We reviewed management's going concern assessment which covers a year from the date of signing this audit opinion;
- We have considered the close ended nature of the Company and the unfunded capital commitment from investors, which can be called upon in case of any liquidity shortfall.
- We reviewed the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPCP DESIGNATED ACTIVITY COMPANY (continued)

Conclusion

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 Company'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 directors 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 Company's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our response to the risk	Key observations communicated to the Board of Directors
Valuation of Investments and the related unrealised gain or loss **Investments in Partnerships at Fair Value: $311,464,256 (PY: $141,032,340)** **Net Unrealised Gain from Investment in Investment Partnerships at Fair Value through Profit or Loss : $15,540,336 (PY: $36,982)** This Company invests in an investment partnership which ultimately invests into a portfolio of loan assets. The fair value of the Investment is equal to the company's share of the net asset value (NAV) of the Investment Partnership. The impact of an inappropriate valuation of the loan assets may result in misstatement of both the financial	We have performed the following procedures in response to the key audit matter: • Assessed the design effectiveness of the Company's controls over the valuation of investments carried at FVTPL, including appropriate governance procedures and reporting, over the valuation of financial instruments. • Agreed the fair value of the Investment to the NAV on the Audited Financial Statement of the Investment Partnership • Assessed the appropriateness of accounting policies governing the valuation of investments carried at FVTPL. • Tested the valuation of the Underlying assets using	Our planned audit procedures were completed, and no material exceptions were noted.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPCP DESIGNATED ACTIVITY COMPANY (continued)

Key audit matters (continued)

Key audit matter	**Our response to the risk**	**Key observations communicated to the Board of Directors**
assets and liabilities of the Company. The nature and size of the balance and its importance to the Company are such that we have identified this as a key audit matter. Refer to Notes 3, 4 and 5 in the financial statements.	• independent models and market data. Where Company data was relied upon, we assessed reasonableness of the data used. • Assessed the reasonability of the inputs used and assumptions made in valuing the underlying assets	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be $6,227,456 (2019: $2,820,647), which is 2% (2019: 2%) of Noteholder's liability. We believe that noteholder's liability provides us with the most appropriate basis for materiality having considered the expectation of the users of the financial statements and the overall business environment.

During the course of our audit, we reassessed initial materiality and concluded that our initial determination of materiality was still appropriate.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2019: 50%) of our planning materiality, namely $4,670,592 (2019: $1,410,324). We have set performance materiality at this percentage based on our knowledge of the Company and industry, effectiveness of the control environment, our assessment of the risks associated with the engagement and prior year experience. The performance materiality was set at 50% in the prior year and has been increased to 75% in the current year due to our previous year experience and noted no material difference in the prior year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPCP DESIGNATED ACTIVITY COMPANY (continued)

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of $311,373 (2019: $141,032), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's statement of financial position is in agreement with the accounting records.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPCP DESIGNATED ACTIVITY COMPANY (continued)

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they 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 directors are responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has 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 (Ireland) 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 IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPCP DESIGNATED ACTIVITY COMPANY (continued)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ramakrishnan Ramanathan
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 28 June 2021

Statement of Financial Position
As at 31 December 2020

	Note		31 December 2020		31 December 2019
ASSETS					
Non-Current Assets					
Investment in Investment Partnerships at Fair Value	4, 5	$	311,464,256	$	141,032,340
Current Assets					
Cash and Cash Equivalents	3		2,198		-
Receivable from Affiliates	3		-		25,290,419
Due from Partners	3		53,304,619		5,699,011
Interest Receivable	3		823		-
Receivable from Shareholder	9		1		1
Total Assets		$	364,771,897	$	172,021,771
LIABILITIES					
Non-Current Liabilities					
Profit Participating Note at fair value	8	$	311,372,780	$	141,028,590
Current Liabilities					
Due to Affiliates	3,6	$	76,603	$	-
Investment Payable	3		53,304,619		30,989,430
Audit and Tax Service Fee Payable	7		10,500		-
Interest Payable	3		823		-
Corporation Tax Payable	10		8		937
Total Current Liabilities			53,392,553		30,990,367
Total Liabilities		$	364,765,333	$	172,018,957
EQUITY					
Share Capital	9	$	1	$	1
Retained Earnings			6,563		2,813
Total Equity			6,564		2,814
Total Equity and Liabilities		$	364,771,897	$	172,021,771

These financial statements were approved by the Board of Directors and authorised for issue on 24 June 2021.

--------------------------   Neil Clifford --------------------------

Director: Winfried (Teddy) Otto

Director: Neil Clifford

The accompanying notes are an integral part of these audited financial statements

Statement of Comprehensive Income
For the year ended 31 December 2020

	Note		Year ended 31 December 2020		1 March 2019 to 31 December 2019
INCOME					
Net Unrealised Gain from Investment in Investment Partnerships at Fair Value through Profit or Loss	2,4	$	15,540,336	$	36,982
Total Operating Profit			15,540,336		36,982
EXPENSES					
Corporate Secretary Fee	7		7,329		-
Directors Fees	6		14,658		-
Administrator Fees	7		51,000		-
Audit and Tax Service Fee	7		21,727		-
Professional Fees	7		20,755		-
Other Expenses	7		239		-
Total Operating Expenses			115,708		-
OPERATING PROFIT			15,424,628		36,982
Loss on profit participating notes holder's liability	2,8		(15,419,628)		(33,232)
PROFIT BEFORE CORPORATION TAX			5,000		3,750
Corporation tax	10		(1,250)		(937)
PROFIT FOR THE YEAR / PERIOD			3,750		2,813
Other Comprehensive Income			-		-
TOTAL COMPREHENSIVE INCOME		$	3,750	$	2,813

All income and expenses arose from continuing operations. The Company has adopted a single statement of comprehensive income. There are no components of other comprehensive income and therefore no separate statement of comprehensive income has been prepared.

The accompanying notes are an integral part of these audited financial statements

Statement of Changes in Equity
For the year ended 31 December 2020

	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2020		$ 1	$ 2,813	$ 2,814
Total comprehensive gain for the year		-	3,750	3,750
Balance at 31 December 2020		$ 1	$ 6,563	$ 6,564

	Note	Share Capital	Retained Earnings	Total Equity
Balance at 1 March 2019		$ -	$ -	$ -
Total comprehensive gain for the period		-	2,813	2,813
Shares Issued		1	-	1
Balance at 31 December 2019		$ 1	$ 2,813	$ 2,814

The accompanying notes are an integral part of these audited financial statements

Statement of Cash Flows
For the year ended 31 December 2020

	Note	Year ended 31 December 2020	1 March 2019 to 31 December 2019
Profit for the Year/Period		$ 3,750	$ 3,750
Adjustments to reconcile Total Comprehensive Income/Expense to Net Cash Provided By/Used In Operating Activities			
Net Unrealised Gain from Investments at Fair Value through Profit and Loss		(15,540,336)	(36,982)
Net Change in Receivable from Affiliates	3	25,290,419	(25,290,419)
Net Change in Due from Partners	3	(47,605,608)	(5,699,011)
Net Change in Receivable from Shareholder	9	-	(1)
Net Change in Interest Receivable	3	(823)	-
Net Change in Due to Affiliates	3	76,603	-
Net Change in Audit and Tax Service Fee Payable	7	10,500	-
Net Change in Interest Payable	3	823	-
Net Change in Investment Payable	3	22,315,189	30,989,430
Net Change in loss on profit participating notes holder's liability	8	15,419,628	33,232
Corporation Tax Paid	10	(929)	-
Net Cash Used In Operating Activities		**(30,784)**	**(1)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of investments	4	(285,269,080)	(140,995,358)
Proceeds from sale of investments	4	130,377,500	-
Net Cash Used In Investing Activities		(154,891,580)	(140,995,358)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdowns of Profit Participating Note	8	220,842,352	140,995,358
Payments on Profit Participating Note	8	(65,917,790)	-
Shares Issued		-	1
Net Cash Provided By Financing Activities		154,924,562	140,995,359
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,198**	**-**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR / INCEPTION		**-**	**-**
CASH AND CASH EQUIVALENTS AT END OF YEAR		**$ 2,198**	**$ -**

The accompanying notes are an integral part of these audited financial statements

Notes to the Financial Statements

General Information

CPCP Designated Activity Company (the "Company") 2nd Floor, Block E, Iveagh Court Harcourt Road, Dublin 2, Ireland, is a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997 (as amended) and was incorporated on 1 March 2019 in Ireland under the Companies Act 2014. The registered number is 644844.

The Company invests all of its assets in the CPCP Unitranche Investments LP and CPCP Levered Unitranche Investments LP (the "Investment Partnerships"). The investment objective of the Company is the same as the investment objective of the Investment Partnerships, which is to generate high current income while preserving investors' capital.

The capital of the Company is committed by its limited partners (the "Limited Partners") for duration with no redemption options. The Limited Partners have committed amounts of capital that can be called by the Company therefore the structure of the company is closed-end in nature.

The Company has issued Profit Participating Notes to Crescent Private Credit Partners LP (the "Partnership") pursuant to a Securities Purchase Agreement dated 1 April 2019 among the Company as the issuer and Bank of New York Mellon SA/NV, Dublin Branch, as the depositary. The Profit Participating Notes do not bear a stated interest rate but rather w ill accrue interest based on the accumulated net profits of the Company. Substantially, all of the profits of the Company w ill accrue as interest expense for the Profit Participating Notes.

The Company had no employees during the year ended 31 December 2020 (31 December 2019: Nil).

1. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and Irish Statute comprising the Companies Act 2014.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, except for financial instruments, which are measured at fair value and have been properly prepared in accordance with the framework and regulation mentioned in 1 (a) above. Prior year financial reporting was for a period of 10 months ending 31 December 2019 and therefore results are not comparable with current year. Critical accounting judgements and key sources of estimation uncertainty considered in the preparation of financial statements are detailed below.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the financial year. Actual results could differ from those estimates.

The judgments, estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

only that period or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant areas of uncertainty or judgement in applying accounting policies except for the estimation of the fair values of the Company’s financial instruments as set out below and in Note 4 and Note 8.

The Company invests all of its assets (after deduction of the costs of administration fees and other operational costs) in the Investment Partnerships, the NAV of which is calculated on a quarterly basis by the Administrator. The investment in the Investment Partnerships is stated at its fair value based on the reported NAV of the Investment Partnerships as determined by its administrator.

All references to net assets throughout this document refer to net assets attributable to investors unless otherwise stated.

Key considerations regarding which entities qualify as subsidiary

Under IFRS 10 – Consolidated Financial Statements (“IFRS 10”), an investor controls an investee, and that investee is therefore a subsidiary, when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This definition of control reflects that an investor can achieve power over an investee in many ways, not just through governing financial and operating policies.

An investor must therefore assess whether it has rights to direct the relevant activities of the investee and therefore assess whether or not that investee is a subsidiary. Although exposure to risks and rewards is an indicator of control, it is not the sole focus. That is, to determine whether it controls an investee an investor shall assess whether it has all the following:

a. power over the investee;
b. exposure, or rights, to variable returns from its involvement with the investee; and
c. the ability to use its power over the investee to affect the amount of the investor's returns.

When assessing control of an investee, an investor shall consider the nature of its relationship with other parties.

In deciding whether any of the investments held by the entity satisfy the definition of a subsidiary, the Directors considered the requirements of IFRS 10, as detailed below, and concluded that the Company through its voting rights has the ability to exercise control over any investee it has classified as a subsidiary.

Key considerations regarding the Company’s “Investment entity” status

In deciding that the Company qualifies as an investment entity, the Directors considered whether or not the entity displayed the Company business purpose, design and following characteristics:
IFRS 10 defines an investment entity as an entity that:

i) Obtains funds from one or more investors for the purpose of providing those investor(s) with professional investment management services;
ii) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both, and

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

iii) Measures and evaluates the performance of substantially all of its investments on a fair value basis.

Further, IFRS 10 notes that an investment entity displays the following characteristics:

i) It has more than one investment, to diversify the risk portfolio and maximise returns;
ii) It has multiple investors, who pool their funds to maximise investment opportunities;
iii) It has investors that are not related parties of the entity, and
iv) It has ownership interests in the form of equity or similar interests.

The investment objective of the Company is to generate high current income while preserving investor's capital by investing up to 100 per cent of its net assets in the Partnerships. The Partnerships makes investments on a leveraged basis primarily in senior secured loans of private U.S. lower-middle-market companies that are, in many cases, controlled by private equity investment firms.

In summary, the Company is a Special Purpose Vehicle structured similar to a typical master feeder fund whose business purpose is to generate investment income on the capital it has raised from the ultimate beneficial owners.

Under IFRS 10, an entity may still qualify as an investment entity even if the significant ownership interests are in the form of debt, provided that the debt holders are exposed to variable return, from changes in the fair value of the entity's net assets, which is the case with the Company as the return is based on income and gains of the Company generated from the underlying assets less losses and operating expenses. The structure of the Company operates such that all the risks and rewards are transferred to the Note-holders who are ultimately the beneficial owners.

Accordingly, it is concluded that the Company qualifies as an investment entity under IFRS 10; therefore, the Company has not consolidated its investment but rather accounted for it at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments".

(c) Structured Entity

IFRS 12 states that a structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Structured entities often have restricted activities, a narrow and well-defined objective and need subordinated financial support.

The Company has assessed whether the Investment Partnership in which it invests should be classified as structured entity. The Company has considered the voting rights and other factors including the rights to redeem holdings. The Company has concluded as to whether these rights are the dominant factor in controlling the subsidiary, or whether the contractual agreement the subsidiary is a dominant factor. The Company concluded that the Investment Partnership is a structured entity, because the relevant activities are directed by means of the contractual agreement rather than the voting rights or other similar rights.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(d) New standards adopted during the year

The below table lists the recent changes to the Standards that are required to be adopted in annual periods beginning on 1 January 2020. The directors have concluded that these standards have no impact on the financial performance or financial position of the Company.

New standards or amendments	Effective date
Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
Definition of Material – amendments to IAS 1 and IAS 8	1 January 2020
Definition of a Business – amendments to IFRS 3	1 January 2020
Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020

(e) New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2020 and not early adopted by the Company

The Directors have reviewed the below mentioned standards and amendments that are issued but not yet effective up to the date of issuance of the Company's financial statements and concluded that none of those new standards and interpretations will have an impact on the Company's financial statements and therefore do not plan to adopt them early.

New standards or amendments	Effective date
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	1 June 2020
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
- AIP IAS 41 Agriculture – Taxation in fair value measurements - AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities - Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) - Annual Improvements to IFRS Standards 2018–2020 - Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) - Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date deferred indefinitely

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash in bank together with short term, highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value and with original maturities of three months or less.

(g) Foreign currency

(i) Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates. The financial statements of the Trust are presented in United States Dollars ("USD"), which reflects the fact that the Company's investments are typically denominated in USD ($) which is the functional and presentational currency of the Company.

(ii) Foreign currency translation

Assets and liabilities denominated in foreign currencies have been translated at the rates of exchange prevailing at the year end. Transactions in foreign currencies are translated into $ at exchange rates ruling at the transaction dates. Gains and losses on foreign exchange transactions are recognised in the Statements of Comprehensive Income in determining the result for the year.

(h) Interest income and expense

Interest income and expense is recognised in the Statement of Comprehensive Income on an accrual basis in line with contractual terms.

(i) Taxation

The corporation tax expense comprises current and deferred tax. Corporation tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustments to tax payable in respect of previous years.

Deferred tax is provided for on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following: temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefits will be realised.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(j) Expenses

The Investment Partnership pays certain expenses incurred in connection with the operations of the Company. Such fees include AIFM, Depositary, Custody fee, Administrator, Audit, Tax and legal fee. These expenses are then allocated to the Company based on the amount of commitment the Investment Partnership has in Company as well as the commitment the Investment Partnership has in Company.

(k) Profit Participating Notes

The profit participating notes are designated as financial liabilities at fair value through profit and loss. A liability may be designated at fair value through profit or loss when it eliminates or significantly reduces a measurement or recognition inconsistency, "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis. Where an accounting mismatch would otherwise exist, financial liabilities are measured at fair value through profit or loss.

The profit participating notes of the company are limited recourse in nature. The fair value of the PPN is measured and driven by the investments made by Crescent Private Credit Partners LP. At maturity/settlement the notes will be settled at an amount equal to the proceeds of the disposal of Investment in CPCP Levered Unitranche Investments LP and CPCP Unitranche Investments LP. As such the profit participating notes are designated as financial liabilities at fair value through profit and loss as it eliminates an accounting mismatch that will result from measuring the Investment in CPCP Levered Unitranche Investments LP and CPCP Unitranche Investments LP at fair value through profit or loss and the profit participating notes on a different basis.

Unrealised gain/loss on profit participating notes is comprised of all income and gains earned by the Company from its assets, liabilities and related arrangements after deducting the losses suffered by the company, operating expenses, un-adjusted carry forward losses and an annual corporate benefit/profit of $5,000 (2019: $3,750) where there are available profits. The Company will pay interest at such times as it may from time to time in its absolute discretion determine, after giving a notice of not less than one business day to profit participating notes security holders. Carry forward losses are any negative amount resulting from the computation of the retained earning brought forward at the beginning of year.

(l) Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

(i) Classification

The Company invests solely in the Investment Partnership. The Company classifies its investments in the Investment Partnership as financial assets at fair value through profit or loss upon initial recognition, in accordance with IFRS 9.

Financial assets classified at fair value through profit or loss upon initial recognition are those that are managed and their performance evaluated on a fair value basis.

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(l) Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss (continued)

(i) Classification (continued)

a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured at fair value through profit or loss on the basis of both:

i) The entity's business model for managing the financial assets; and
ii) The contractual cash flow characteristics of the financial asset.

Financial assets measured at FVTPL

Under IFRS 9, a financial asset is measured at fair value through profit or loss if:

i) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
ii) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

iii) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities measured at FVTPL

Under IFRS 9, a financial liability is measured at FVTPL if it meets the definition of held for trading or if it has been designated as at fair value through profit or loss. The Company includes in this category, Notes issued and designated at FVTPL.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category, other payables and interest accrued on Notes.

(ii) Recognition

Financial asset/financial liability at fair value through profit or loss are recognised when the Company becomes party to the contractual provisions of the instrument being the trade date.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(l) Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss (continued)

(iii) Measurement

At initial recognition financial asset/financial liability are measured at fair value. Transaction costs on financial asset/financial liability at fair value through profit and loss are expensed as incurred in the Statement of Comprehensive Income.

Subsequent to initial recognition, financial asset/financial liability at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in their fair value are included in the Statement of Comprehensive Income for the period in which they arise. The investment in the Investment Partnership is stated at its fair value based on the reported Net Asset Value ("NAV") of the Investment Partnership. Fair value of the Investment Partnership is allocated to the Company pro-rata based on the capital commitments of the Company.

(iv) Derecognition

The Company derecognises a financial asset/financial liability when the contractual rights to the cash flows from the financial asset/financial liability expire, or when it transfers the financial asset/financial liability in a transaction in which substantially all the risks and rewards of ownership of the financial asset/financial liability are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset/financial liability.

Liabilities for the structure are borne at the Investment Partnership level and allocated amongst the entities of the structure pro rata based on committed capital of the entities.

(v) Realised gains and losses

Realised gains and losses on derecognition are determined using the weighted average method and are included in the Statement of Comprehensive Income for the period in which they arise.

(vi) Impairment

The Company holds only accounts receivables with no financing component and which have maturities of less than 12 months at amortised cost as per Note 3, as such, has chosen to apply an approach similar to the simplified approach for Expected Credit Losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(m) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty. There is no offsetting agreement in place, therefore, no offsetting of assets and liabilities occurred as at 31 December 2020 (31 December 2019: $Nil).

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

(n) Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

On January 30, 2020, the World Health Organization ("WHO") declared the COVID-19 outbreak a global health emergency. On March 11, 2020, the WHO announced that COVID-19 is a pandemic. As a result of the Coronavirus, many countries have required companies to limit or suspend business operations and have implemented travel restrictions. These actions have disrupted supply chains and curtailed operations of many companies around the world, including but not limited to companies in the tourism, hospitality, transportation, retail, entertainment, gaming and manufacturing sectors. In addition, many US states and municipalities have instituted restrictions or recommendations regarding interpersonal activities, such as encouraging social distancing, that have materially changed commercial activity in large parts of the US. Given the nature of the outbreak and the on-going developments, there is a high degree of uncertainty and it is not possible at this time to predict the extent and nature of the overall future impact on the Company. While the global pandemic has negatively impacted certain of the portfolio companies held within the Company, such impacts are generally considered temporary in nature and the impacts have been considered in our December 31, 2020 valuations. The Company has not been impacted by the pandemic in such a degree that it has affected its ability to continue as a going-concern.

2. Net gain and loss on financial assets and liabilities at fair value through profit or loss:-

Net gain and loss on financial assets at fair value through profit and loss		**2020**	**2019**
Change in unrealised gain from financial assets at fair value through profit or loss	$	15,540,336	36,982
Net change in unrealised gain on financial assets at fair value through profit or loss	$	15,540,336	36,982

Net gain and loss on financial liabilities at fair value through profit and loss		**2020**	**2019**
Net change in unrealised loss on financial liabilities at fair value through profit or loss	$	15,419,628	33,232

3. Financial Risks

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk, foreign currency risk and price risk.

Notes to the Financial Statements

3. Financial Risks

Interest Rate Risk (continued)

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Company holds the profit participating notes which are designated as financial liabilities at fair value through profit and loss.

The Company has indirect exposure to interest rate changes on the valuation of the interest bearing assets and liabilities held at the Investment Partnership. It may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Company invests as the interest earned at the Investment Partnership impacts the valuation of the investments. As such, the Interest Rate Risk is primarily at the level of the Investment Partnership.

Notes to the Financial Statements

3. Financial Risks (continued)

Interest Rate Risk (continued)

At 31 December 2020	Interest Bearing	Non-interest Bearing	Total
Assets			
Investment in Investment Partnerships at Fair Value	$ -	$ 311,464,256	$ 311,464,256
Cash and Cash Equivalents	-	2,198	2,198
Due from Partners	-	53,304,619	53,304,619
Receivable from Shareholder	-	1	1
Interest Receivable	-	823	823
Total assets	$ -	$ 364,771,897	$ 364,771,897
At 31 December 2020			
Liabilities			
Profit Participating Note	$ 311,372,780	$ -	$ 311,372,780
Due to Affiliates	-	76,603	76,603
Investment Payable	-	53,304,619	53,304,619
Audit and Tax Service Fee Payable	-	10,500	10,500
Corporation Tax Payable	-	8	8
Interest Payable	-	823	823
Total liabilities	$ 311,372,780	$ 53,392,553	$ 364,765,333

At 31 December 2019	Interest Bearing	Non-interest bearing	Total
Assets			
Investment in Investment Partnerships at Fair Value	$ -	$ 141,032,340	$ 141,032,340
Receivable from Affiliates	-	25,290,419	25,290,419
Receivable from Shareholder	-	1	1
Due from Partners	-	5,699,011	5,699,011
Total assets	$ -	$ 172,021,771	$ 172,021,771
At 31 December 2019			
Liabilities			
Profit Participating Note	$ 141,028,590	$ -	$ 141,028,590
Investment Payable	-	30,989,430	30,989,430
Corporation Tax Payable	-	937	937
Total liabilities	$ 141,028,590	$ 30,990,367	$ 172,018,957

The Company determined that due to the nature of its underlying investment, the sensitivity of net profit and equity to fluctuations in Interest Rate Risk is insubstantial as there is no material interest receivable outstanding on the assets.

Notes to the Financial Statements

3. Financial Risks (continued)

Foreign Exchange Risk

Foreign exchange risk exists where assets and liabilities are denominated in currencies other than the functional currency of the Company with the effect that the Statement of Financial Position and Statement of Comprehensive Income may be affected by currency movements. The functional currency of the Company is the USD.

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. For the purpose of IFRS 7, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency. However, management monitors the exposure on all foreign currency denominated assets and liabilities. Due to the majority of the Company's assets and liabilities being denominated in US Dollars, the Directors believe that the Company is not exposed to any significant foreign exchange risk.

Price Risk

Price risk is the risk that the value at which a security is recorded is not reflective of the amount that will be realised on maturity or by sale. This most frequently occurs where instruments are difficult to price because they are infrequently traded so a consensus market price is hard to ascertain.

The investments are held at the Investment Partnership and are controlled by the management at the level of the Investment Partnership. The price risk is minimal due to the investment in the investment partnership is recorded at the fair value based on net asset value.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company believes that it has minimal exposure to liquidity risk, due to its closed-end nature. The capital of the Company is committed by its limited partners (the "Limited Partners") for a duration with no redemption options. A summary of the Company's financial liabilities categorized by expected maturity is as follows:

Notes to the Financial Statements

3. Financial Risks (continued)

Liquidity Risk (continued)

At 31 December 2020		Less than 1 month		3 months to 1 year		> 1 year		Total
Profit Participating Note	$	-	$	-	$	311,372,780	$	311,372,780
Investment Payable		-		53,304,619		-		53,304,619
Audit and Tax Service Fee Payable		-		10,500		-		10,500
Interest Payable		-		823		-		823
Due to Affiliates		-		76,603		-		76,603
Corporation Tax Payable		-		-		8		8
Total financial liabilities	$	-	$	53,392,545	$	311,372,788	$	364,765,333

At 31 December 2019		Less than 1 month		1 -3 months		3 months to 1 year		Total
Profit Participating Note	$	-	$	-	$	141,028,590	$	141,028,590
Investment Payable		-		30,989,430		-		30,989,430
Corporation Tax Payable		-		-		937		937
Total financial liabilities	$	-	$	30,989,430	$	141,029,527	$	172,018,957

Credit Risk

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Financial assets subject to IFRS 9's impairment requirements

The Company's financial assets subject to the expected credit loss model within IFRS 9 are only short-term accounts and other receivables. There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk as of 31 December 2020 and 31 December 2019 was:

		2020		2019
Investment in Investment Partnerships at Fair Value	$	311,464,256	$	141,032,340
Cash and cash equivalents		2,198		-
Receivable from Affiliates		-		25,290,419
Due from Partners		53,304,619		5,699,011
Interest Receivable		823		-
Receivable from Shareholder		1		1
Total	**$**	**364,771,897**	**$**	**172,021,771**

3. Financial Risks (continued)

Credit Risk (continued)

Financial assets subject to IFRS 9's impairment requirements (continued)

As only short-term accounts and other receivables are impacted by the IFRS 9 ECL model, the Company has adopted the simplified approach. No loss allowance has been recognised as the amortised cost financial assets are short term in nature and IFRS 9 ECL provision is not material.

Financial assets not subject to IFRS 9's impairment requirements

The carrying value of assets represents the Company's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

Credit risk arises from the possibility of counterparties failing to meet their obligations to the Company and represents the most significant category of risk. The Company manages the credit risk by engaging in full analysis of possible investments and limiting investments to high credit quality institutions.

Cash and cash equivalents

The Company's cash and cash equivalents are held with the Bank of New York Mellon which is rated Aa1 by Moody's Corporation in 2020 and 2019.

Exposure to Credit Risk by the Company is considered minimal as it is ultimately borne by the noteholders due to the limited recourse nature of the profit participating notes.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company limits its exposure to operational risks by outsourcing all administration functions to the Administrator. The management functions continue to be held by the investment manager.

4. Fair Value of Financial Instruments

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on last traded price on the reporting date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

To estimate the fair value of financial assets and liabilities for which there is no active market, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation models are used primarily to value bank debts and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. Financial instruments are fair valued by reference to counterparty pricing.

Notes to the Financial Statements

4. Fair Value of Financial Instruments (continued)

Fair values are subject to a control framework designed to ensure that they are either determined or validated by a function independent of the risk taker.

The Company has adopted a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Fair Value Hierarchy

The fair value hierarchy has the following levels:

Quoted Market Price (Level 1)
Quoted prices are available in active markets for identical investments from market data sources as of the reporting date.

Valuation technique using observable inputs (Level 2)
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Valuation technique with significant unobservable inputs (Level 3)
Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgement or estimation. Included in this category is the investment into the Investment Partnership, which invests in Level 3 assets.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities.

The Company invests up to 100 per cent of its net assets into the Investment Partnership which makes investments on a leveraged basis primarily in senior secured loans of private U.S. lower-middle-market companies that are controlled by private equity investment firms. The investments' fair value is determined by the fair value of the investments in the Investment Partnership. The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by level).

Notes to the Financial Statements

4. Fair Value of Financial Instruments (continued)

	Total	Level 1	Level 2	Level 3
Assets				
Investment in Investment Partnerships at Fair Value	$ 311,464,256	$ -	$ -	$ 311,464,256
Total	$ 311,464,256	$ -	$ -	$ 311,464,256
Liabilities				
Profit Participating Note	$ 311,372,780	$ -	$ -	$ 311,372,780
Total	$ 311,372,780	$ -	$ -	$ 311,372,780

2019

	Total	Level 1	Level 2	Level 3
Assets				
Investment in Investment Partnerships at Fair Value	$ 141,032,340	$ -	$ -	$ 141,032,340
Total	$ 141,032,340	$ -	$ -	$ 141,032,340
Liabilities				
Profit Participating Note	$ 141,028,590	$ -	$ -	$ 141,028,590
Total	$ 141,028,590	$ -	$ -	$ 141,028,590

The following table analyses within the fair value hierarchy the Company's financial assets (by class) within Level 3 measured at fair value at 31 December 2020 and 31 December 2019.

	Investment at Fair Value 2020	Investment at Fair Value 2019
Balance at the beginning of the year / period	$ 141,032,340	$ -
Purchases	285,269,080	140,995,358
Sales	(130,377,500)	-
Unrealised Gain	15,540,336	36,982
Balance at the end of the year / period	**$ 311,464,256**	**$ 141,032,340**

There were no transfers between levels for the year ended 31 December 2020 (31 December 2019: $Nil).

Level 3 securities held at year end included an unrealised gain on financial assets at fair value through profit or loss of $15,540,336 (31 December 2019: $36,982).

The impact on profit and/or equity is estimated as a function of the fair value of the Net Asset Value (NAV) in the Investment Partnership at the year-end. The Company has determined that the sensitivity

Notes to the Financial Statements

4. Fair Value of Financial Instruments (continued)

analysis is not applicable since the NAV in the Investment Partnership represents the fair value at the end of the reporting year.

Financial Assets and Liabilities Not Carried at Fair Value but Which Fair Value is Disclosed
The financial instruments not measured at fair value through profit or loss includes short-term payables and receivables. The carrying values of these instruments are considered to be a reasonable approximation of their fair value.

5. Investment in Investment Partnerships

	2020	2019
Investment Partnerships	$ 311,464,256	$ 141,032,340
Investments in Investment Partnerships at fair value	**$ 311,464,256**	**$ 141,032,340**

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries but, rather recognizes them as investments at fair value through profit or loss.

Summary of unconsolidated subsidiaries	**Principal place of business**	**Proportion of ownership & voting rights**		**Net Profit for the year/period ended 31 December**		**Net Assets as at year/period ended 31 December**	
		2020	**2019**	**2020 $**	**2019 $**	**2020 $**	**2019 $**
CPCP Levered Unitranche Investments LP	Cayman Islands / United States of America	100%	100%	5,960,590	9,115	100,981,451	32,678,188
CPCP Unitranche Investments LP	Cayman Islands / United States of America	100%	100%	9,579,744	27,867	210,482,649	108,354,151
Total				**15,540,334**	**36,982**	**311,464,101**	**141,032,340**

Restrictions
The Company receives income in the form of dividends and interest from its investments in unconsolidated subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to the Company.

Support
The Company has no contractual commitments or current intentions to provide any financial or other support to its unconsolidated subsidiaries.

6. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following outlines the transactions between related parties. In addition it describes those transactions with parties who are deemed to be connected as defined by the Companies Act 2014 and to whom any payments made are required to be disclosed under Section 306(1) of the Companies Act 2014.

Notes to the Financial Statements

6. Related Party Transactions (continued)

Directors

Each director is entitled to remuneration of EUR 4,000 (ex VAT) per annum for their services out of the assets of the Company. In addition, the Directors are entitled to be reimbursed for their reasonable out-of pocket expenses incurred in discharging their duties as Directors. Director's remuneration is paid by the Investment Partnership and is not reimbursable.

The listing of the members of the board of Directors of the Company is shown on page 3 of the directors' report. The total remuneration of the Directors was prorated for the year and amounted to $14,658 (31 December 2019: $6,028).The amounts due as at 31 December 2020 amounted to $14,658 (31 December 2019: $6,028).

Connected Persons Transactions

The Directors confirm that there are arrangements in place, evidenced by written procedures, to ensure that any transactions carried out with the Company by the Directors and/or associated or group companies of these ("Connected Persons") are carried out as if negotiated at arm's length and in the best interest of the Company.

7. Fees and Expenses

During the year the Corporate Secretary fee, Directors fee, Administration fee, Audit and Tax fee, Professional fees and other expenses are recognised at the CPCP Designated Activity Company level. The prior year expenses were based on the allocation from the Investment Partnership. Details of such expenses are as follows.

Company Secretary Fees

Carne Global Financial Services Limited, the parent Company of the AIFM acts as Company Secretary to LP. The total company Secretary fees for the year ended 31 December 2020 amounted to $7,329 (For the period ended 31 December 2019: $Nil). The amounts due as at 31 December 2020 amounted to $Nil (31 December 2019: $Nil).

Administrator

In accordance with the Administration Agreement, the Administrator performs certain administrative services on behalf of the Partnership, including calculating and distributing the quarterly Net Asset Value and middle-office and back-office support activities for the Partnership, including reporting to the Limited Partners. In return, the Investment Partnerships pay the Administrator a services fee based on a sliding scale at a maximum rate of 0.09% on the Investment Partnerships' Net Asset Value including borrowings at the end of each quarter. The administration fees charged from the Company for the year ended 31 December 2020 amounted to $51,000 (For the period ended 31 December 2019: $204,232) of which $Nil (31 December 2019: $204,232) was outstanding as at 31 December 2020.

Audit Fees

Remuneration for all work carried out for the Company by the statutory audit firm has been specified in the table below as per section 322(1) of the Companies Act 2014. All amounts shown are including Valued Added Tax (VAT).

7. Fees and Expenses (continued)

Audit Fees (continued)

		2020		2019
Audit of the Company's statutory financial statements	$	10,500	$	11,531
	$	**10,500**	$	**11,531**

The remuneration for all work carried out for all Partnerships/Companies in the structure by the statutory auditor or the statutory audit firm in the audit of the financial statement for the year will be billed in the subsequent accounting year. The total audit fees for the year ended 31 December 2020 amounted to $10,500 (For the period ended 31 December 2019: $213,203) and $10,500 was outstanding at year ended 31 December 2020 (31 December 2019: $213,203). The statutory auditor did not provide any other services to the Company.

Tax Fees

The total tax advisory services fees for the year ended 31 December 2020 amounted to $11,227 (For the period ended 31 December 2019: $163,074) and $Nil was outstanding at year ended 31 December 2020 (31 December 2019: $163,074).

The remuneration for all tax work carried out for the Company is being accrued for the period which will be billed during the accounting period. The total tax fees for the year ended 31 December 2020 amounted to $Nil (For the period ended 31 December 2019:$600) $Nil was outstanding at year ended 31 December 2020 (31 December 2019: $600).

Legal Fees

The remuneration for all legal work carried out for the Company for the year ended 31 December 2020 amounted to $Nil (For the period ended 31 December 2019:$52,592) $Nil was outstanding at year ended 31 December 2020 (31 December 2019: $52,592).

Other Expense

Other expenses are comprised of interest expense. The expense incurred for the year ended 31 December 2020 amounted to $239 (For the period ended 31 December 2019: $Nil). There was no amount due as of 31 December 2020 (31 December 2019: $Nil).

Professional Fees

Professional Fees are mainly comprised of International Stock Exchange fees. The amount incurred as fees for the year ended 31 December 2020 amounted $20,755 (For the period ended 31 December 2019: $Nil). There was no amount due as of 31 December 2020 (31 December 2019: $Nil).

8. Profit Participating Notes

The Company has authorised the issuance of profit participating notes of $10,000,000,000. These are transferable in the denomination of $10,000,000. The Company may redeem such notes any time before due date at its absolute discretion. The Company has the right to call additional capital from the holders of the profit participating notes in proportion of their existing holding, on more than one occasion in a minimum amount of $5,000.

Notes to the Financial Statements

8. Profit Participating Notes (continued)

Movements in profit participating notes during the year ended 31 December 2020 and 31 December 2019 was as follows:

		2020		2019
Balance at the beginning of the year / period	$	141,028,590	$	-
Profit participating notes issued		220,842,352		140,995,358
Profit participating notes redeemed		(65,917,790)		-
Net unrealised loss		15,419,628		33,232
Balance at the end of the year / period	$	**311,372,780**	$	**141,028,590**

The notes are limited recourse in nature, whereby, the Investor shall have recourse only to the Investment for the discharge of their claims against the Issuer. If after the Investment has been realized, the net proceeds are insufficient for the Issuer to make all payments which would then be due, the obligations of the Issuer will be limited to such net proceeds of realization.

In the event of a loss, the loss w ill be borne by the investors in the Company.

9. Share Capital

The authorised share capital of the Company is €10,000,000 divided into 10,000,000 ordinary shares of €1 each (the “Shares”).

The Company may, before such expiry, make an offer or agreement which would or may require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred has not expired.

The shares are held by Carne International Limited. As at 31 December 2020, 1 share was held (31 December 2019:1). Amount receivable from shareholder as at 31 December 2020 amounted to $1 (31 December 2019: $1).

The changes in share capital during the year ended 31 December 2020 and 31 December 2019 are shown below:

		2020		2019
Shares at beginning of the year / period	$	1	$	-
Shares issued during the year		-		1
Shares at the end of the year / period	$	**1**	$	**1**

10. Taxation

a) Analysis of statement of comprehensive income charge

		Year ended December 31, 2020		Period ended December 31, 2019
Current tax:				
Irish corporation tax on profit for the year	$	1,250	$	937
	$	**1,250**	$	**937**

Notes to the Financial Statements

10. Taxation (continued)

a) Analysis of statement of comprehensive income charge (continued)

There was no amount of deferred tax (31 December 2019: $Nil) either provided or unprovided, at the statement of financial position date. The amounts payable as at 31 December 2020 amounted to $8 (31 December 2019: $937).

b) Factors affecting the tax charge for the year

The tax assessed for the year is equal to the standard rate of corporation tax in the Republic of Ireland (25%). Below is the reconciliation of the tax charge based on the accounting profit for the year to the actual tax charge for the year.

	Year ended December 31, 2020		Period ended December 31, 2019	
Profit on ordinary activities before taxation	$	**5,000**	$	**3,750**
Tax on profit on ordinary activities at standard corporation tax rate 25%	$	**(1,250)**	$	**(937)**

The Company is an Irish registered Company and is structured to qualify as a securitization company under Section 110 of the Taxes Consolidation Act 1997. As such, the profits are chargeable to corporation tax under Cases III Schedule D at a rate of 25 percent but are computed in accordance with the provisions applicable to Case I Schedule D.

c) Factors affecting future tax charges

The tax charge for future years will be affected by any future changes to the corporation taxation rates in force in the Republic of Ireland.

11. Commitments and Contingencies

At year end there are no capital commitments or contingencies (31 December 2019: $Nil).

12. Soft Commission Arrangement

There were no soft commission arrangements affecting the Company during the year ended 31 December 2020 (31 December 2019: $Nil).

13. Significant Events During the Year

Except as already included in the notes to these financial statements, the management has determined that there were no other significant events during the year which require adjustment to or disclosure in the financial statements.

14. Subsequent Events

The management has evaluated subsequent transactions and events after the Statements of Financial Position date through 24 June 2021, the date on which these financial statements were approved, and except as detailed above and in note 13, has determined that there were no material subsequent events which require adjustment to or disclosure in the financial statements.

Notes to the Financial Statements

15. Capital Management

The Company views and manages the profit participating notes issued disclosed in note 8 issued as its capital. The Company is a special purpose vehicle set up to issue debt instruments for the purpose of making investments as disclosed in its investment objective on page 4 of the financial statements. Share capital as detailed in note 9 was issued in line with Irish company law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

16. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 24 June 2021.