

Registered Number: OC352581

BLACKSTONE EUROPE LLP
(formerly THE BLACKSTONE GROUP INTERNATIONAL PARTNERS LLP)

**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**



BLACKSTONE EUROPE LLP

INFORMATION

Designated Members

Blackstone Group International Holdings LLC ("BGIH LLC")
The Blackstone Group International Limited ("BGIL")
Marc Bolland (resigned 31 December 2023)
Farhad Karim

LLP registered number

OC352581

Registered office

40 Berkeley Square
London
United Kingdom
W1J 5AL

Independent auditors

Deloitte LLP
1 New Street Square
London
United Kingdom
EC4A 3HQ

BLACKSTONE EUROPE LLP

CONTENTS

	Page
Members' Report	1 – 5
Independent Auditor's Report	6 – 9
Statement of Comprehensive Income	10
Statement of Financial Position	11 – 12
Statement of Changes in Members' Interests	13 – 14
Notes to the Financial Statements	15 – 25

BLACKSTONE EUROPE LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The members present their annual report together with the audited financial statements of Blackstone Europe LLP (formerly The Blackstone Group International Partners LLP) (the "LLP") for the year ended 31 March 2024. The LLP is based in London, United Kingdom, and has a branch in Abu Dhabi.

Principal activities

The LLP was incorporated on 24 February 2010 and commenced trading on that date. The LLP is authorized by the Financial Conduct Authority ("FCA").

The principal activity of the LLP is to provide sub-advisory services to group entities of Blackstone Inc. ("Blackstone" or "Group"). The LLP's immediate controlling corporate member is Blackstone Group International Holdings LLC ("BGIH LLC"). The ultimate parent company of the LLP is Blackstone Inc., a corporation listed on the New York Stock Exchange.

The results for the year are set out in the Statement of Comprehensive Income. The LLP considers the following key indicators in analysing the business performance. Profit for the year available for discretionary division amongst members amounts to \$159,674,821 (2023: \$130,599,855), an increase of 22%. The year on year movement is primarily due to an increase in employees during the year and growth in normal operations. The Statement of Financial Position shows a satisfactory position at year end, with members' interests amounting to \$266,423,065 (2023: \$355,828,015).

As the LLP mainly provides sub-advisory services to the relevant group entities of Blackstone, market conditions have had little impact on the results for the year, and the members do not believe that uncertain market conditions will significantly impact the LLP going forward.

Designated members

BGIH LLC, The Blackstone Group International Limited ("BGIL") and Farhad Karim were designated members of the LLP throughout the period and up to the date of this report, and Marc Bolland was a designated member until 31 December 2023. Decisions of the LLP relating to certain strategic matters ("The LLC Reserved Matters"), are reserved for the designated member, BGIH LLC, as set out in the Amended and Restated Limited Liability Partnership Deed dated 25 July 2011 ("the LLP deed"), as amended on 9 December 2019 and 21 March 2024.

Members' capital and interests

Policies for members' drawings, subscriptions and repayment of members' capital are governed by and set out in the LLP deed.

Members' capital requirements are determined from time to time having regard to the requirements of the LLP. For outgoing members, capital is repayable in accordance with the LLP deed and therefore members' capital is disclosed as a liability in line with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" dated 2022, for accounting periods commencing 1 January 2022.

Subject to the LLP maintaining its regulatory capital requirements, each member is entitled to a fixed amount specified in the Profit Share Agreement in place between each member and the LLP. Secondly, each member may be allocated a further discretionary profit distribution with the approval of BGIH LLC. See Statement of Changes in Members' Interests for details.

BLACKSTONE EUROPE LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Principal risks and uncertainties

The LLP has a risk management framework that identifies, assesses, mitigates, monitors and manages the LLP's principal risks on an ongoing basis. The members believe they have taken an appropriate approach in their consideration of the various risks encountered by the LLP. The key risk exposures of the LLP are described as follows:

1. Strategic and Business risk

The LLP is dependent on Blackstone and its related entities for most of its revenue. Any factors that could cause Blackstone to be unwilling or unable to support the LLP, or any factor that could result in the loss of the LLP's sub-advisory relationships, could result in a wind down of the LLP's operations.

2. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. For example, systems compromised by cyber security attacks may have financial, regulatory, reputational and/or client impacts and may inadvertently lead to distribution of confidential information. Operational risk is multifaceted and includes the following key areas: Marketing, Legal and Compliance, Finance, Tax, Operations, Information Technology, Human Resources, Governance and Outsourced service providers.

3. Financial risk

The LLP is exposed to financial risk through its principal activities and its financial assets and liabilities. The key components of financial risk include liquidity, counterparty and insurance risk.

4. Legal and Compliance risk

Legal and compliance risk is the risk of negative impact to the LLP arising from the violations of laws, rules, or regulations, or from non-conformance with prescribed practices, internal policies, procedures, ethical standards or supervisory guidelines. Examples include:

- a. The LLP engaging in any activity which could be considered insider dealing or market manipulation, resulting in regulatory and/or reputational damage.
- b. Breach of regulatory rules by staff and the risk that these are not appropriately addressed.
- c. Failure to safeguard information in breach of data protection and privacy regulations.

Risk management

The LLP has a risk management governance structure that facilitates discussion and decision making with respect to risk matters at the LLP level and, as relevant, at the Blackstone level. The structure also enables effective and efficient escalation of risk issues. These governance arrangements are appropriate to the size, nature and complexity of the business.

The LLP's Executive Committee ("ExCo") is the LLP's governing body, with responsibility for the supervision and oversight of the LLP's business and compliance with all applicable laws and regulations.

BLACKSTONE EUROPE LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Risk management (continued)

The ExCo is ultimately responsible for the LLP's risk management and is supported by business units and the corporate functions for day-to-day and periodic monitoring and maintenance of risk management controls. The ExCo has oversight of the LLP's policies and controls. The ExCo meets at least quarterly (and more frequently if required) and receives regular updates from relevant business functions and activities including, but not limited to: business initiatives, finance updates including financial reports, internal and external audit reports, Legal and Compliance updates and Human Resources updates.

Certain members of the ExCo are also members of global governance committees, which allows for escalation within the LLP and Blackstone. Blackstone's Enterprise Risk Committee ("ERC") was established to identify, assess, monitor and mitigate such key enterprise risks at the corporate, business unit and fund level. The ERC is chaired by Blackstone's Chief Financial Officer and is comprised of senior management across business units, corporate functions and regions. The LLP is represented on the Committee by the Chairman of the LLP. Additionally, senior members of the global Legal & Compliance team are members of the ERC.

The enterprise risk management framework is designed to manage non-investment risk areas, such as strategic, financial, human capital, legal, operational, regulatory, reputational and technology risks. Key enterprise topics may require stakeholders to evaluate key risks and the mitigating controls, to identify gaps, oversee implementation of action plans, and report results to the ERC.

Going concern

The LLP provides sub-advisory services to the group entities of Blackstone and the members do not foresee any changes in the level of activity. Having reviewed cash flow forecasts for a period of at least twelve months, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the going concern basis has been adopted in preparing the Members' report and financial statements.

BLACKSTONE EUROPE LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Energy and Carbon Report

Green house gas emissions and energy use data for the period 1 April to 31 March

	2024	2023
Energy consumption used to calculate emissions: /kWh	2,074,249	1,982,482
Emissions from combustion of gas tCO2e (Scope 1)	-	-
Emissions from combustion of fuel for transportation purposes (Scope 1)	-	-
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	-	-
Emissions from purchased electricity tCO2e (Scope 2, location-based)	429.52	383.37
Total gross tCO2e based on above	429.52	383.37
Intensity ratio: tCO2e (gross Scope 1 + 2) tCO2e per \$1,000,000 of turnover	0.71	0.71

Calculation methodology

The above captures energy consumption and greenhouse gas emissions resulting from activities that the LLP is responsible for. Energy consumed is based on actual kWh information received, in addition to some estimates where information for the period was not yet available. The calculation of emissions is based on UK Government GHG Conversion factors.

Energy efficiency action

Blackstone's continued office expansion has created opportunities to improve energy efficiency and environmental performance at Blackstone's global offices. The Global Corporate Services ("GCS") team is responsible for managing and advancing these opportunities across various stages of building management including office construction, renovation, daily operations and procurement. The GCS team endeavors to optimize building management in support of the firm's sustainability efforts and operational excellence.

Select highlights from our office sustainability efforts include the following:

- 40 Berkeley Square London office continues to be supplied with renewable energy for 100% of its electricity needs.
- Blackstone will be the primary tenant of the newly constructed building, Lansdowne House, which will be constructed using recycled steel from the existing structure on site and outfitted with ground source heat pumps and solar panels. The landlord of Lansdowne House and Blackstone expect to pursue multiple sustainability building certifications, including BREEM Outstanding, WELL Platinum, NABERS 5 Star Rating and EPC A sustainability criteria.
- Blackstone seeks to improve energy efficiency and environmental performance at our global offices.

BLACKSTONE EUROPE LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Members' responsibilities statement

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

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

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

The members are responsible for keeping adequate 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 to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the 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.

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' report is approved has confirmed that:

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

Auditors

Deloitte LLP have indicated their willingness to be appointed as auditor and will be proposed for re-appointment as the independent auditor of the LLP.

This report was approved by the members and signed on their behalf by:



Farhad Karim
Designated member
Date: 21 June 2024

BLACKSTONE EUROPE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKSTONE EUROPE LLP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Blackstone Europe LLP (the 'LLP'):

- give a true and fair view of the state of the LLP's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to the LLP.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in members' interests; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 LLP'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.

BLACKSTONE EUROPE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKSTONE EUROPE LLP

Other information

The other information comprises the information included in the members 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. 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 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of members

As explained more fully in the members' responsibilities statement, 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 LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the LLP's industry and its control environment, and reviewed the LLP's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the members about their own identification and assessment of the risks of irregularities, including those that are specific to the LLP's business sector.

BLACKSTONE EUROPE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKSTONE EUROPE LLP

We obtained an understanding of the legal and regulatory frameworks that the LLP operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 as applied to Limited Liability Partnerships and Statement of Recommended Practice Accounting by Limited Liability Partnerships (2018); and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the LLP's ability to operate or to avoid a material penalty. These included breaches of the Money Laundering Regulations, and contractual agreements whose effects should be considered when preparing financial statements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above and in accordance with applicable ISAs, we identified the greatest potential of fraud and non-compliance with laws and regulations arises in the "Accrued Expenses" balance which is included in the "Creditors" financial statement line item, and our specific procedures performed to address it is described below:

- Accrued Expenses – Operating expenses are a key driver of revenue. It has been determined that there is a significant risk around the accrual of expenses due to the amount and nature of accruals being posted within the expense ledger closer to the end of the reporting period. Management has the ability to determine the amount of operating expenses and compensation to be accrued for the period, which in turn drives sub-advisory revenue. As such the balance is subject to management judgement and can include estimates. Our audit procedures include assessing the design and implementation of key controls and testing of the operating effectiveness of these key controls as well as performing substantive tests on accrued expenses.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to LLP's we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

BLACKSTONE EUROPE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKSTONE EUROPE LLP

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLP. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.



Yasir Aziz, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 21 June 2024

BLACKSTONE EUROPE LLP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		\$	\$
Turnover	4	<u>606,979,880</u>	<u>541,632,826</u>
Gross profit		<u>606,979,880</u>	<u>541,632,826</u>
Administrative expenses	5	<u>(324,623,297)</u>	<u>(305,578,535)</u>
Operating profit	6	<u>282,356,583</u>	<u>236,054,291</u>
Interest receivable and similar income		<u>18,067,244</u>	<u>10,766,873</u>
Profit before tax		<u>300,423,827</u>	<u>246,821,164</u>
Profit for the year before members' remuneration and profit division		<u>300,423,827</u>	<u>246,821,164</u>
Profit for the year before members' remuneration and profit division		<u>300,423,827</u>	<u>246,821,164</u>
Members' remuneration charged as an expense		<u>(140,749,006)</u>	<u>(116,221,309)</u>
Profit for the financial year available for discretionary division among members		<u>159,674,821</u>	<u>130,599,855</u>

There was no other comprehensive income for 2024 (2023: \$NIL).

The results for the period are derived from continuing operations.

The notes on pages 15 to 25 form an integral part of these financial statements.

BLACKSTONE EUROPE LLP

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 \$	2023 \$
Fixed assets			
Tangible assets	10	42,934,334	32,855,250
Non-current assets			
Debtors: Amounts falling due after more than one year	11	15,187,282	14,530,694
Current assets			
Debtors: Amounts falling due within one year	11	84,228,741	64,224,937
Cash at bank and in hand	12	<u>181,174,456</u> 265,403,197	<u>294,176,922</u> 358,401,859
Creditors: Amounts falling due within one year	13	(55,429,499)	(49,190,107)
Net current assets		<u>209,973,698</u>	<u>309,211,752</u>
Total assets less current liabilities		268,095,314	356,597,696
Creditors: Amounts falling due after more than one year	14	<u>(1,672,249)</u>	<u>(769,681)</u>
Net assets		<u>266,423,065</u>	<u>355,828,015</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		29,823,446	30,562,248
Members' other interests			
Members' capital classified as equity		13,000,000	13,000,000
Other reserves classified as equity		223,599,619	312,265,767
		<u>236,599,619</u>	<u>325,265,767</u>
		<u>266,423,065</u>	<u>355,828,015</u>
Total members' interests			
Loans and other debts due to members		29,823,446	30,562,248
Members' other interests		<u>236,599,619</u>	<u>325,265,767</u>
		<u>266,423,065</u>	<u>355,828,015</u>

BLACKSTONE EUROPE LLP

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2024

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



Farhad Karim
Designated member
Date: 21 June 2024

The notes on pages 15 to 25 form part of these financial statements.

BLACKSTONE EUROPE LLP

STATEMENT OF CHANGES IN MEMBERS' INTERESTS
AS AT 31 MARCH 2024

	Corporate members - capital accounts	Corporate members - current accounts	Individual members - current accounts	Total	Loans and other debts due to members less any amounts due from members in debtors	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 April 2023	13,000,000	312,265,767	-	312,265,767	30,562,248	355,828,015
Members' remuneration charged as an expense	-	-	-	-	140,749,006	140,749,006
Profit for the financial year available for discretionary division among members	-	99,712,933	59,961,888	159,674,821	-	159,674,821
After profit for the year	13,000,000	411,978,700	59,961,888	484,940,588	171,311,254	656,251,842
Introduced by members	-	-	-	-	2,640,158	2,640,158
Repayments of capital to members	-	-	-	-	(3,378,960)	(3,378,960)
Other divisions of profits	-	(333,532,320)	(59,961,888)	(393,494,208)	393,494,208	-
Payments to members during the year	-	-	-	-	(416,763,331)	(416,763,331)
Capital contributions in respect of share-based payments to employees	-	27,673,356	-	27,673,356	-	27,673,356
Other movements in respect of share-based payments to members	-	117,479,883	-	117,479,883	(117,479,883)	-
	13,000,000	223,599,619		236,599,619	29,823,446	266,423,065
Amounts due to members	-	-	-	-	29,823,446	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2024	13,000,000	223,599,619		236,599,619	29,823,446	266,423,065

BLACKSTONE EUROPE LLP

STATEMENT OF CHANGES IN MEMBERS' INTERESTS
AS AT 31 MARCH 2023

	Corporate members - capital accounts	Corporate members - current accounts	Individual members - current accounts	Total	Loans and other debts due to members less any amounts due from members in debtors	Total
Balance at 1 April 2022	13,000,000	313,900,095	-	326,900,095	25,271,660	352,171,755
Members' remuneration charged as an expense	-	-	-	-	116,221,309	116,221,309
Profit for the financial year available for discretionary division among members	-	86,256,329	44,343,526	130,599,855	-	130,599,855
After profit for the year	13,000,000	400,156,424	44,343,526	457,499,950	141,492,969	598,992,919
Introduced by members	-	-	-	-	7,359,091	7,359,091
Repayments of capital to members	-	-	-	-	(2,068,504)	(2,068,504)
Other divisions of profits	-	(212,960,199)	(44,343,526)	(257,303,725)	257,303,725	-
Payments to members during the year	-	-	-	-	(279,198,625)	(279,198,625)
Capital contributions in respect of share-based payments to employees	-	30,743,133	-	30,743,133	-	30,743,133
Other movements in respect of share-based payments to members	-	94,326,409	-	94,326,409	(94,326,409)	-
	13,000,000	312,265,767	-	325,265,767	30,562,248	355,828,015
Amounts due to members	-	-	-	-	30,562,248	-
Amounts due from members	-	-	-	-	-	-
Balance at 31 March 2023	13,000,000	312,265,767	-	325,265,767	30,562,248	355,828,015

BLACKSTONE EUROPE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. General information

Blackstone Europe LLP (formerly The Blackstone Group International Partners LLP) (the "LLP") is a limited liability partnership registered in England and Wales. The nature of the LLP's operations and its principal activities are described in the Members' Report on pages 1 - 5.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The financial statements are presented in United States Dollars (\$). The members consider this to be the currency of the primary economic environment in which the LLP operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions. The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position;
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation;
- the requirements of Section 11 Financial Instruments;
- the requirements of Section 12 Other Financial Instruments;
- the requirements of Section 33 Related Party Disclosures.

This information is included in the consolidated financial statements of Blackstone Inc. as at 31 December 2023 and these financial statements may be obtained from 345 Park Avenue, New York, NY 10154.

2.3 Going concern

The LLP provides sub-advisory services to the group entities of Blackstone and the members do not foresee any changes in the level of activity. Having reviewed cash flow forecasts for a period of at least twelve months, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the going concern basis has been adopted in preparing the Members' report and financial statements.

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- Shorter of useful life of the asset and leasehold term
Capital consulting	- 5 years
Furniture and fittings	- 7 years
Office equipment	- 5 years
Software	- 3 years
Paintings and antiques	- Not depreciated
Corporate membership	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

BLACKSTONE EUROPE LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Long term debtors and Loan receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.10 Share based payments

Blackstone issues equity-settled awards to certain employees and members.

Equity-settled awards are measured at fair value at the date of grant. Fair values of the awards have been derived based on the closing price of Blackstone Inc.'s closing stock price on the date of grant, multiplied by the number of unvested awards and expensed over the assumed service period which ranges from 1 to 5 years.

Additionally, the calculation of the compensation expense assumes forfeiture rates based upon historical turnover rates ranging from 6.80% to 13.80% annually by employee class.

Share based payments are offset by a corresponding capital contribution which is transferred to other reserves.

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.11 Operating leases: the LLP as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the LLP in independently administered funds.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described in Note 2, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects 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 critical accounting judgements, nor key sources of estimation uncertainty for the year ended 31 March 2024.

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

4. Turnover

An analysis of turnover by class of business is as follows:

	2024	2023
	\$	\$
Sub-advisory fees	606,916,239	541,593,901
Other revenue	63,641	38,925
	<u>606,979,880</u>	<u>541,632,826</u>

Analysis of turnover by country of destination:

	2024	2023
	\$	\$
United Kingdom	63,641	38,925
Rest of Europe	1,534,584	-
Rest of the world	<u>605,381,655</u>	<u>541,593,901</u>
	<u>606,979,880</u>	<u>541,632,826</u>

5. Administrative expenses

	2024	2023
	\$	\$
Staff costs	243,481,700	218,462,662
Other operating expenses	<u>81,141,597</u>	<u>87,115,873</u>
	<u>324,623,297</u>	<u>305,578,535</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2024	2023
	\$	\$
Depreciation of tangible fixed assets	6,077,819	10,014,267
Exchange differences	(1,902,849)	3,768,182
Other operating lease rentals	18,702,293	13,244,618
Defined contribution pension cost	<u>2,464,672</u>	<u>2,061,584</u>

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Auditor's remuneration

	2024	2023
	\$	\$
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	176,722	158,407
<hr/>		
Fees payable to the LLP's auditor and its associates in respect of:		
Other assurance services pursuant to legislation (CASS)	10,098	9,870
Taxation compliance services	8,836	8,636
Other services relating to taxation	171,559	202,302
	<hr/>	<hr/>
	190,493	220,808

8. Employees

Staff costs were as follows

	2024	2023
	\$	\$
Wages and salaries	205,651,360	188,585,185
Social security costs	35,365,668	27,815,893
Defined contribution pension cost	2,464,672	2,061,584
	<hr/>	<hr/>
	243,481,700	218,462,662

The average monthly number of persons employed during the year was as follows:

	2024	2023
	No.	No.
Sales and Services	366	363
Administration	156	135
	<hr/>	<hr/>
	522	498

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. Information in relation to members

	2024 No.	2023 No.
The average number of members during the year was	<u>72</u>	<u>65</u>
	2024 \$	2023 \$
The average members remuneration during the year was	<u>1,954,847</u>	<u>1,788,020</u>
Paid under the terms of the LLP agreement	<u>140,749,006</u>	<u>116,221,309</u>
	<u>140,749,006</u>	<u>116,221,309</u>
The amount of profit attributable to the member with the largest entitlement was	<u>8,165,902</u>	<u>9,526,779</u>

BLACKSTONE EUROPE LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Tangible fixed assets

	Leasehold improvements \$	Corporate membership \$	Capital consulting \$	Fixtures and fittings \$	Office equipment \$	Software \$	Paintings and antiques \$	Total \$
Cost								
At 1 April 2023	43,975,478	1,377,600	319,131	12,869,897	3,368,264	148,168	2,951,388	65,009,926
Additions	12,551,556	-	185,017	1,878,046	838,514	-	694,852	16,147,985
Disposals	-	-	-	-	-	-	-	-
At 31 March 2024	<u>56,527,034</u>	<u>1,377,600</u>	<u>504,148</u>	<u>14,747,943</u>	<u>4,206,778</u>	<u>148,168</u>	<u>3,646,240</u>	<u>81,157,911</u>
Depreciation								
At 1 April 2023	22,643,684	-	280,750	6,569,665	2,443,964	148,168	68,445	32,154,676
Charge for the year	4,164,081	-	10,084	1,516,806	390,764	-	(3,916)	6,077,819
Disposals	(8,918)	-	-	-	-	-	-	(8,918)
Transfers	(2,454)	-	699	1,755	-	-	-	-
At 31 March 2024	<u>26,796,393</u>	<u>-</u>	<u>291,533</u>	<u>8,088,226</u>	<u>2,834,728</u>	<u>148,168</u>	<u>64,529</u>	<u>38,223,577</u>
Net book value								
At 31 March 2024	<u>29,730,641</u>	<u>1,377,600</u>	<u>212,615</u>	<u>6,659,717</u>	<u>1,372,050</u>	<u>-</u>	<u>3,581,711</u>	<u>42,934,334</u>
At 31 March 2023	<u>21,331,794</u>	<u>1,377,600</u>	<u>38,381</u>	<u>6,300,232</u>	<u>924,300</u>	<u>-</u>	<u>2,882,943</u>	<u>32,855,250</u>

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Debtors

	2024	2023
	\$	\$
Amounts falling due after more than one year		
Loans receivables from employees	<u>15,187,282</u>	<u>14,530,694</u>
	<u>15,187,282</u>	<u>14,530,694</u>

Loan receivables from employees relates to interest bearing loans with employees as part of Blackstone's global co-investment programme, with an initial repayment term of 10 years.

	2024	2023
	\$	\$
Amounts falling due within one year		
Amounts owed by group undertakings	71,195,819	49,683,185
Other debtors	3,862,733	4,726,243
Prepayments and accrued income	8,407,998	9,001,886
Security deposit	250,732	156,880
Tax recoverable	<u>511,459</u>	<u>476,743</u>
	<u>84,228,741</u>	<u>64,224,937</u>

12. Cash at bank and in hand

	2024	2023
	\$	\$
Cash at bank and in hand		
Cash at bank and in hand	<u>181,174,456</u>	<u>294,176,922</u>
	<u>181,174,456</u>	<u>294,176,922</u>

Included in cash and cash equivalents are notional pooling deposits placed with a financial institution in Singapore.

Under the terms and conditions of the notional pooling arrangement, each participant provides a guarantee over any liabilities arising from any other participants in the arrangement. The guarantee is limited to the amount the LLP has deposited into the notional pooling. All participants in the notional pooling arrangement are affiliates of the LLP. The members are of a view that the affiliates are unlikely to default and therefore the risk of loss to the LLP is remote.

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. Creditors: Amounts falling due within one year

	2024	2023
	\$	\$
Amounts owed to group undertakings	2,390,986	1,509,874
Other taxation and social security	17,843,876	13,200,258
Other creditors	53,830	35,803
Accruals and deferred income	<u>35,140,807</u>	<u>34,444,172</u>
	<u>55,429,499</u>	<u>49,190,107</u>

14. Creditors: Amounts falling due after more than one year

	2024	2023
	\$	\$
Accruals and deferred income	<u>1,672,249</u>	<u>769,681</u>
	<u>1,672,249</u>	<u>769,681</u>

15. Defined contribution scheme

A defined contribution pension scheme is in operation. During the year, employer contributions of \$2,464,672 (2023: \$2,061,584) were made. A total of \$NIL (2023: \$NIL) employer pension contributions were accrued at the balance sheet date.

16. Commitments under operating leases

As at 31 March 2024, the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods.

	2024	2023
	\$	\$
Not later than 1 year	22,007,138	17,046,573
Later than 1 year and not later than 5 years	93,027,931	78,649,783
Later than 5 years	<u>479,209,561</u>	<u>498,639,593</u>
	<u>594,244,630</u>	<u>594,335,949</u>

BLACKSTONE EUROPE LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Controlling party

As at 31 March 2024, the LLP's immediate controlling corporate member is BGIH LLC, a company incorporated in Delaware, United States of America, and its ultimate parent and controlling party is Blackstone Inc., a corporation listed on the New York Stock Exchange.

Copies of the group financial statements are available from 345 Park Avenue, New York, NY 10154, United States of America.

Blackstone Inc. is the smallest and largest group which includes the LLP and for which financial statements are prepared.

18. Subsequent Events

Subsequent events have been evaluated through to 21 June 2024, the date that these financial statements were available to be issued. There were no events that require recognition or disclosure in the financial statements.