

DRC UK Whole Loan S.à r.l.

Annual Accounts
as at and for the year ended 31 December 2020
(with the report of the Commissaire Aux Comptes thereon)

*5, Heienhaff
L-1736 Senningerberg
R.C.S. Luxembourg B 217020
Share capital: GBP 12,400*

DRC UK Whole Loan S.à r.l.

TABLE OF CONTENTS

	PAGE
REPORT OF COMMISAIRE AUX COMPTES	1
ANNUAL ACCOUNTS	
- Balance Sheet	2-6
- Profit and Loss Account	7-8
- Notes to the Annual Accounts	9 - 17



C.A.C.S. Expertise S.à.r.l.

ADRESSE POSTALE: BOÎTE POSTALE 566, L-2015 LUXEMBOURG
TELEPHONE (352) 43 89 89 1 - FACSIMILE (352) 43 52 90

REPORT OF THE COMMISSAIRE

To the Partner of
DRC UK WHOLE LOAN SaRL.:

In accordance with legal and statutory requirements we report to you on our mandate as a commissaire aux comptes for the year ended December 31st, 2020. We have executed our work on the basis of Article 443-2 of the commercial law dated August 10th, 1915 as amended and which do not require from the commissaire aux comptes to give an opinion on the annual accounts. Therefore we have not audited the annual accounts in accordance with generally accepted auditing standards.

Responsibility for the preparation of the Annual Accounts is that of the Board of Managers. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the Company. We have examined the attached Balance Sheet as at December 31st, 2020 and related Profit and Loss Account for the year then ended, to the extent, which we deemed necessary to the company's accounting records and documents made available to us. We have checked the assets and liabilities as of that date by methods that we considered appropriate.

The annual accounts as of December 31st, 2020 show a Balance Sheet total of 620.272.315 UK£ and a profit for the year ended December 31st, 2020 of 427.759 UK£.

The annual accounts referred to above are in conformity with the accounting documents as presented to us.

C.A.C.S. Expertise SaRL.
Commissaire Aux Comptes

May 27th, 2021

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B217020

Matricule : 2017 2443 061

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ GBP)

DRC UK Whole Loan S.à r.l.

5, Heienhaff
 L-1736 Senningerberg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets			
I. Intangible assets	1109 _____	109 458.698.972,00	110 287.071.623,00
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____	120 _____
4. Payments on account and intangible assets under development	1121 _____	121 _____	122 _____
II. Tangible assets	1123 _____	123 _____	124 _____
1. Land and buildings	1125 _____	125 _____	126 _____
2. Plant and machinery	1127 _____	127 _____	128 _____
	1129 _____	129 _____	130 _____

RCSL Nr. : B217020

Matricule : 2017 2443 061

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____	135 <u>458.698.972,00</u>	136 <u>287.071.623,00</u>
1. Shares in affiliated undertakings	1137 _____	137 _____	138 _____
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____ <u>3</u>	147 <u>458.698.972,00</u>	148 <u>287.071.623,00</u>
D. Current assets	1151 _____	151 <u>161.572.554,00</u>	152 <u>77.617.509,00</u>
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 <u>5.755.140,00</u>	164 <u>19.368.048,00</u>
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 <u>4.914,00</u>	172 <u>82.651,00</u>
a) becoming due and payable within one year	1173 _____ <u>4</u>	173 <u>4.914,00</u>	174 <u>82.651,00</u>
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 <u>5.750.226,00</u>	184 <u>19.285.397,00</u>
a) becoming due and payable within one year	1185 _____ <u>4</u>	185 <u>5.750.226,00</u>	186 <u>19.285.397,00</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

RCSL Nr. : B217020

Matricule : 2017 2443 061

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>154.859.548,00</u>	190 <u>56.052.533,00</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 <u>4</u>	195 <u>154.859.548,00</u>	196 <u>56.052.533,00</u>
IV. Cash at bank and in hand	1197 _____	197 <u>957.866,00</u>	198 <u>2.196.928,00</u>
E. Prepayments	1199 <u>5</u>	199 <u>789,00</u>	200 <u>250,00</u>
TOTAL (ASSETS)		201 <u>620.272.315,00</u>	202 <u>364.689.382,00</u>

RCSL Nr. : B217020

Matricule : 2017 2443 061

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 _____	301 <u>734.631,00</u>	302 <u>306.872,00</u>
I. Subscribed capital	1303 _____ <u>6</u>	303 <u>12.400,00</u>	304 <u>12.400,00</u>
II. Share premium account	1305 _____	305 _____	306 _____
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>1.242,00</u>	310 <u>1.242,00</u>
1. Legal reserve	1311 _____	311 <u>1.242,00</u>	312 <u>1.242,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>293.230,00</u>	320 <u>66.603,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>427.759,00</u>	322 <u>226.627,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
C. Creditors	1435 _____	435 <u>619.537.684,00</u>	436 <u>364.382.510,00</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

RCSL Nr. : B217020

Matricule : 2017 2443 061

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 _____	368 _____
a) becoming due and payable within one year	1369 _____	369 _____	370 _____
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>618.653.665,00</u>	380 <u>363.134.538,00</u>
a) becoming due and payable within one year	1381 _____ 7	381 <u>16.255.877,00</u>	382 <u>14.294.055,00</u>
b) becoming due and payable after more than one year	1383 _____ 7	383 <u>602.397.788,00</u>	384 <u>348.840.483,00</u>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>884.019,00</u>	452 <u>1.247.972,00</u>
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 <u>884.019,00</u>	398 <u>1.247.972,00</u>
i) becoming due and payable within one year	1399 _____ 7	399 <u>884.019,00</u>	400 <u>1.247.972,00</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>620.272.315,00</u>	406 <u>364.689.382,00</u>



Shane Califf
Manager

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B217020

Matricule : 2017 2443 061

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ GBP)

DRC UK Whole Loan S.à r.l.

5, Heienhaff
L-1736 Senningerberg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 -260.986,00	672 -121.629,00
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ 8	603 -260.986,00	604 -121.629,00
6. Staff costs	1605 _____	605 -100.292,00	606 -31.270,00
a) Wages and salaries	1607 _____ 9	607 -82.804,00	608 -27.383,00
b) Social security costs	1609 _____	609 -17.488,00	610 -3.887,00
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____ 9	655 -17.488,00	656 -3.887,00
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____ 13	621 -24.449,00	622 -16.663,00

RCSL Nr. : B217020

Matricule : 2017 2443 061

	Reference(s)	Current year	Previous year
9. Income from participating interests			
a) derived from affiliated undertakings	1715 _____	715 <u>29.108.072,00</u>	716 <u>17.077.075,00</u>
b) other income from participating interests	1717 _____	717 _____	718 _____
	1719 <u>10</u>	719 <u>29.108.072,00</u>	720 <u>17.077.075,00</u>
10. Income from other investments and loans forming part of the fixed assets			
a) derived from affiliated undertakings	1721 _____	721 _____	722 _____
b) other income not included under a)	1723 _____	723 _____	724 _____
	1725 _____	725 _____	726 _____
11. Other interest receivable and similar income			
a) derived from affiliated undertakings	1727 _____	727 <u>13.016,00</u>	728 <u>528,00</u>
b) other interest and similar income	1729 _____	729 _____	730 _____
	1731 <u>11</u>	731 <u>13.016,00</u>	732 <u>528,00</u>
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665 <u>4</u>	665 <u>-17.192.115,00</u>	666 _____
14. Interest payable and similar expenses			
a) concerning affiliated undertakings	1627 _____	627 <u>-10.969.976,00</u>	628 <u>-16.607.453,00</u>
b) other interest and similar expenses	1629 <u>11</u>	629 <u>-10.961.822,00</u>	630 <u>-16.607.191,00</u>
	1631 <u>11</u>	631 <u>-8.154,00</u>	632 <u>-262,00</u>
15. Tax on profit or loss			
	1635 <u>13</u>	635 <u>-145.511,00</u>	636 <u>-73.961,00</u>
16. Profit or loss after taxation			
	1667 _____	667 <u>427.759,00</u>	668 <u>226.627,00</u>
17. Other taxes not shown under items 1 to 16			
	1637 _____	637 _____	638 _____
18. Profit or loss for the financial year			
	1669 _____	669 <u>427.759,00</u>	670 <u>226.627,00</u>


Shane Califf
Manager

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020

1. ORGANISATION

DRC UK Whole Loan S.à.r.l. (hereafter the "Company") was incorporated on 11 August 2017 and organised under the laws of Luxembourg as a private limited liability company (*société à responsabilité limitée*). The Company is established for an unlimited period of time and it is registered under R.C.S. in Luxembourg, number B 217020. The registered office of the Company is established at 5, Heienhaff, L-1736 Luxembourg.

The Company's financial year starts on January 1 and ends on December 31 of each year , with the exception of the first period which runs from incorporation on 11 August 2017 to 31 December 2017.

The Company is 100% owned by DRC UK Whole Loan Fund L.P.

The objective of the Company is to, directly or indirectly, acquire, hold or dispose of interests, in any form whatsoever and participations in Luxembourg or foreign entities, by any means and to administrate, develop and manage such holding of interests or participations.

The Company may also, directly or indirectly, acquire, hold or dispose of loans or of various tranches of loans or other indebtedness originated, structured or funded by other entities or persons, by any means and administrate, develop and manage such holding of loans or tranches of loans or other indebtedness.

The Company may make real estate related investments whether directly or through direct or indirect participations in subsidiaries of the Company owning such investments. The Company may also, directly or indirectly, invest in, acquire, hold or dispose of any kind of asset by any means.

The Company may also render every assistance, whether by way of loans, guarantees or otherwise to its subsidiaries or companies in which it has a direct or indirect interest or any company being a direct or indirect shareholder of the Company or any entity or person belonging to the same group as the Company (hereafter referred to as the "Connected Companies") or any other entity, it being understood that the Company will not enter into any transaction which would cause it to be engaged in any activity that would be considered as a regulated activity of the financial sector.

The Company may in particular enter into the following transactions, it being understood that the Company will not enter into any transaction which would cause it to be engaged in any activity that would be considered as a regulated activity of the financial sector:

- to borrow money in any form or to obtain any form of credit facility and raise funds through, including, but not limited to, the issue, always on a private basis, of listed or unlisted bonds, notes, promissory notes and other debt or equity instruments convertible or not, the use of financial derivatives or otherwise;
- to advance, lend or deposit money or give credit to or with or to subscribe to or purchase any debt instrument issued by any Luxembourg or foreign entity on such terms as may be thought fit and with or without security;
- to enter into any hedge agreement, as well as into any guarantee, pledge or any other form of security, whether by personal covenant or by mortgage or charge upon all or part of the undertaking, property assets (present or future) or by all or any of such methods, for the performance of any contracts or obligations of the Company and of any of the Connected Companies, within the limits of and in accordance with the provisions of Luxembourg Law;

The Company can perform all legal, commercial, technical and financial investments or operations and in general, all transactions which are necessary to fulfil its object as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above.

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General Principles

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the year in which the assumptions changed.

Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

b) Foreign currency translation

The Company maintains its books and records in Pound Sterling ("GBP") and the annual accounts are expressed in this currency. Transactions in currencies other than GBP are translated into GBP at the exchange rates effective at the time of the transaction.

Long-term assets and liabilities expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets and liabilities are translated at the exchange rate effective at the balance sheet date. Realised exchange gains or losses and unrealised exchange losses are recorded in the profit and loss account.

Cash at bank, cash in postal cheque accounts, cheques and cash in hand is translated at the exchange rate effective at the balance sheet date. Exchange gains and losses for the year are recorded in the profit and loss account.

Short term debtors and creditors are, according to their liquid criteria, translated on the basis of the exchange rate effective at the balance sheet date. The realised exchange gains and losses and unrealised exchange losses are recognised in the profit and loss account.

Other assets and liabilities are translated separately, respectively, at the lower or at the higher of the value converted at the historic exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recognised in the profit and loss account. The realised exchange gains and exchange losses are recorded in the profit and loss account at the time of their realisation.

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial assets

Financial assets are stated at cost including the expenses incidental thereto. In case of durable depreciation in value according to the opinion of the Managers, value adjustments are made in respect of financial assets. Subsequent measurement is at amortised cost using the effective interest rate method or on the basis of the fair market value of the assets at balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

d) Tracking Bonds

Tracking Bonds are initially recorded at nominal value. Tracking Bonds are subsequently valued at their repayable amount.

e) Formation expenses

The costs related to the formation of the Company have been recorded directly in the profit and loss account in the year they were incurred.

f) Expenses

Expenses are charged in the year in which they relate.

g) Income

Income is recognised on an accrual basis.

h) Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if their reasons for which the value adjustments were made have ceased to apply.

i) Cash at bank and cash in hand

Cash at bank is valued at the closing date of the financial statements. Consequently, realised exchange gains and losses and unrealised exchange losses are accounted for in the profit and loss account.

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

3. FINANCIAL ASSETS

As at 31 December 2020, the Company invests in the following:

	Opening balance 1 January 2020 GBP	Acquisitions during the period GBP	Repayments during the period GBP	Amortisation of loan using the effective interest rate method GBP	Capitalised PIK GBP	Closing balance 31 December 2020 GBP
Marcol Industrial Investments	38,955,529	-	-	(132,299)	-	38,823,230
Cedarway Limited	11,600,767	-	-	(50,235)	-	11,550,532
Ready Steady Store	25,765,785	-	-	13,191	-	25,778,976
Seymour Holdings Limited	14,900,188	-	-	(58,063)	-	14,842,125
Reynard Mills Limited	25,460,352	-	-	(83,441)	-	25,376,911
Melbourne HSE Developments Ltd	20,961,853	-	(100,000)	(56,448)	-	20,805,405
Flaherty Investment Holdings Limited	15,427,681	-	-	(44,833)	-	15,382,848
Laser House Developments Limited	3,725,459	9,458,506	-	(192,696)	711,579	13,702,848
Westcore Humber 1 Limited	11,845,519	-	-	(6,919)	-	11,838,600
Mercia Real Estate Enfield Limited	-	16,708,006	(367,534)	(12,050)	-	16,328,422
D.B.B. Sub Ltd	-	55,440,000	-	70,859	-	55,510,859
Delta Queens Hotel Limited	-	21,680,648	-	43,476	-	21,724,124
Hawkins Road Property Co Limited	-	38,198,300	-	88,576	-	38,286,876
GULF Ventures 2 Limited	-	78,210,000	(11,000,000)	157,738	-	67,367,738
UK Warehouse Properties Limited	-	51,353,069	-	55,478	-	51,408,547
Blyth Road Limited	-	29,944,000	-	26,931	-	29,970,931
	<u>168,643,133</u>	<u>300,992,529</u>	<u>(11,467,534)</u>	<u>(180,735)</u>	<u>711,579</u>	<u>458,698,972</u>

The characteristics of 'other loans' are as follows:

	Total closing loan balance GBP	Cash interest rate	Other fees rate	Maturity
Marcol Industrial Investments	38,823,230	4.50% + LIBOR	0.00%	20/07/2023
Cedarway Limited	11,550,532	4.75% + LIBOR	0.00%	11/12/2023
Ready Steady Store	25,778,976	3.25% + LIBOR	0.00%	01/02/2022
Seymour Holdings Limited	14,842,125	4.15% + LIBOR	0.00%	24/07/2024
Reynard Mills Limited	25,376,911	4.25% + LIBOR	0.00%	20/04/2024
Melbourne HSE Developments Ltd	20,805,405	4.25% + LIBOR	0.00%	20/04/2023
Flaherty Investment Holdings Limited	15,382,848	4.50% + LIBOR	0.00%	24/07/2024
Laser House Developments Limited	13,702,848	4.25% + LIBOR	1.50%	31/01/2023
Westcore Humber 1 Limited	11,838,600	4.30% + LIBOR	0.00%	15/01/2025
Mercia Real Estate Enfield Limited	16,328,422	4.50% + LIBOR	0.00%	22/12/2024
D.B.B. Sub Ltd	55,510,859	3.95% + LIBOR	0.00%	20/04/2023
Delta Queens Hotel Limited	21,724,124	4.75% + LIBOR	2.00%	20/03/2023
Hawkins Road Property Co Limited	38,286,876	4.50% + LIBOR	0.00%	20/03/2023
GULF Ventures 2 Limited	67,367,738	5.75% + LIBOR	0.00%	18/05/2023
UK Warehouse Properties Limited	51,408,547	5.15% + LIBOR	0.00%	18/05/2023
Blyth Road Limited	<u>29,970,931</u>	5.50%	0.00%	20/10/2025
	<u>458,698,972</u>			

The Managers considered all factors that affects valuation and noted that the cost of the financial assets as at 31 December 2020 is not materially different from the fair value and that there is no indication of durable depreciation in value, except impairment losses of GBP 17,192,115 (2019: GBP Nil) arising from Kestrel and Kingsway. The Kingsway and Kestrel loans are secured by shopping centres in the UK.

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

4. CURRENT ASSETS

Investments

As at 31 December 2020, the Company invests in the following:

	Opening balance 1 January 2020 GBP	Acquisitions during the period GBP	Repayments during the period GBP	Amortisation of loan using the effective interest rate method GBP	Capitalised PIK GBP	Impairment GBP	Closing balance 31 December 2020 GBP
Infrared UK Retail 2 Limited Partnership	23,388,939	-	-	118,561	692,367	(15,126,328)	9,073,539
30 James Street Limited	7,418,841	472,000	-	1,159	554,099	-	8,446,099
FREP 3 (Salford) Limited	12,155,058	-	-	20,706	650,200	-	12,825,964
Mortimer Investments Limited	40,009,718	9,500,000	-	(9,494)	2,681,334	-	52,181,558
Kingsway Investments	11,624,446	-	(5,111,167)	(9,500)	-	(2,065,787)	4,437,992
The Botley Development Company Limited	47,125,048	17,697,088	-	225,730	2,846,530	-	67,894,396
	<u>141,722,050</u>	<u>27,669,088</u>	<u>(5,111,167)</u>	<u>347,162</u>	<u>7,424,530</u>	<u>(17,192,115)</u>	<u>154,859,548</u>

The characteristics of the investments are as follows:

	Total closing loan balance GBP	Cash interest rate	Other fees rate	Maturity
Infrared UK Retail 2 Limited Partnership	9,073,539	4.50% + LIBOR	0.00%	21/12/2020
30 James Street Limited	8,446,099	4.75% + LIBOR	2.00%	20/04/2020
FREP 3 (Salford) Limited	12,825,964	5.95% + LIBOR	0.00%	25/10/2021
Mortimer Investments Limited	52,181,558	4.25% + LIBOR	1.25%	21/09/2021
Kingsway Investments	4,437,992	5.50% + LIBOR	0.00%	27/04/2021
The Botley Development Company Limited	<u>67,894,396</u>	<u>4.75% + LIBOR</u>	<u>1.50%</u>	<u>27/03/2021</u>
	<u>154,859,548</u>			

Debtors

Amounts owed by affiliated undertakings

	31 December 2020 GBP	31 December 2019 GBP
Other amount payable to DRC UK Whole Loan Fund LP	-	77,737
Other amount payable to DRC UK Whole Loan (Feeder) LP	<u>4,914</u>	<u>4,914</u>
	<u>4,914</u>	<u>82,651</u>

Other debtors

	31 December 2020 GBP	31 December 2019 GBP
Interest receivable and purchased PIK from financial assets	5,452,472	3,066,278
Brentwood Apartments principal repayment	-	231,062
Project Sunlight - Amounts withheld by lawyers before investment	-	15,987,957
Project Signature IPD	-	100
Kingsway Investments IPD	<u>297,754</u>	
	<u>5,750,226</u>	<u>19,285,397</u>

As at 31 December 2020, the Company also has accrued interest receivable and purchased PIK from the financial assets amounting GBP 5,452,472 (2019: GBP 3,066,278).

As at 31 December 2020, the impairment losses arising from Kingsway and Kestrel is GBP 17,192,115 (2019: GBP Nil).

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

5. PREPAYMENTS

As at 31 December 2020, prepayments were as follows:

	31 December 2020	31 December 2019
	GBP	GBP
Other Prepayments	789	250
	<u>789</u>	<u>250</u>

6. CAPITAL AND RESERVES

As at 31 December 2020, the fully paid-in share capital amounted to GBP 12,400, consisting of 12,400 shares with a nominal value per share of GBP 1.

During the financial year ended 31 December 2020, the Company did not acquire nor dispose of any of its own shares and the Company did not hold any of its own shares at 31 December 2020.

Under Luxembourg law, an amount equal to at least 5% of the annual net income must be allocated to a legal reserve until such reserve equals 10% of the paid-in share capital. This reserve is not available for dividend distribution.

7. CREDITORS

Amounts owed to affiliated undertakings

Due and payable within one year

	31 December 2020	31 December 2019
	GBP	GBP
Tracking Bond interest payable to DRC UK Whole Loan Fund LP	16,255,877	14,292,225
	<u>16,255,877</u>	<u>14,292,225</u>

Due and payable after one year

	31 December 2020	31 December 2019
	GBP	GBP
Tracking Bonds issued to DRC UK Whole Loan Fund LP	602,397,788	348,840,483
	<u>602,397,788</u>	<u>348,840,483</u>

Amounts owed to affiliated undertakings

As at 31 December 2020, amounts due and payable after more than one year is GBP 602,397,788 (2019: GBP 348,840,483) which relates to tracking bonds issued to DRC UK Whole Loan Fund LP, a Cayman Islands registered Limited Partnership, pursuant to the tracking bonds agreement dated 18 December 2017.

The tracking bonds accrue fixed interest at a rate of 0.5% of the Issue Price, computed on the basis of a 365 days year. The tracking bonds also accrue a coupon which is calculated as the income & gains of the Company, less all realised losses & losses carried forward and all issuer expenses including the fixed interest. The fixed interest accrued for the year ended 31 December 2020 amounts to GBP 2,563,563 (2019: GBP 1,366,308).

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

7. CREDITORS (continued)

Amounts owed to affiliated undertakings (continued)

The tracking bonds also accrue a variable coupon which is calculated as all income less losses, less the gross margin and all issuer expenses. The variable coupon accrued for the year ended 31 December 2020 amounts to GBP 8,398,259 (2019: GBP 15,239,054). The total fixed interest and variable coupon outstanding as at 31 December 2020 is GBP 16,255,877 (2019: GBP 14,292,225).

Other creditors

Due and payable within one year

	31 December 2020	31 December 2019
	GBP	GBP
Audit Fees	11,700	9,904
Professional Fees	1,573	743
Administration fees	11,020	21,868
Costs withheld on behalf of borrower	104,865	154,362
Brentwood Apartments capex account	574,042	574,042
Savoy interest reserve account	-	385,860
Tax Authorities	178,229	100,473
CCSS fees	2,590	720
	<u>884,019</u>	<u>1,247,972</u>

Costs withheld on behalf of the borrower, consist of amounts paid to the Company by the borrowers. The Company utilise the funds to pay for fees and expenses, directly linked to the arrangement of the loans to the borrowers.

8. OTHER EXTERNAL EXPENSES

	31 December 2020	31 December 2019
	GBP	GBP
Administration fees	(121,703)	(90,217)
Professional fees	(136,863)	(29,683)
Bank charges	(2,420)	(1,729)
	<u>(260,986)</u>	<u>(121,629)</u>

9. STAFF COSTS

During the year the company had four employees, the total staff salaries for the year amounted to GBP 82,804 (2019: GBP 27,383).

The Company paid social security costs on behalf of the employees amounting to GBP 17,488 (2019: GBP 3,887).

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

10. INCOME FROM PARTICIPATING INTERESTS

Income from participating interest for the year ending 31 December 2020, is as follows:

	31 December 2020	31 December 2019
	GBP	GBP
Interest income	29,108,072	17,077,075
	<u>29,108,072</u>	<u>17,077,075</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses concerning affiliated undertakings is the fixed interest accrued on the tracking bonds, the tracking bonds accrue fixed interest at a rate of 0.5% of the issue price. The fixed interest expense for the year ended 31 December 2020 is GBP 2,563,563 (2019: GBP 1,366,308). The tracking bonds also accrue a variable coupon based upon the below all income and gains arising from the investments held less all realised losses, less the Margin (11.25 b.p. per annum) and less all issuer expenses including but not limited to taxes and fixed interest. The variable coupon accrued for the year ended 31 December 2020 amounted to GBP 8,407,047 (2019: GBP 15,239,054).

Other interest and similar expenses is made up of the foreign exchange losses for the year from the translation of the EUR expenses into the GBP at the exchange rates effective at the time of the transaction. The foreign exchange loss for the year ended 31 December 2020 amounts to GBP 8,154 (2019: GBP 2,090 loss).

12. RELATED PARTY TRANSACTIONS

Two Managers are also Directors of wholly owned subsidiaries of Sanne Fiduciary Services Limited. Administration fees for the year amounted to GBP 121,703 (2019: GBP 90,218) of which GBP 11,020 (2019: GBP 21,868) was still outstanding and payable to Sanne Group (Luxembourg) S.A. Services Limited as at 31 December 2020.

13. TAXATION

The Company is subject to all taxes applicable to Luxembourg *société à responsabilité limitée*. The Company may be subject to Luxembourg VAT in respect of fees charged for certain services rendered to the Company. During the year the Company accrued a provision for corporate tax amounting to GBP 145,511 (2019: GBP 73,961). The total VAT expended by the company during the year amounted to GBP 24,449 (2019: GBP 16,663).

14. CORONAVIRUS (COVID-19) AND BREXIT INVOLVEMENTS

On 11 March 2020, COVID-19 was declared a global pandemic by the World Health Organisation. On 23 March 2020, the UK went into lockdown and on January 31, 2020 the UK left the European Union. As a result of these events, certain restrictions remain in place on the date of signature of these financial statements.

During this time, the Group had continued to trade and responded rapidly to the pandemic and government requirements. Accordingly, the assessment of carrying values in the balance sheet as at 31 December 2020 has not been adjusted to reflect any consequences of the virus on expected cash flows subsequent to that date.

DRC UK Whole Loan S.à r.l.
NOTES TO THE ANNUAL ACCOUNTS
31 DECEMBER 2020 (continued)

15. POST BALANCE SHEET EVENTS

The Managers of the Company have approved the issue of further tracking bonds in the amount of GBP 19,210,000 and redemption of tracking bonds in the amount of GBP 14,290,751.

The Company have not acquired any new investments. No other events took place that may have a material effect on these financial statements.



Shane Califf
Manager