

# **Tunstall Real Estate Credit II Lendco S.à r.l.**

Société à Responsabilité Limitée

Annual accounts as at and for the financial year ended 31  
December 2020 (with the Report of the réviseur  
d'entreprises agréé thereon)

15, Boulevard F.W. Raiffeisen,  
L-2411, Luxembourg,  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg B229856

# Tunstall Real Estate Credit II Lendco S.à r.l.

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## **Tunstall Real Estate Credit II Lendco S.à r.l. Management and Administration**

### **Registered Office**

Alter Domus Luxembourg S.à r.l.  
15, Boulevard F.W. Raiffeisen,  
L-2411, Luxembourg  
Grand Duchy of Luxembourg

### **Administrator**

Alter Domus Luxembourg S.à r.l.  
15, Boulevard F.W. Raiffeisen,  
L-2411, Luxembourg  
Grand Duchy of Luxembourg

### **Bank**

Société Générale Bank & Trust  
11, avenue Emile Reuter  
L – 2420, Luxembourg  
Grand Duchy of Luxembourg

### **Board of Managers**

Mr. Stephane Gatto  
36, Rangwee,  
L-2412, Luxembourg  
Grand Duchy of Luxembourg

Mrs. Mélanie Wilkin (as from 24 April 2020)  
15, Boulevard, F.W.Raiffeisen,  
L-2411, Luxembourg  
Grand Duchy of Luxembourg

Mr. François Daloze (until 24 April 2020)  
15, Boulevard, F.W.Raiffeisen,  
L-2411, Luxembourg  
Grand Duchy of Luxembourg

### **Legal Advisor**

Arendt & Medernach S.A.  
41, Avenue John F. Kennedy,  
L-1855, Luxembourg  
Grand Duchy of Luxembourg

### **Investment Advisor**

M7 Capital Limited  
The Monument Building,  
11 Monument Street,  
London, EC3R 8AF  
United Kingdom

### **Réviseur d'entreprises agréé**

KPMG Luxembourg, Société anonyme,  
39, Avenue John F. Kennedy,  
L-1855 Luxembourg  
Grand Duchy of Luxembourg



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39, Avenue John F. Kennedy  
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To the Board of Managers of  
Tunstall Real Estate Credit II Lendco S.à r.l.  
15, Boulevard F.W. Raiffeisen  
L-2411 Luxembourg  
Grand Duchy of Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### ***Opinion***

We have audited the annual accounts of Tunstall Real Estate Credit II Lendco S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

### ***Basis for opinion***

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Valuation of financial assets (other loans)

### *a. Why the matter was considered to be one of most significant in our audit of the annual accounts of the current period*

We refer to the accounting policy at note 2.3.1. and note 3 *Financial assets* to the annual accounts. Financial assets represent 94.1% of the total assets of the Company as at 31 December 2020.

The identification of indicators of impairment and the determination of any applicable impairment charge requires significant judgement applied by the management in assessing the valuation of the financial assets. There is a risk that management records an impairment that did not occur, or that they fail to identify an impairment event and the impairment charge is incomplete. This may have a material impact on the valuation of the financial assets.

This matter was considered to be a key audit matter in our audit due to the significant management judgment involved in determining the valuation of the financial assets.

### *b. How the matter was addressed in our audit*

Our procedures concerning the recoverability of financial assets (other loans) included, but were not limited to, the following:

- We understood the process of financial assets valuation by inquiring the management and evaluated the appropriateness of the application of Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.
- We obtained management's impairment assessment and assessed the existence of indicators of impairment. We agreed the underlying documentation used by management to identify indicators of impairment.
- When indicators of impairment were identified, we further assessed and challenged the conclusions reached by management regarding the valuation of the corresponding financial assets by considering contradictory and other supporting evidence.
- We assessed the completeness and adequacy of disclosures required in note 2.3.1 and note 3 to the annual accounts pursuant to the relevant accounting and financial reporting standards.

## ***Responsibilities of the Board of Managers for the annual accounts***

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.



In preparing the annual accounts, the Board of Managers is 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 the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### ***Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts***

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Luxembourg, 8 March 2022

KPMG Luxembourg  
Société anonyme  
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'G. Saussine', with a horizontal line underneath.

Gaultier Saussine

RCSL Nr. : B229856

Matricule : 2018 2471 519

eCDF entry date : 08/03/2022

**BALANCE SHEET****Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> GBP )

Tunstall Real Estate Credit II Lendco S.à r.l.

15, Boulevard F.W. Raiffeisen

L-2411 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>			
I. Intangible assets	1109 _____	109 95.338.237,00	110 89.850.882,00
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 _____



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	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>95.338.237,00</u>	136 <u>89.850.882,00</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>3.1</u>	147 <u>95.338.237,00</u>	148 <u>89.850.882,00</u>
<b>D. Current assets</b>	1151 _____	151 <u>5.394.695,00</u>	152 <u>6.088.487,00</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>3.396.215,00</u>	164 <u>2.086.890,00</u>
1. Trade debtors	1165 _____	165 <u>0,00</u>	166 _____
a) becoming due and payable within one year	1167 _____	167 <u>0,00</u>	168 _____
b) becoming due and payable after more than one year	1169 _____	169 <u>0,00</u>	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 <u>1.995.692,00</u>	172 <u>809.918,00</u>
a) becoming due and payable within one year	1173 <u>4.1</u>	173 <u>1.995.692,00</u>	174 <u>809.918,00</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>1.400.523,00</u>	184 <u>1.276.972,00</u>
a) becoming due and payable within one year	1185 <u>4.2</u>	185 <u>1.400.523,00</u>	186 <u>1.276.972,00</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____ 5	197 _____ 1.998.480,00	198 _____ 4.001.597,00
<b>E. Prepayments</b>	1199 _____ 6	199 _____ 548.361,00	200 _____ 1.012.185,00
<b>TOTAL (ASSETS)</b>		201 _____ 101.281.293,00	202 _____ 96.951.554,00

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**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301	301 130.038,00	302 117.395,00
I. Subscribed capital	1303 7	303 12.000,00	304 12.000,00
II. Share premium account	1305	305 0,00	306
III. Revaluation reserve	1307	307	308
IV. Reserves	1309	309 1.200,00	310
1. Legal reserve	1311 8	311 1.200,00	312
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	319 104.195,00	320
VI. Profit or loss for the financial year	1321	321 12.643,00	322 105.395,00
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
<b>B. Provisions</b>			
	1331	331 36.377,00	332 40.506,00
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335 9	335 36.377,00	336 40.506,00
3. Other provisions	1337	337	338
<b>C. Creditors</b>			
	1435	435 100.209.856,00	436 95.593.561,00
1. Debenture loans	1437	437 0,00	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 0,00	446
i) becoming due and payable within one year	1447	447 0,00	448
ii) becoming due and payable after more than one year	1449	449 0,00	450
2. Amounts owed to credit institutions	1355	355 67.217.193,00	356 67.298.216,00
a) becoming due and payable within one year	1357 10.1	357 16.358.154,00	358 686.326,00
b) becoming due and payable after more than one year	1359 10.2	359 50.859.039,00	360 66.611.890,00

The notes in the annex form an integral part of the annual accounts

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	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 <u>0,00</u>	368 _____
a) becoming due and payable within one year	1369 _____	369 <u>0,00</u>	370 _____
b) becoming due and payable after more than one year	1371 _____	371 <u>0,00</u>	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>32.516.395,00</u>	380 <u>27.358.547,00</u>
a) becoming due and payable within one year	1381 <u>10.3</u>	381 <u>962.565,00</u>	382 <u>1.941.818,00</u>
b) becoming due and payable after more than one year	1383 <u>10.4</u>	383 <u>31.553.830,00</u>	384 <u>25.416.729,00</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>476.268,00</u>	452 <u>936.798,00</u>
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 <u>476.268,00</u>	398 <u>936.798,00</u>
i) becoming due and payable within one year	1399 <u>10.5</u>	399 <u>476.268,00</u>	400 <u>936.798,00</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 <u>11</u>	403 <u>905.022,00</u>	404 <u>1.200.092,00</u>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 <u>101.281.293,00</u>	406 <u>96.951.554,00</u>

RCSL Nr. : B229856

Matricule : 2018 2471 519

eCDF entry date : 08/03/2022

**PROFIT AND LOSS ACCOUNT****Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> GBP )

Tunstall Real Estate Credit II Lendco S.à r.l.

15, Boulevard F.W. Raiffeisen

L-2411 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 _____	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____	604 _____
<b>6. Staff costs</b>	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____	657 _____	658 <u>-276.543,00</u>
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 <u>-276.543,00</u>
<b>8. Other operating expenses</b>	1621 <u>12</u>	621 <u>-138.677,00</u>	622 <u>-550.672,00</u>

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	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725 13	725 6.414.911,00	726 3.390.323,00
<b>11. Other interest receivable and similar income</b>	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731 14	731 472.804,00	732 309.695,00
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	665	666
<b>14. Interest payable and similar expenses</b>	1627	627	628
a) concerning affiliated undertakings	1629 15.1	629 -3.720.078,00	630 -877.750,00
b) other interest and similar expenses	1631 15.2	631 -3.022.023,00	632 -1.849.152,00
<b>15. Tax on profit or loss</b>	1635 16	635 6.229,00	636 -36.333,00
<b>16. Profit or loss after taxation</b>	1667	667 13.166,00	668 109.568,00
<b>17. Other taxes not shown under items 1 to 16</b>	1637 16	637 -523,00	638 -4.173,00
<b>18. Profit or loss for the financial year</b>	1669	669 12.643,00	670 105.395,00

# **Tunstall Real Estate Credit II Lendco S.à r.l.**

## **Notes to the annual accounts as at 31 December 2020**

### **1. General information**

Tunstall Real Estate Credit II Lendco S.à r.l. ("the Company") was incorporated on 6 September 2018 in the form of a Société à responsabilité limitée and is governed by the laws of the Grand Duchy of Luxembourg, especially by the law of 10 August 1915 on commercial companies, as subsequently amended, ("the Law") as well as by its articles of association. Its registered office is established at 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg and is registered at the Luxembourg Commercial Register under number R.C.S Luxembourg B229856. The Company is incorporated for an unlimited duration.

The corporate objective of the Company is to make and hold investments in any entity, regardless of its form or description, in Luxembourg or abroad, in any partnerships and any other vehicles, regardless of their form or description and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise securities of any kind and the administration, management, control and development of its portfolio.

The Company may grant loans to, as well as guarantees or security for the benefit of third parties to secure obligations of, companies in which it holds a direct or indirect participation or right of any kind or which form part of the same group companies as the Company, or companies as the Company, or otherwise assist such companies.

The Company may raise funds through borrowing in any form or by issuing any kind of notes, securities or debt instruments, bonds and debenture and generally issue securities of any type. The Company may not publicly issue shares.

In a general fashion, the Company may grant financing (by way of loans, advances, guarantees or securities or otherwise) to companies or other enterprises of any other legal form or description and may enter into all documentation necessary or desirable for the purpose of making, securing or otherwise regulating the terms of any such financing to the extent such activity will not result in the Company becoming subject to a regulated activity as a bank, professional lender or other similar regulated status as well as take any controlling and supervisory measures and carry out any operation which it may deem useful in the accomplishment and development of its purposes.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities, which it considers useful for the accomplishment of these purposes.

The Company's financial year starts on 1 January and ends on 31 December each year with the exception of the first period which covered the period from 6 September 2018 (date of incorporation) to 31 December 2019.

Refer to note 20.1 for presentation of comparative information. Refer to note 20.2, for the correction of prior year errors which have been corrected in the current year.

### **2. Principal accounting policies**

#### **2.1 Basis of preparation**

The annual accounts are prepared in accordance with Luxembourg legal and regulatory requirements and generally accepted accounting principles ("Lux GAAP"), under the historical cost convention and on a going concern basis.

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.

The Board of Managers of the Company believes that the underlying assumptions are appropriate and that the annual accounts present the financial position and the result fairly.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**2. Principal accounting policies (continued)**

The Company maintains its books and records in GBP (or "£") and the annual accounts are expressed in this currency.

**2.2 Significant accounting policies and valuation rules**

The following are the significant accounting policies and principal valuation rules, in compliance with the principles described above:

**2.2.1 Currency conversion**

The Company maintains its books and records in GBP (or "£").

Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets 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 remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

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

Where there is an economic link between an asset and a liability, they are valued in total according to the method described above and only the net unrealised loss is recorded in the profit and loss account whereas the net unrealised gain is not recognised.

The principal exchange rate applied as at 31 December 2020 is:

1 GBP: 1.1123 EUR

**2.3 Assets**

**2.3.1 Financial assets**

Other loans are valued at nominal value. In the case of durable depreciation in value according to the opinion of the Board of Managers, value adjustments are made in respect of financial assets. These value adjustments are not continued if the reason for which the valuation adjustments were made have ceased to apply.

The carrying amount of the Company's financial assets is reviewed at each reporting date to determine whether there is any indication of value adjustment. The determination of what can be considered impaired as well as the determination of recoverable amounts, as applicable, require the Board of Managers to make significant judgements, estimation and assumptions.

**2.3.2 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 the reason for which the value adjustments were made have ceased to apply.



**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**2. Principal accounting policies (continued)**

**2.3.3 Cash at bank**

Cash at bank is valued at its nominal value.

**2.3.4 Prepayments**

Prepayments include charges incurred during the financial year but attributable to a subsequent financial year.

**2.4 Liabilities**

**2.4.1 Creditors**

Creditors are valued at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

**2.5 Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges that have originated in the financial year under review or in a previous year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

**2.6 Deferred income**

Deferred income include income received during the financial year but attributable to a subsequent financial year.

**2.7 Profit and Loss**

**2.7.1 Dividends**

Dividends are recognised once declared.

**2.7.2 Income and expenses**

Income and expenses are recorded on an accrual basis.

**2.8 Finance costs**

Finance costs are accrued on a timely basis by reference to the principal outstanding and at the nominal amount.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**2. Principal accounting policies (continued)**

**2.9 Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions. It also includes sister companies and companies under common management or control and any members of the key management personnel of the Company or parents of the Company (Tunstall Real Estate Credit II Holdco S.à r.l. and Tunstall Real Estate Credit II S.à r.l.).

Refer to note 17 for transactions entered with related parties.

**2.10 Covid-19 - Going Concern**

Management has made an assessment of the Company's ability to continue as a going concern and it is satisfied that the Company has 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.

The Board of Managers have considered the impact of the Covid-19 pandemic when making their going concern assessment. The financial year has been challenging for all businesses and the Company's external borrowers have not been immune to the effects of the pandemic, with those in the retail sector being hardest hit, due to forced shop closures due to national lockdowns. The UK has rolled out a successful Covid-19 vaccination program, with all restrictions now lifted, allowing businesses to trade again at normal levels. The Company's external borrowers have made all their interest payments during the pandemic, with the lifting of restrictions the Company expects the borrowers to be able to continue to do so.

The Board of Managers have undertaken an extensive review of the loans to external borrowers (refer to note 3.1), particular focus has been placed around loans in breach of their loan covenants or with a maturity date less than one year from the date of signing of these annual accounts.

The Company agreed a new loan on loan facility of GBP 300,000,000 with Barclays on 13 January 2022, this has significantly improved the cash position of the Company (refer to note 21). A key consideration under this new loan on loan is whether the underlying loans are classed as performing on non-performing loans by Barclays, non-performing loans require a partial paydown. No paydown is expected to be made on the maturing loans, although there is sufficient resources to do so should the need arise.

**3. Financial Assets**

**3.1 Other Loans**

	<b>31 December 2020 £</b>	<b>31 December 2019 £</b>
Balance at the beginning of the year	89,850,882	-
Loans during the year	13,049,600	100,318,488
Repayments during the year	(7,562,245)	(10,467,606)
<b>Balance at the end of the year</b>	<b>95,338,237</b>	<b>89,850,882</b>

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**3. Financial Assets (continued)**

The Company has eleven loans with external parties, ranging from GBP 1,600,000 to GBP 20,450,000 in value. The interest rate on these loans ranges from 5.75% to 8.5% per annum, with the length of the loans ranging from 2 to 5 years. Two of the loans are payable within one year, total amount payable GBP 17,790,000. Three of the loans are amortising on a quarterly basis, the amount payable within one year is GBP 963,498. All the loans are secured over the underlying assets.

The Board of Managers have undertaken an extensive review of the loans to external borrowers to assess whether any value adjustments need to be made. The assessment of the loans has considered any breaches in covenants, the market value of the underlying asset financed by the loan, the ability of the borrower to meet their debt service obligations and the maturity date of the loan.

The table below shows that three loans have indicators of value adjustments as at 31 December 2020.

	<b>Maturity date</b>	<b>Interest rate</b>	<b>Indicators of value adjustments</b>	<b>Loan balance</b>
Loan 1	30/06/2021	8.50%	No	7,300,000
Loan 2	15/01/2024	5.75%	No	3,535,800
Loan 3	21/12/2022	6.00%	Yes	7,710,087
Loan 4	13/03/2024	6.60%	No	7,350,000
Loan 5	15/10/2024	6.50%	Yes	2,268,750
Loan 6	15/07/2021	6.30%	Yes	10,490,000
Loan 7	04/10/2024	6.75%	No	20,450,000
Loan 8	15/01/2025	6.35%	No	1,600,000
Loan 9	15/01/2023	6.50%	No	16,359,885
Loan 10	15/01/2025	6.60%	No	8,886,215
Loan 11	15/04/2025	6.60%	No	9,387,500
				<b>95,338,237</b>

**Loan 1**

As at 31 December 2020, no breach in the covenants was observed. However, the loan expired on 30 June 2021 and was not repaid on time. The loan was finally repaid in full on 2 December 2021.

**Loan 3**

As at 31 December 2020 this loan was in default due to a breach of its loan to value covenant. Additionally, the borrower failed to make their contractual amortisation payments for two quarters. These factors are considered indicators of value adjustment.

The Board of Managers has taken into consideration the current market value of the loan, which exceeds the loan balance, as well as the positive letting activity since the year end, which has reduced the vacancy level at the asset. Further, considering that the borrower made up for the missed payments by the end of the year and has made regular payments subsequently, the Board of Managers concluded that no value adjustment was necessary as of 31 December 2020 as there was no durable loss in value of the loan.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**3. Financial Assets (continued)**

**Loan 5**

As at 31 December 2020 this loan was in breach of its loan covenants, which is an indicator of value adjustment. The borrower has marketed the asset for sale, offers have been below the current market value of the asset and the loan amount. The asset the loan is secured over has been significantly impacted by Covid-19, with two of the three tenants having financial difficulties (one went into administration and vacated their unit, the other entered into a Company Voluntary Agreement "CVA").

The borrower has found a new tenant for the vacated unit and trading levels of the tenant in a CVA have improved due to the removal of all lockdown restrictions. With the improvement in trading levels, more time to market the asset, the Board of Managers have concluded no value adjustment is necessary.

**Loan 6**

As at 31 December 2020 this loan was in breach of its loan to value covenant. This breach has been cured by the borrower paying down their loan by GBP 450,000 since the year end in exchange for a loan extension to 31 March 2022.

The Board of Managers concluded that no value adjustments were necessary as of 31 December 2020 as there was no durable loss in value of the loan.

Prior year error was corrected as at 31 December 2020. Please refer to the note 20.2. For the changes in comparative figures and presentation please refer to note 20.1.

**4. Debtors**

**4.1 Amounts owed by affiliated undertakings becoming due and payable within one year**

	<b>31 December 2020 £</b>	<b>31 December 2019 £</b>
Tunstall Real Estate Credit II Holdco S.à r.l. - Loan	995,000	-
Tunstall Real Estate Credit II Holdco S.à r.l. - Working capital	1,000,692	809,918
	<b>1,995,692</b>	<b>809,918</b>

Tunstall Real Estate Credit II Lendco S.à r.l. provided Tunstall Real Estate Credit II Holdco S.à r.l. a short term interest free loan of GBP 1,200,000 in November 2020, GBP 205,000 was repaid in November 2020, the balance of GBP 995,000 was repaid in February 2021.

Prior year error was corrected as at 31 December 2020. Please refer to note 20.2.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**4. Debtors (continued)**

**4.2 Other debtors becoming due and payable within one year**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>
Accrued interest receivable	1,355,120	1,231,363
Amount receivable from an external borrower	45,403	45,491
Administration des Contributions Directes	-	118
<b>Balance at the end of the period</b>	<b>1,400,523</b>	<b>1,276,972</b>

**5. Cash at bank**

As at 31 December 2020, the balance of the bank accounts of the Company amounts to GBP 1,998,480, of which, GBP 1,913,249 is restricted.

The amount held in the restricted account is from Bank of America Merrill Lynch and relates to capex loans. Two of the external borrowers have a capex element to their loan, funds are only released when they reached certain milestones in their capital expenditure projects (refer to note 19).

**6. Prepayments**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>
Unamortised finance costs	548,361	1,012,185
	<b>548,361</b>	<b>1,012,185</b>

For the changes in comparative figures and correction of errors as at and for the financial year ended 31 December 2020 please refer to note 20.1 and 20.2.

**7. Subscribed Capital and Share Premium Account**

As at 31 December 2020, the subscribed capital of GBP 12,000 is represented by 12,000 shares with a par value of GBP 1 each (2019: GBP 12,000).

The Company does not own any of its own shares.

**8. Legal reserve**

Under Luxembourg law, the Company is obliged to transfer to a legal reserve 5% of its net profits each year until the reserve reaches 10% of the subscribed share capital. This reserve is not available for distribution.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**9. Provision for taxation**

The Company is fully taxable in the Grand Duchy of Luxembourg.

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>
Corporate income tax	27,998	27,954
Municipal business tax	8,379	8,379
Net wealth tax	-	4,173
	<b>36,377</b>	<b>40,506</b>

**10. Creditors**

**10.1 Amounts owed to credit institutions becoming due and payable within one year**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>
Loan from Bank of America Merrill Lynch	16,358,154	686,326
	<b>16,358,154</b>	<b>686,326</b>

The loan from Bank of America Merrill Lynch (refer to note 10.3) is allocated against each of the loans provided to external borrowers. Two of the underlying loans are due to be repaid in 2021, the allocated loan amount associated with these two loans (GBP 13,040,000) plus a release price of twenty per cent (GBP 2,608,000) will need to be repaid to Bank of America Merrill Lynch when these loans mature.

Three of the loans provided to external borrowers are amortising on a quarterly basis, during 2021, GBP 710,154 (2019: GBP 686,326) has been repaid to Bank of America Merrill Lynch.

**10.2 Amounts owed to credit institutions becoming due and payable after more than one year**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>
Loan from Bank of America Merrill Lynch	50,859,039	66,611,890
	<b>50,859,039</b>	<b>66,611,890</b>

On 7 February 2019 the Company agreed a £78,000,000 loan facility with the Bank of America Merrill Lynch at a variable interest rate of 3% plus libor, the loan matures on 20 January 2022.

Under the facility agreement with Bank of America Merrill Lynch, the Company has to observe financial covenants. None of these financial covenants have been breached as of 31 December 2020. The Company, however, was not compliant with the loan portfolio criteria covenant, as defined in the facility agreement. This resulted in additional repayment being made during the year and amounting to GBP 552,171.

Bank of America Merrill Lynch hold security over the shares of Tunstall Real Estate Credit II Lendco S.à r.l., they do not hold direct security over the asset level loans, they do, however, ensure the Company has the correct security in place.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**10. Creditors (continued)**

Comparative figures and presentation has been changed as at 31 December 2020. Please refer to note 20.1.

**10.3 Amounts owed to affiliated undertakings becoming due and payable within one year**

	<b>31 December 2020 £</b>	<b>31 December 2019 £</b>
Tunstall Real Estate Credit II Holdco S.à r.l. - Intercompany loan	-	1,700,000
Tunstall Real Estate Credit II Holdco S.à r.l. - Loan note interest	866,477	56,617
Tunstall Real Estate Credit II Holdco S.à r.l. - Intercompany loan interest	96,088	185,201
	<b>962,565</b>	<b>1,941,818</b>

Tunstall Real Estate Credit II Holdco S.à r.l. granted the Company a short term loan of GBP 2,700,000 on 16 October 2019 at an interest rate of 12% per annum. GBP 1,000,000 was repaid on 27 November 2019, GBP 500,000 repaid on 31 March 2020, the remaining amount of GBP 1,200,000 was repaid on 21 April 2020.

Interest payable under the loan note agreement with Tunstall Real Estate Credit II Holdco S.à r.l. is accrued and paid on a quarterly basis (see note 10.4). An amount of GBP 866,477 is outstanding as of 31 December 2020 (2019: GBP 56,617).

Prior year error was corrected as at 31 December 2020. Please refer to note 20.2.

**10.4 Amounts owed to affiliated undertakings becoming due and payable after more than one year**

	<b>31 December 2020 £</b>	<b>31 December 2019 £</b>
Tunstall Real Estate Credit II Holdco S.à r.l. - Loan note	26,844,529	19,444,529
Tunstall Real Estate Credit II Holdco S.à r.l. - Intercompany loan	4,709,301	5,972,200
	<b>31,553,830</b>	<b>25,416,729</b>

During the year, Tunstall Real Estate Credit II Lendco S.à r.l. issued GBP 7,400,000 of new loan notes to Tunstall Real Estate Credit II Holdco S.à r.l. The loan notes issued by Tunstall Real Estate Credit II Lendco S.à r.l. are listed on The International Stock Exchange. The Company can issue up to GBP 50,000,000 of notes.

The maturity date of the loan notes between the Company and Tunstall Real Estate Credit II Holdco S.à r.l. is 21 September 2025.

The loan notes are subordinated to the senior loan provided by Bank of America Merrill Lynch and intercompany loans provided by Tunstall Real Estate Credit II Holdco S.à r.l.

Interest payable on the loan notes at each interest period will be the Net Accounting Profit of the Company resulting from the underlying assets, before Luxembourg corporate income tax and municipal business tax and before the calculation of the interest, less any losses from previous accounting years and the margin, being 5% of the operating costs borne by the Company.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**10. Creditors (continued)**

Tunstall Real Estate Credit II Holdco S.à r.l. granted the Company a loan of EUR 6,500,000 (GBP equivalent: 5,972,200) on 1 August 2019 at an interest rate of 5% per annum until 15 October 2019, increasing to 10% per annum thereafter. On the 22 April 2020 EUR 1,433,643 was repaid (equivalent to GBP 1,262,899).

Tunstall Real Estate Credit II Holdco S.à r.l. granted the Company a loan of GBP 3,000,000 on 18 February 2020 at an interest rate of 12% per annum, the loan was repaid on 31 March 2020.

**10.5 Other creditors becoming due and payable within one year**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>
Loan interest expense (see note 10.3)	409,706	489,929
Borrower cash reserve	40,793	271,813
Legal fees	-	55,384
Undrawn commitment fees	-	41,155
Administration & accounting fees	6,415	13,441
Audit fees	19,354	-
Short term loan from M7 Real Estate Ltd	-	10,000
Other fees	-	55,077
	<b>476,268</b>	<b>936,799</b>

**11. Deferred income**

Deferred income is comprised of GBP 905,022 of arrangement fees which have been capitalised as at 31 December 2020 (2019: GBP 1,200,092). The income is released to the profit and loss account over the life of the loan the arrangement fee relates to. The arrangement fee charged to a borrower is between 1-2% of the loan granted.

**12. Other operating expenses**

	<b>1 January 2020 to 31 December 2020</b>	<b>6 September 2018 to 31 December 2019</b>
	<b>£</b>	<b>£</b>
Professional fees	21,166	254,074
Legal fees	6,444	209,958
Accounting and administration fees	56,426	43,474
Purchase commission and brokerage	21,500	21,398
Audit fees	23,836	-
Bank fees	8,692	8,197
Other fees	613	13,571
	<b>138,677</b>	<b>550,672</b>

Comparative figures and presentation has been changed as at 31 December 2020. Please refer to note 20.1.



**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**13. Income from other investments and loans forming part of the fixed assets**

	<b>1 January 2020 to 31 December 2020 £</b>	<b>6 September 2018 to 31 December 2019 £</b>
Interest income from Other loans (note 3.1)	6,414,911	3,390,323
	<b>6,414,911</b>	<b>3,390,323</b>

**14. Other interest receivable and similar income**

	<b>1 January 2020 to 31 December 2020 £</b>	<b>6 September 2018 to 31 December 2019 £</b>
Arrangement fees on Other loans (note 10)	414,289	232,833
Reimbursement of fees	58,515	26,862
Other income	-	50,000
	<b>472,804</b>	<b>309,695</b>

**15. Interest payable and similar expenses**

**15.1 Concerning affiliated undertakings**

	<b>1 January 2020 to 31 December 2020 £</b>	<b>6 September 2018 to 31 December 2019 £</b>
Tunstall Real Estate Credit II Holdco S.à r.l. - Loan note interest	3,123,375	358,725
Tunstall Real Estate Credit II Holdco S.à r.l. - Intercompany loan interest	596,703	246,765
Tunstall DPO Fund I Holdco Ltd - loan interest	-	211,635
M7 Aggregator Fund LP - loan interest	-	34,499
M7 Real Estate Limited - loan interest	-	26,126
	<b>3,720,078</b>	<b>877,750</b>

Tunstall Real Estate Credit II Lendco S.à r.l. has issued GBP 26,710,307 of loan notes to Tunstall Real Estate Credit II Holdco S.à r.l. Under the loan note agreement, Tunstall Real Estate Credit II Holdco S.à r.l. is entitled to interest equal to the adjusted accounting profit of Tunstall Real Estate Credit II Lendco S.à r.l. minus a margin.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**15. Interest payable and similar expenses (continued)**

**15.2 Other interest payable and similar expenses**

	<b>1 January 2020 to 31 December 2020 £</b>	<b>6 September 2018 to 31 December 2019 £</b>
Bank of America Merrill Lynch - loan interest	2,383,712	1,142,456
Bank of America Merrill Lynch - undrawn commitment fee	21,263	590,555
Amortisation of finance costs	617,048	116,141
	<b>3,022,023</b>	<b>1,849,152</b>

On 7 February 2019 the Company agreed a GBP 78,000,000 loan facility with the Bank of America Merrill Lynch at a variable interest rate of 3% plus libor. A commitment fee of 1.5% per annum was payable on the undrawn facility amount. GBP 75,982,818 of the loan was drawn by 21 February 2020, at this time, the remaining undrawn commitment of GBP 2,017,182 was cancelled.

Comparative figures and presentation has been changed as at 31 December 2020. Please refer to note 20.1.

**16. Tax expense**

	<b>1 January 2020 to 31 December 2020 £</b>	<b>6 September 2018 to 31 December 2019 £</b>
Corporate income tax	1,043	27,954
Municipal business tax	-	8,379
Net wealth tax	523	4,173
VAT	(7,272)	-
	<b>(5,706)</b>	<b>40,506</b>

**17. Related parties**

Related party transactions have been disclosed in notes 4.1, 10.3, 10.4, and 15.1.

There has been no remuneration paid to the managers of the Company during the year ended December 2020 (2019: nil).

Alter Domus Luxembourg S.à r.l. and associated entities are related parties of the Company providing administrative and secretarial services to the Company at commercial rates throughout the year GBP 56,426 (2019: GBP 43,474).

**18. Number of employees**

During the year ended 31 December 2020 the Company had no employees (2019: nil).

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**19. Off balance sheet commitments**

Two of the loans with external borrowers have a capex element to their loan. As as 31 December 2020, Tunstall Real Estate Credit II Lendco S.à r.l. had a commitment to fund GBP 3,187,900 (2019: GBP 6,700,000). These loans will be funded from the restricted cash account (GBP 1,913,249) and funding available to Tunstall Real Estate Credit II Lendco S.à r.l. from the issuance of further loan notes.

The bank accounts of the Company are pledged to Bank of America Merrill Lynch under the Bank of America Merrill Lynch facility agreement.

Prior year error was corrected as at 31 December 2020 (refer to note 20.2).

**20. Comparative figures and correction of errors**

The presentation of the annual accounts has been modified when compared to the presentation used in respect of the financial year ended 31 December 2019. As a consequence and in order to ensure adequate comparability across both the financial years, certain comparative figures in respect of the financial year ended 31 December 2019 have been reclassified and some errors were corrected throughout 2020 as detailed below.

**20.1 Comparative figures**

Prepayments	Loan arrangement fees of GBP 1,012,185 were previously recorded under Financial Assets in the 2019 annual accounts. In the 2020 annual accounts loan arrangement fees have been recorded under Prepayments.
Bank of America Merrill Lynch loan	The loan from Bank of Amercia Merrill Lynch has been reclassified from Non-convertible debenture loans to Amounts owed to Credit institutions.
Amortisation of arrangement fees	Amortisation of loan arrangement fees were previously recorded under Other operating expenses in the 2019 annual accounts. In the 2020 annual accounts these fees have been recorded under Other interest payable and similar expenses.

**20.2 Correction of errors**

Financial Assets	Capex loan commitments of GBP 6,700,000 were previously recorded under Financial Assets in the 2019 annual accounts, with a corresponding amount recorded under Non-convertible loans. In the 2020 annual accounts the commitment of GBP 3,187,900 is included under off balance sheet commitments (note 19).
Short term amounts owed to or from Tunstall Real Estate Credit II Holdco S.à r.l.	In the 2019 annual accounts amounts owed to or from Tunstall Real Estate Credit II Holdco S.à r.l. were netted off against each other, no contractual right exists for the net off. In the 2020 annual accounts, amounts owed by Tunstall Real Estate Credit II Holdco S.à r.l. are shown under amounts owed by affiliated undertakings becoming due and payable within one year (GBP 1,995,692), amounts owed to Tunstall Real Estate Credit II Holdco S.à r.l. (GBP 988,718) are shown under amounts owed to affiliated undertakings becoming due and payable within one year.

**Tunstall Real Estate Credit II Lendco S.à r.l.**  
**Notes to the annual accounts as at 31 December 2020**

**20. Comparative figures and correction of errors (continued)**

Amortisation of arrangement fees	Balance of amortisation of arrangement fees has been corrected as at 31 December 2020 as annual amortisation of the prepayments were not properly reflected in the annual accounts. The entire effect of GBP 348,878 was recognised as amortisation of finance costs in the profit and loss account, with GBP 95,469 attributable to prior years.
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**21. Subsequent Events**

The ultimate parent Company of Tunstall Real Estate Credit II Lendco S.à r.l. changed in August 2021 from Tunstall Real Estate Credit II Charitable Trust to Grey Cat Capital V LLP.

The loan note agreement between Tunstall Real Estate Credit II Lendco S.à r.l. and Tunstall Real Estate Credit II Holdco S.à r.l. increased from GBP 50,000,000 to GBP 100,000,000 in August 2021. This increase was approved by the International Stock Exchange in September 2021. As at 31 December 2020, the amount drawn was GBP 26,844,529, subsequent to year end this has increased to GBP 49,654,335.

The Company has provided seven additional loans to external parties during 2021, ranging from GBP 4,000,000 to GBP 17,307,500 in value. The interest rate on these loans ranges from 6.5% to 15% per annum, with the length of the loans ranging from 1 to 5 years.

Loan 1 (refer to note 3.1) was repaid in full in December 2021.

The loan facility with Bank of America Merrill Lynch was increased by an additional GBP 50,000,000 in June 2021 and the maturity extended to 30 June 2022. A commitment fee of 1.5% was payable on the undrawn amount, the undrawn amount of GBP 19,859,999 was cancelled on the 6 December 2021.

On 13 January 2022 the Company agreed a £300,000,000 loan on loan facility with Barclays at a variable interest rate of 2.75% plus SONIA. The Company immediately drew down GBP 98,026,495 of this loan facility, GBP 85,954,060 was used to repay the loan outstanding at that date with Bank of America Merrill Lynch.