

Europa UK Debt (Lux) III S.à r.l.

Société à responsabilité limitée

REPORT OF THE REVISEUR D'ENTREPRISES AGREE
AS AT 31 DECEMBER 2022

Europa UK Debt (Lux) III S.à r.l.

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To the Board of Managers of
Europa UK Debt (Lux) III S.à r.l.
5, Heienhaff
L-1736 Senningerberg

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Annual Accounts

Opinion

We have audited the Annual Accounts of Europa UK Debt (Lux) III S.à r.l. (the "Company"), which comprise the balance sheet as at 31 December 2022, 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 2022, 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" (the "CSSF"). Our responsibilities under the Law of 23 July 2016 and the 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.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the management report but does not include the annual accounts and our report of the *Réviseur d'Entreprises Agréé* thereon.

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

Chartered Accountants & Réviseurs d'Entreprises Agréés

Grant Thornton Audit & Assurance

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In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the Annual Accounts

The Board of Managers is responsible for the preparation and fair presentation of these 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 the 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

Our objectives 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 dated 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 dated 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 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 communicate to 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.

Report on Other Legal and Regulatory Requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Other matter

The Annual Accounts of the Company for the year ended 31 December 2021 were audited by another audit firm who expressed an unmodified opinion on those Annual Accounts on 1 April 2022.

Luxembourg, 25 April 2023



Gérôme MERCHADIER
Réviseur d'Entreprises Agréé
Grant Thornton Audit & Assurance

Europa UK Debt (Lux) III S.à r.l
Société à responsabilité limitée
Registered office: 5, Heienhaff L-1736 Senningerberg
RCS Luxembourg : B241628

BALANCE SHEET (in GBP)

As at 31 December 2022

ASSETS			
	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	101 -	102 -
I. Subscribed capital not called	1103	103 -	104 -
II. Subscribed capital called but unpaid	1105	105 -	106 -
B. Formation expenses	1107	107 -	108 -
C. Fixed assets	1109	109 29,109,248	110 28,300,886
I. Intangible assets	1111	111 -	112 -
1. Costs of development	1113	113 -	114 -
2. Concessions, patents, Licenses, trade marks and similar rights and assets, if they were	1115	115 -	116 -
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117 -	118 -
b) created by undertaking itself	1119	119 -	120 -
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121 -	122 -
4. Payments on account and intangible assets under development	1123	123 -	124 -
II. Tangible assets	1125	125 -	126 -
1. Land and buildings	1127	127 -	128 -
2. Plant and machinery	1129	129 -	130 -
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 29,109,248	136 28,300,886
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 3	147 29,109,248	148 28,300,886
D. Current assets	1151	151 1,819,107	152 816,422
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 1,135,851	164 381,048
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 -	172 -
a) becoming due and payable within one year	1173	173 -	174 -
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 1,135,851	184 381,048
a) becoming due and payable within one year	1185 4	185 1,135,851	186 381,048
b) becoming due and payable after more than one year	1187	187 -	188 -
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	197 683,256	198 435,374
E. Prepayments	1199	199 -	200 -
TOTAL (ASSETS)	201	30,928,355	202 29,117,308

The accompanying notes form an integral part of these annual accounts

Europa UK Debt (Lux) III S.à r.l
Société à responsabilité limitée
Registered office: 5, Heienhaff L-1736 Senningerberg
5, Heienhaff, L-1736 Senningerberg

BALANCE SHEET (in GBP)

As at 31 December 2022

CAPITAL, RESERVES AND LIABILITIES					
	Reference(s)		Current year		Previous year
A. Capital and reserves	1301	301	12,000	302	12,000
I. Subscribed capital	1303	5	12,000	304	12,000
II. Share premium account	1305	305	-	306	-
III. Revaluation reserve	1307	307	-	308	-
IV. Reserves	1309	309	-	310	-
1. Legal reserve	1311	311	-	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	-	320	-
VI. Profit or loss for the financial year	1321	321	-	322	-
VII Interim dividends	1323	323	-	324	-
VII 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	30,555,630	436	28,652,790
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	-
3. Payments received on account of orders in so far as they are 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	29,861,719	380	28,218,491
a) becoming due and payable within one year	1381	6	1,424,438	382	342,597
b) becoming due and payable after more than one year	1383	6	28,437,281	384	27,875,894
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	693,911	452	434,299
a) Tax authorities	1393	6	14,729	394	7,896
b) Social security authorities	1395	395	-	396	-
c) Other creditors	1397	397	679,182	398	426,403
i) becoming due and payable within one year	1399	6	679,182	400	426,403
ii) becoming due and payable after more than one year	1401	401	-	402	-
D. Deferred income	1403	7	360,725	404	452,518
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405		30,928,355	406	29,117,308

The accompanying notes form an integral part of these annual accounts


Europa UK Debt (Lux) III S.à r.l
Société à responsabilité limitée
Registered office: 5, Heienhaff L-1736 Senningerberg
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PROFIT AND LOSS ACCOUNT (in GBP)

For the year ended 31 December 2022

PROFIT AND LOSS ACCOUNT				
	Reference(s)	Current year		Previous year
1. Net turnover	1701	701	-	701
2. Variation in stocks of finished goods and in work in progress	1703	703	-	703
3. Work performed by the undertaking for its own purposes and capitalised	1705	705	-	705
4. Other operating income	1713	8	713 3,417,858	713 273,350
5. Raw materials and consumables and other external charges	1671	671	-382,046	671 -194,974
a) Raw materials and consumables	1601	601	-	601 -
b) Other external expenses	1603	9	603 -382,046	603 -194,974
6. Staff costs	1605	605	-	605 -
a) Wages and salaries	1607	607	-	607 -
b) Social security costs	1609	609	-	609 -
i) relating to pensions	1653	653	-	653 -
ii) other social security costs	1655	655	-	655 -
c) Other staff costs	1613	613	-	613 -
7. Value adjustments	1657	657	-	657 -
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659	-	659 -
b) in respect of current assets	1661	661	-	661 -
8. Other operating expenses	1621	10	621 -1,006	621 -7,254
9. Income from participating interests	1715	715	-	716 -
a) derived from affiliated undertakings	1717	717	-	718 -
b) other income from participating interest	1719	719	-	720 -
10. Income from other investments and loans forming part of the fixed assets	1721	721	2,201,022	722 808,319
a) derived from affiliated undertakings	1723	723	-	724 -
b) other income not included under a)	1725	11	725 2,201,022	726 808,319
11. Other interest receivable and similar income	1727	727	147,255	728 46,729
a) derived from affiliated undertakings	1729	729	-	730 -
b) other interest and financial income	1731	12	731 147,255	732 46,729
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	3. 5	665 -3,429,449	666 -281,214
14. Interest payable and similar expenses	1627	627	-1,943,046	628 -639,330
a) concerning affiliated undertakings	1629	13	629 -1,943,046	630 -639,330
b) other interest and similar expenses	1631	631	-	632 -
15. Tax on profit or loss	1635	635	-10,588	636 -5,626
16. Profit or loss after taxation	1667	667	-	668 -
17. Other taxes not shown under items 1 to 16	1637	637	-	638 -
18. Profit or loss for the financial year	1669	669	-	670 -


Luc Fevrier


John Wiseman

The accompanying notes form an integral part of these annual accounts

Europa UK Debt (Lux) III S.à r.l.

NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2022

1 ORGANISATION

Europa UK Debt (Lux) III S.à r.l. (hereafter the “Company”) was incorporated on January 23, 2020 and organised under the laws of Luxembourg as a private limited liability company (société à responsabilité limitée) governed by the laws of the Grand Duchy of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended, the law of 22 March 2004 on securitisation (the “Securitisation Law”) and the present articles of incorporation. The Company is established for an unlimited period of time and is registered under R.C.S. in Luxembourg, number B 241628. The registered office of the Company is established at 5 Heienhaff, Senningerberg, L-1736.

The Company’s financial year starts on January 1 and ends on December 31 of each year.

The Company has issued GBP 12,000 shares. The shares are owned by Europa UK Debt III L.P. (“UK Debt III LP”).

The objective of the Company is to enter into any type of securitisation transactions within the meaning of the Securitisation Law and in particular it may acquire, originate or assume, directly or indirectly or through another entity, risks relating to any kind of loans, receivables, notes, shares, government bonds, treasury bills, debt and equity securities and any kind of financial instruments and real estates (the “Underlying Assets”) and to directly or indirectly invest in, acquire, originate, hold and dispose of the Underlying Assets.

The Company may also originate loans and lend funds, including the proceeds of any borrowings and/or issues of securities within the limits of the Securitisation law. The Company may enter into any transactions by which it acquires or assumes, directly and indirectly or through another entity, risks relating to Debt and equity securities, other similar instruments, rights or participations in the Underlying Assets. The Company may freely dispose of, and assign, its assets on such terms as determined by the board from time to time.

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

2 SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention, except for the use of the fair value option for financial assets.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of December 19, 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 Board of Managers to exercise its judgement in the process of applying the accounting policies.

Europa UK Debt (Lux) III S.à r.l.

NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2022

2 SUMMARY OF ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued and end)

Changes in assumptions may have a significant impact on the annual accounts in the year on which the assumptions changed. Management believes that the underlying assumptions are appropriate and 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.

2.2 Presentation of the comparative financial data

The figures for the year ended December 31, 2021 relating to item "Other creditors – becoming due and payable within one year" have been reclassified to "Deferred income" for an amount of GBP 452,518.27, those relating to item "Other creditors – becoming due and payable within one year" have been reclassified to "Other creditors – Tax authorities", those relating to item "Interest payable and similar expenses – other interest and similar expenses" have been reclassified to "Interest payable and similar expenses – concerning affiliated undertakings" for an amount of GBP 639,330.00 to ensure comparability with the figures of the year ended December 31, 2022.

These reclassifications have no impact on the prior year capital and reserves and the current year result.

2.3 Significant accounting policies

The main valuation rules applied by the Company are the following:

a) Foreign currency translation

The Company maintains its books and records in British Pounds ("GBP") and the annual accounts have been prepared in this currency.

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 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 liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account whereas the net unrealised exchange gains are not recognised.

Europa UK Debt (Lux) III S.à r.l.

NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2022

2 SUMMARY OF ACCOUNTING POLICIES (continued)

2.3 Significant accounting policies (continued)

a) Foreign currency translation (continued and end)

Assets and liabilities items that are fair valued are converted at the exchange rates effective at the balance sheet date. Foreign exchange differences on these items that are accounted for at fair value are recognised in the profit and loss account or revaluation reserves with the change in fair value.

b) Financial assets

Other loans are composed of loans, initially recorded at issuance price and subsequently valued at their fair values as determined below, with changes through the profit and loss account under the caption: "Value adjustments in respect of financial assets and of investments held as current assets". Arrangement fees are amortised over the life of the investment.

The measurement of fair value of other loans is the price that would be received or paid to redeem the other loans in an orderly transaction between market participants at the measurement date. Transaction costs associated with the issue or redemption of other loans are expensed separately as incurred in the profit and loss account.

c) Cash at bank

Cash at bank is valued at the closing date of the Annual Accounts.

Consequently, realised exchange gains and losses and unrealised exchange losses are accounted for in the profit and loss account.

d) 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 reasons for which the value adjustment were made have ceased to apply.

e) Creditors

Creditors are initially recorded at nominal value. After initial recognition, creditors are measured at their repayable amount.

f) Other external and operating expenses

Other external and operating expenses are recognised on an accrual basis.

g) Other operating income

Other operating income is recognised on an accrual basis.

h) Income from other investments and loans forming part of the fixed assets

Income from other investments and loans forming part of the fixed assets is recognised on an accrual basis.

Europa UK Debt (Lux) III S.à r.l.

NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2022

2 SUMMARY OF ACCOUNTING POLICIES (continued and end)

2.3 Significant accounting policies (continued and end)

i) Equalisation provision

Due to the limited recourse nature of the notes issued, losses during the year as a result from sales, default, lower market values or cost may reduce the value of the notes issued. Such shortfalls are borne by the Note Holder in accordance with the Master Terms and Conditions Instrument dated February 20, 2020, signed between the Note Holder and the Company.

Consequently, a provision for diminution in value will be made and will be deducted from amount repayable on the notes issued and booked in the profit and loss account as "Equalisation provision" under "Other operating income".

Similarly, the amount repayable of a debt is increased if the reimbursements value is directly linked to the value of the related assets and if it is likely that Cash Flow from the related assets exceeds the amount received. In this case, the Company has increased the book value of the debt and recognised an unrealised loss as "Equalisation provision" included under "Other operating expenses" in the profit and loss account.

3 FINANCIAL ASSETS

Other loans as at December 31, 2022 consist of the following:

	Opening balance 01-Jan-22	Acquisitions during the year	Repayments during the year	Capitalised PIK during the year	Fair value adjustments during the year	Loan advances	Fair Value as at 31-Dec-22
	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Wavendon	8,073,546	-	-	-	(382,306)	-	7,691,240
Flat Cap Hotels	9,927,340	-	-	-	(1,948,982)	-	7,978,358
The Maltings	10,300,000	-	-	-	(1,138,036)	-	9,161,964
Fowlmere	-	4,005,000	-	-	39,875	232,811	4,277,686
	28,300,886	4,005,000	-	-	(3,429,449)	232,811	29,109,248

Other loans as at December 31, 2021 consist of the following:

	Opening balance 01-Jan-21	Acquisitions during the year	Repayments during the year	Capitalised PIK during the year	Fair value adjustments during the year	Fair Value as at 31-Dec-21
	GBP	GBP	GBP	GBP	GBP	GBP
Wavendon	8,312,500	-	-	-	(238,954)	8,073,546
Flat Cap Hotels	-	9,969,600	-	-	(42,260)	9,927,340
The Maltings	-	10,300,000	-	-	-	10,300,000
	8,312,500	20,269,600	-	-	(281,214)	28,300,886

Europa UK Debt (Lux) III S.à r.l.

NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2022

3 FINANCIAL ASSETS (continued)

The characteristics of investments are as follows:

	Initial principal investment	Cash interest rate	PIK interest rate	Underwriting fee rate	Maturity date
	GBP	%	%	%	
Wavendon	8,312,500	5.00%	2.50%	0.00%	20/11/2024
Flat Cap Hotels	9,969,600	7.50%	0.00%	0.00%	22/10/2024
The Maltings	10,300,000	5.00%	2.00%	0.00%	10/12/2026
Fowlmere	4,005,000	7.50%	2.50%	0.00%	06/10/2025
	32,587,100				

4 DEBTORS

Debtors are as follows:

	31-Dec-22 GBP	31-Dec-21 GBP
Other debtors		
Becoming due and payable within one year		
Interest receivable on loans issued	1,123,728	299,319
Other Debtors	12,123	81,729
	1,135,851	381,048

5 CAPITAL AND RESERVES

Capital and reserves are as follows:

	31-Dec-22 GBP	31-Dec-21 GBP
Subscribed capital	12,000	12,000
Reserves	-	-
Profit or loss for the financial year	-	-
	12,000	12,000

As at December 31, 2022, the share capital of the Company amounts to GBP 12,000 and is represented by 12,000 shares of GBP 1 each.

Legal reserve

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.

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NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2022

6 CREDITORS

Amounts owed to affiliated undertakings are as follows:

	31-Dec-22	31-Dec-21
	GBP	GBP
<u>Becoming due and payable within one year</u>		
Interest payable on Quoted Euro Notes	1,424,438	342,597
Amounts owed to UK Debt III LP	-	-
	1,424,438	342,597
Interest payable on Quoted Euro Notes		
	31-Dec-22	31-Dec-21
	GBP	GBP
<u>Becoming due and payable after more than one year and less than five years</u>		
Long term Quoted Euro Notes	32,122,091	28,157,141
Equalisation provision:		
Accumulated equalisation provision - opening balance	(281,247)	(7,986)
Equalisation provision adjustment - for the year (note 8)	(3,403,563)	(273,261)
Accumulated equalisation provision - closing balance	(3,684,810)	(281,247)
	28,437,281	27,875,894

The Company issued Limited Recourse Notes ("Notes") to UK Debt III LP, which are listed on The International Stock Exchange. Interest is payable on the Notes in so far as the Company has sufficient earnings and is solvent after the payment of such interest.

The Notes have a maturity date of the date on which the last outstanding asset is redeemed, disposed of, or written off in full by the Company. The Notes are repayable by the Company at any time in part or in full, but in any case at the latest on the maturity date.

On December 16, 2020, the Company issued the first tranche of Limited Recourse Notes ("Notes") to UK Debt III LP (the "Note Holder"), which are listed on The International Stock Exchange. As at December 31, 2022 the equalisation provision of GBP 3,684,810 (2021: GBP 281,247) has been netted of against the Notes payable.

Other creditors are as follows:

	31-Dec-22	31-Dec-21
	GBP	GBP
Tax authorities		
Corporate Income Tax and Municiple Business Tax	9,316	2,756
Net Wealth Tax	5,413	5,140
	14,729	7,896
Other creditors		
	31-Dec-22	31-Dec-21
	GBP	GBP
Becoming due and payable within one year		
Deferred income		
Amounts withheld from borrower	585,344	331,200
Creditors	89,186	69,487
VAT reverse charge	4,652	25,716
	679,182	426,403

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NOTES TO THE ANNUAL ACCOUNTS DECEMBER 31, 2022

6 CREDITORS (continued)

Amounts withheld from borrower of GBP 585,344 (2021: GBP 331,200) are in relation with investments and will be subsequently transferred to the borrower. Creditors consists of Investment Advisor fees of GBP 65,440 (2021: GBP 45,096), and administration fees of GBP Nil (2021: GBP 1,038), audit fees of GBP 15,542 (2021: GBP 8,268) and other sundry creditors amounting to GBP 8,204 (2021: GBP 19,135).

7 DEFERRED INCOME

Deferred income balance consists of:

	31-Dec-22 GBP	31-Dec-21 GBP
Deferred income	360,725	452,518
	<u>360,725</u>	<u>452,518</u>

Deferred income consists of arrangement fees received in advance of GBP 360,725 (2021: GBP 452,518).

8 OTHER OPERATING INCOME

Other operating income are as follows:

	For the year from 01-Jan-22 to 31-Dec-22 GBP	For the year from 01-Jan-21 to 31-Dec-21 GBP
Equalisation provision (note 6)	3,403,563	273,261
Other income	14,295	89
	<u>3,417,858</u>	<u>273,350</u>

9 OTHER EXTERNAL EXPENSES

Other external expenses are as follows:

	For the year from 01-Jan-22 to 31-Dec-22 GBP	For the year from 01-Jan-21 to 31-Dec-21 GBP
Advisory fees	(254,817)	(110,162)
Administration fees	(53,072)	(48,087)
Professional fees	(52,775)	(28,232)
Audit fees	(20,596)	(7,874)
Bank charges	(786)	(619)
	<u>(382,046)</u>	<u>(194,974)</u>

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10 OTHER OPERATING EXPENSES

Other operating expenses are as follows:

	For the year from 01-Jan-22 to 31-Dec-22 GBP	For the year from 01-Jan-21 to 31-Dec-21 GBP
Foreign exchange differences	(1,006)	-
Non-deductible VAT	-	(7,254)
	<u>(1,006)</u>	<u>(7,254)</u>

11 INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS

	For the year from 01-Jan-22 to 31-Dec-22 GBP	For the year from 01-Jan-21 to 31-Dec-21 GBP
Other income		
Interest receivable on loans issued	2,201,022	808,319
	<u>2,201,022</u>	<u>808,319</u>

Please refer to note 3 for the terms and conditions of interest and of the fees.

12 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income derived from other investments and loans forming part of the fixed assets is as follows:

	For the year from 01-Jan-22 to 31-Dec-22 GBP	For the year from 01-Jan-21 to 31-Dec-21 GBP
Other interest and similar income		
Arrangement fee	131,844	43,167
Other income	14,357	3,562
Bank interest income	1,054	-
	<u>147,255</u>	<u>46,729</u>

Arrangement fees on loans and claims held as fixed assets is earned as a result of the initial provision of loans to the Borrowers as disclosed in note 2.

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13 INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses are as follows:

	For the year from 01-Jan-22 to 31-Dec-22 GBP	For the year from 01-Jan-21 to 31-Dec-21 GBP
Other interest and similar expenses		
Interest expense on Quoted Euro Notes	(1,943,046)	(639,330)
	<u>(1,943,046)</u>	<u>(639,330)</u>

14 TAXATION

The Company is subject to the general tax regulations applicable to all commercial companies in Luxembourg incorporated under the Securitisation Law of 22 March 2004.

The Company may be subject to Luxembourg VAT in respect of fees charged for certain services rendered to the Company.

15 STAFF

In 2021 and 2022, the Company did not employ any staff.

16 RELATED PARTIES TRANSACTIONS

Four managers of the Company are also directors of Apex Fund and Corporate Products S.A. (formerly Sanne Group (Luxembourg) S.A.), which provides administration services to the Company.

The Company engaged Schroders Real Estate Investment Management Ltd as its asset advisor and debt investment advisor. The advisory fee and debt investment advisory fee is determined in accordance with section 4 of the Investment Advisory Agreement dated May 15, 2022.

17 SUBSEQUENT EVENTS

In recognition of challenging trading conditions for the hospitality industry, accrued interest of £618,830.65 due in relation to the Flat Cap Hotels investment has been deferred.

There were no further adjusting subsequent events which occurred after the reporting date.