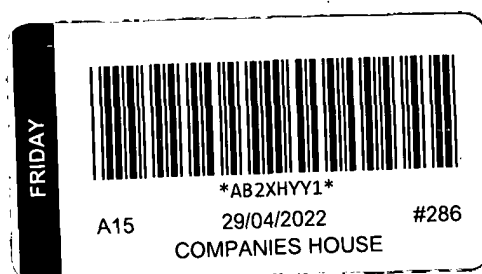


Värde Partners Europe Limited

Annual report and consolidated financial statements

Registered number 05174658
for the year ended 31 December 2021



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Directors' report

The Directors present their annual report, strategic report and the audited financial statements for the year ended 31 December 2021.

Principal activities

Värde Partners Europe Limited ("The Company" or "VPE"), registered at 2 St James's Market, London, SW1Y 4AH, is a private limited Company incorporated in July 2004 and is a Financial Conduct Authority ("FCA")-authorised investment advisor and discretionary investment manager.

VPE is indirectly wholly owned by Värde Management, L.P. ("VMLP"), a US-registered investment adviser in the Värde organisation ("Värde"), a global alternative investment firm. Värde was founded in 1993 and operates with offices in Minneapolis, London, Singapore and New York and other cities in Asia and Europe. As of 31 December 2021, Värde's assets under management were approximately \$13 billion.

VPE's business is to provide advisory and sub-investment management services to VMLP as the principal investment adviser to the Värde funds with regard to European investment activities. VPE does not hold client money or assets.

VPE has two wholly owned subsidiaries, Varde Partners Iberia SLU ("VPIB") based in Madrid, Spain and Varde Partners Italy S.R.L. ("VPIT") based in Milan, Italy. VPE also had a Greek subsidiary, Varde Partners Hellas EPE ("VPH"), in Athens, Greece that was liquidated during the year.

The term Group refers to the consolidation of VPE, VPIB, VPIT and VPH.

Result and dividend

The Group's profit for the year was £1,739,000 (2020: £2,704,000). During the year, dividends totalling £7,000,000 were paid to VPE BL LLC. They were then paid from VPE BL LLC to the ultimate parent Company, VMLP. In 2020, no dividend was paid to VPE BL LLC. The Directors do not recommend the payment of a final dividend.

Directors and Directors' interests

The Directors who held office during the year and up to the date of this report were as follows:

Ricky J. Noel
Anthony Iannazzo
Bradley P. Bauer

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Directors' report (continued)

Insurance Policies

Certain Directors benefited from qualifying third-party indemnity provisions in place during the year and at the date of this report.

Pillar 3 disclosure

The Company's Pillar 3 disclosure can be found on the following website: <http://www.pillar3.eu/VPEL0900302>

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken appropriate steps to be informed of any relevant audit information as well as confirmed that the Company's auditor is aware of any such information.

By order of the Board



Bradley P. Bauer
CEO & Director

25 April 2022

Company number 05174658

2 St James's Market
London SW1Y 4AH
United Kingdom

Strategic report

As noted, the Group acts as a sub-adviser to VMLP with regard to potential and realised investments in Europe.

Business review

VPE is based in London and is an FCA-authorized investment adviser and discretionary investment manager. VPE is wholly owned by VPE BL LLC, which is wholly owned by VMLP, and generates its income by charging management fees to VMLP based on a residual profit split arrangement.

Turnover for the year ended 31 December 2021 increased by approximately 14% to £42.8m (2020: £37.7m). VPE continues to be remunerated by VMLP under the residual profit split method ("RPSM") and under this, turnover is driven by this calculation. The functions performed by Vårde affiliates and the related assets and risks involved in the integrated, global investment management business meet the standards for remuneration under the RPSM. The RPSM remunerates Vårde affiliates at arm's length for the non-routine investment management functions that are performed by affiliates globally. Additionally, the RPSM is one of the most appropriate methods listed under the Organisation for Economic Co-operation and Development guidelines.

In early 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The Company has implemented actions where appropriate to provide a safe working environment for its employees while ensuring continuity of business.

Vårde was founded in 1993 and operates with offices in Minneapolis, London, Singapore and New York and other cities in Asia and Europe. As of 31 December 2021, Vårde's assets under management were approximately \$13 billion. VPE provides advisory and sub-investment management services to VMLP as the principal investment adviser to the Vårde funds with regard to European investment activities.

VPE has a wholly owned Spanish subsidiary, VPIB, and a wholly owned Italian subsidiary, VPIT, which support VPE's non-regulated investment activity in Spain and Italy, respectively. VPE also had a 90% ownership stake in a Greek subsidiary, VPH, which was liquidated during the year. VPE holds share capital of €3,000 in VPIB, €10,000 in VPIT and €2,700 in VPH. The remaining 10% of VPH is held by VPIB. VPE remunerates VPIB and VPIT based on a residual profit split arrangement for services provided.

Principal risks and uncertainties

The Group is an advisory and discretionary investment manager that does not act on its own account and does not hold either client money or assets. VPE is categorised as an MIFIDPRU limited licence firm by the FCA for regulatory capital purposes and its subsidiaries, VPIB and VPIT are not regulated companies. VPE has established a risk management process to confirm that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. To mitigate any such risks, the Company's strategy is to maintain adequate capital resources in excess of the minimum capital requirements as outlined in the Investment Firms Prudential Regime to protect itself from unfavourable market conditions. The Group's exposure to market risks is limited since the Group does not act on its own account and does not hold either client money or assets.

The emergence of COVID-19 has led to uncertainty in the global social-economic environment. The Company has put contingency arrangements in place to deliver operational resilience. In order to appropriately assess VPE's operational risk, it is important to understand VPE's functions within Vårde's global business. VPE's role is primarily focused on providing investment advice to VMLP with regard to opportunities within Europe. Many of the non-investment functions for the business are provided by Vårde personnel in the United States.

Strategic report (continued)

Principal risks and uncertainties (continued)

In addition, the Group has taken comprehensive steps to provide for the Group's employees to continue to perform effectively outside of the physical office environment. As a result, the Directors do not consider that any material functions of VPE are office dependent.

The Directors have not seen any material change in the Company's financial position or performance as at the date of this report and in conjunction with the Company's ultimate parent continue to monitor the impact COVID-19 has on investment valuations in the Värde funds. To the extent relevant, the Company will reflect any impact of such valuation adjustments as appropriate in its regular reporting.

The principal risks are regularly assessed and monitored and the Company is satisfied with its evaluation process.

Key performance measures

The key performance measures of the Group are as follows:

	2021	2020	Variance
	£'000	£'000	%
Turnover	42,800	37,697	14%
Staff Costs	33,199	26,180	27%

During 2021, the average headcount for the Group remained broadly in line with prior years which will continue to provide the staffing required, as assessed by senior management, to support the requirements of the business in providing appropriate levels of service.

The Group closely monitors its capital resources and the Directors continue to be satisfied that the Group has sufficient capital resources to protect itself from any unfavourable market conditions.

Statement by Directors of the Company in performance of their statutory duties in accordance with section 172(1) Companies Act 2006 ("The Act")

Throughout the year, the Directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its sole member, including, but not limited to:

- the likely consequences of any decisions in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment; and
- the desirability of the Company maintaining a reputation for high standards of business conduct.

Each Director of the Company considers that they have individually and as a board acted in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its sole member having regard to the matters set out in section 172(1)(a)-(f).

The following paragraphs summarise how the Directors fulfil their duties:

Purpose, strategy and consideration of the consequences of our decisions for the long term

The Company's strategy and operational focus is to provide investment advice as a sub-advisor to VMLP with regard to investment activities in Europe. Throughout the year the board has had regard to changing socio and economic factors (such as the effect of Brexit and the Covid-19 pandemic) on the business and has taken a risk-based approach to its long-term decision making.

Statement by Directors of the Company in performance of their statutory duties in accordance with section 172(1) Companies Act 2006 ("The Act") (continued)

Employees and culture

The Directors are committed to making Värde a rewarding place to work and have developed a strong culture underpinned by the firm's core values. Värde employees are rewarded for their contributions and the Company is intentional about creating a consciously inclusive environment by fostering an open and innovative ecosystem in which its employees are encouraged to bring their ideas to life. Värde's Diversity & Inclusion Council oversees the firm's strategy and progress toward these goals.

Impact of the Company's operations on the community and environment

The Company believes that environmental, social and governance ("ESG") principles align naturally with its core values. Guided by Värde's senior leadership and CIOs, including the Directors, ESG considerations are integrated where applicable into the firm's operations as well as the investment lifecycle from diligence to exit. The Portfolio Operations Group monitors, promotes and implements sustainable and responsible practices among portfolio companies.

Maintaining a reputation for high standards of business conduct

The Directors seek to operate VPE's business in a prudent and appropriate manner. It therefore places a high priority on its internal control processes, which are appropriately documented. VPE seeks to mitigate risks primarily through employees appropriately adhering to its policies and procedures rather than through holding additional capital. VPE does not expect the risks to which it is exposed to impact its profitability. VPE has no history of material operational risk failings and believes that it has adequate controls in place to identify such incidences.

VPE employees receive regular training on key risk areas or areas of focus for regulators. For example, during 2020, VPE Compliance staff led training focusing on an overview of European regulatory priorities and the Company's compliance manual, which focused on conflicts of interest, the Senior Managers and Certification Regime ("SMCR"), Data Privacy and Cybersecurity, Market Abuse and KYC procedures. Compliance orientations are also held for all new employees (including certain interns, contractors and consultants) upon hire.

Future Outlook

The Group will seek to maintain sufficient business capacity to provide its required services to VMLP as their regulatory assets under management increase in size. This may include reviewing new markets for investment opportunities and identifying geographical locations for additional offices to support those investment opportunities. However, there is no intention to develop new product lines within the Group and there is no intention to enter markets to start raising funds or distributing products from the Group.

The Company has been regularly reviewing its business continuity planning in light of the recent pandemic, and has implemented additional actions where appropriate to provide a safe working environment for its employees while ensuring continuity of business. It continues to keep the situation under review.

By order of the Board



Bradley P. Bauer
CEO & Director

25 April 2022

Company number 05174658

Level 2-3
2 St James's Market
London SW1Y 4AH
United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VARDE PARTNERS EUROPE LIMITED

Opinion

We have audited the financial statements of Värde Partners Europe Limited ("the Company") for the year ended 31 December 2021 which comprise the Consolidated Profit and Loss Account, Consolidated Other Comprehensive Income, Consolidated and Company Balance sheet, Consolidated and Company Statement of Changes in Equity, Consolidated Cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from profit allocation model is recorded in the wrong period and the risk that Group may be in a position to make appropriate accounting entries.

We also identified a fraud risk related to employee benefit liabilities as a result of the risk of bias accounting estimates and judgements.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted by unauthorized users.
- Assessing significant accounting estimates for bias.
- Challenging the assumptions applied in determining the employee benefit liabilities by comparing these to historical experience and considering post balance sheet evidence of payments made.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, employment law, and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karl Pountney (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
13 April 2022

Consolidated Profit and Loss Account
for year ended 31 December 2021

	<i>Note</i>	2021 £'000	2020 £'000
Turnover		42,800	37,697
Staff costs	5	(33,199)	(26,180)
Other external charges	4	(6,769)	(7,196)
Depreciation	4	(642)	(672)
Other operating charges		(411)	(413)
Operating Profit		1,779	3,236
Interest receivable and similar income		1	3
Profit on ordinary activities before taxation		1,780	3,239
Tax on profit on ordinary activities	7	(41)	(535)
Profit on ordinary activities after taxation		1,739	2,704

The notes on pages 19 to 33 form an integral part of these financial statements.

Consolidated Other Comprehensive Income
for year ended 31 December 2021

	2021	2020
	£'000	£'000
Profit for the year	1,739	2,704
Foreign exchange differences on translation of foreign operations*	(50)	(188)
Total Comprehensive Income	1,689	2,516

* These may reverse in future periods

The notes on pages 19 to 33 form an integral part of these financial statements.

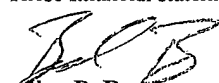
Consolidated Balance Sheet

at 31 December 2021

	<i>Note</i>	2020 £'000	2020 £'000
Fixed assets			
Tangible assets	8	2,743	3,524
Current assets			
Debtors (including amounts falling due after more than one year: £10,884k (2020: £6,364k))	9	31,350	29,255
Cash at bank and in hand		3,042	2,114
		<hr/> 34,392	<hr/> 31,369
Creditors: amounts falling due within one year	10	(19,977)	(15,888)
Net current assets		<hr/> 14,415	<hr/> 15,481
Total assets less current liabilities		17,158	19,005
Creditors: amounts falling due after more than one year	11	(6,685)	(3,221)
Net assets		<hr/> <hr/> 10,473	<hr/> <hr/> 15,784
Capital and reserves			
Called up share capital	13	188	188
Profit and loss account		10,367	15,628
Foreign Currency Translation Reserve		(82)	(32)
Shareholders' funds	14	<hr/> <hr/> 10,473	<hr/> <hr/> 15,784

The notes on pages 19 to 33 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 25 April 2022 and were signed on its behalf by:


Bradley P. Bauer
CEO & Director

Company number 05174658


Company Balance Sheet

at 31 December 2021

	<i>Note</i>	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	8	2,739	3,290
Investments	3	10	13
Current assets			
Debtors (including amounts falling due after more than one year: £10,848k (2020: £6,080k))	9	31,095	28,898
Cash at bank and in hand		2,979	2,073
		<hr/> 34,074	<hr/> 30,971
Creditors: amounts falling due within one year	10	(20,551)	(16,167)
Net current assets		<hr/> 13,523	<hr/> 14,804
Total assets less current liabilities		16,272	18,107
Creditors: amounts falling due after more than one year	11	(6,685)	(3,041)
Net assets		<hr/> <hr/> 9,587	<hr/> <hr/> 15,066
Capital and reserves			
Called up share capital	13	188	188
Profit and loss account		9,399	14,878
Shareholders' funds	14	<hr/> <hr/> 9,587	<hr/> <hr/> 15,066

The notes on pages 19 to 33 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 25 April 2022 and were signed on its behalf by:


Bradley P. Bauer
CEO & Director

Company number 05174658

**Consolidated Statement of Changes in Equity
For year ended 31 December 2021**

	Called up Share capital	Profit and loss account	Foreign currency translation reserve	Total equity
	£000	£000	£000	£000
Balance at 1 January 2021	188	15,628	(32)	15,784
Profit	-	1,739	-	1,739
Dividends distribution	-	(7,000)	-	(7,000)
Other comprehensive income	-	-	(50)	(50)
	-	(5,261)	(50)	(5,311)
Balance at 31 December 2021	188	10,367	(82)	10,473

	Called up Share capital	Profit and loss account	Foreign currency translation reserve	Total equity
	£000	£000	£000	£000
Balance at 1 January 2020	188	12,924	156	13,268
Profit	-	2,704	-	2,704
Dividends distribution	-	-	-	-
Other comprehensive income	-	-	(188)	(188)
	-	2,704	(188)	2,516
Balance at 31 December 2020	188	15,628	(32)	15,784

**Company Statement of Changes in Equity
For year ended 31 December 2021**

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	188	14,878	15,066
Profit	-	1,521	1,521
Dividends distribution	-	(7,000)	(7,000)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(5,479)</u>	<u>(5,479)</u>
Balance at 31 December 2021	<u>188</u>	<u>9,399</u>	<u>9,587</u>

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	188	12,527	12,715
Profit	-	2,351	2,351
Dividends distribution	-	-	-
Other comprehensive income	-	-	-
	<u>-</u>	<u>2,351</u>	<u>2,351</u>
Balance at 31 December 2020	<u>188</u>	<u>14,878</u>	<u>15,066</u>

Consolidated Cash flow statement
for year ended 31 December 2021

	<i>Notes</i>	2021 £'000	2020 £'000
Cash flows from operation activities			
Operating profit for the year		1,779	3,236
<i>Adjustments for:</i>			
Interest receivable and similar income	17	1	3
Foreign exchange differences		(50)	(188)
Depreciation charges		642	672
Loss on disposal of tangible fixed assets		195	-
(Increase) in debtors		(1,240)	1,360
Increase in creditors		7,032	(4,933)
Taxation		(386)	(295)
Net cash from operating activities		<u>7,973</u>	<u>(145)</u>
Cash flow from investing activities			
Acquisition of tangible fixed assets	17	(45)	(43)
Net cash from investing activities		<u>(45)</u>	<u>(43)</u>
Cash flow from financing activities			
Dividend paid	17	(7,000)	-
Net cash from financing activities		<u>(7,000)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		928	(188)
Cash and cash equivalents at 1 January		2,114	3,453
Cash and cash equivalent at 31 December	18	<u>3,042</u>	<u>2,114</u>

The notes on pages 19 to 33 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Värde Partners Europe Limited (the “Company”) is a Company limited by shares, incorporated and domiciled in the UK. The registered number is 05174658 and the registered address is 2 St James’s Market, London SW1Y 4AH.

These Group and parent Company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent Company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent Company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent Company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The consolidated financial statements have been prepared on a going concern basis. Having reviewed the financial projections of the Group, the Directors consider it has sufficient cash resources to meet its financial obligations for a period of at least 12 months from the date of approval of these consolidated financial statements. The Directors also considered the position of the Group’s ultimate parent, VMLP, as, in addition to being the ultimate owner of the Group, it is also its primary source of revenue. The key consideration was various stress scenarios on VMLP’s financial projections to assess the impact on profitability, cash flows and the balance sheet. Considering the results of this stress testing, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group and Company’s ability to continue as a going concern. Therefore, the financial statements continued to be prepared on the going concern basis.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investment in subsidiary is carried at historical cost.

Notes (continued)

1 Accounting policies (continued)

1.4 Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Assets and liabilities of overseas subsidiary undertakings are translated into sterling at the foreign exchange rates ruling at the balance sheet date. The trading results of overseas subsidiary are translated into sterling at the average exchange rate ruling during the period, with the adjustment between average rates and the rates ruling at the balance sheet date being taken to reserves. The exchange difference arising on the retranslation of opening net assets of overseas subsidiary is taken directly to reserves. All other exchange differences are taken to the profit and loss account.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.6 Tangible fixed assets

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer Equipment 3 years
- Furniture and Fixture 5 years
- Leasehold Improvement term of the lease

Notes (continued)

1 Accounting policies (continued)

1.7 Employee benefits

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions paid to the scheme in respect of the accounting period.

Deferred Compensation Plan

The Company along with its ultimate parent, VMLP, operates Deferred Compensation Plans: (i) Deferred Bonus and (ii) Phantom Carried Interest.

- (i) The Deferred Bonus Plan operates by deferring a percentage of individual employee's bonus in excess of a floor amount which is then paid in future periods.
- (ii) The Phantom Carried Interest Plan ("the Phantom Plan") grants certain employees an opportunity to participate in the investments' performance of individual Värde Funds managed by VMLP.

Employees participating in the Phantom Plan are awarded a phantom allocation of the carried interest received by the general partner of the specific Värde Fund. The phantom allocation entitles the employee to receive an amount of cash from the Company generally equal to the amount of carried interest they would have received if they held the same percentage points of carried interest in the general partner of the specific Värde Fund. Employees are not entitled to receive payments under the scheme until the fund distributes the carried interest in cash, the timing of which is uncertain as at 31 December 2021. Amounts are subject to forfeiture in the event an employee terminates employment prior to the payment date. In case of forfeiture, no payment will be made and the total liability will be re-estimated with any adjustment recognised in profit or loss. As such, the Board's best estimate has been utilised in preparing the financial statements.

Deferred Bonus liabilities are recognised in full in the year of award. Phantom Carry liabilities are amortised based on the expected life of the Phantom Plan.

1.8 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.9 Turnover

Income is derived from the Group's activities as an Investment Advisor and is recognised on an accruals basis exclusive of value added tax.

1.10 Expenses

Operating lease

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease. Any refundable deposits are held on the balance sheet until the end of the contract. Lease incentives are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income is recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or not on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Accounting estimates and judgements

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis with any revisions to accounting estimates recognised in the period in which the estimate is revised and in any future periods affected. The judgements and assumptions that are most important to the Group are those related to the Group's long term incentives.

Long term incentives

The key assumptions within the Group's long term incentives are employee behaviour and the estimated value when the award will vest. As at 31 December 2021, changing these assumptions would have the following impact:

- A relative increase of 10% in the number of awards expected to vest would have an impact of £153,000 (2020: £56,000) on the recognised liability of phantom carry; and
- A 10% change in the award level would have an impact of £803,000 (2020: £404,000) on the recognised liability of deferred bonus and phantom carry.

Notes (continued)

3. Investments

Acquisition and Disposals

Cost or valuation £

Acquisition on 27 March 2014	2,575
Acquisition on 5 February 2016	7,572
	10,147

Net book value:

At 31 December 2021 10,147

At 31 December 2020 12,548

Subsidiary undertakings

The following are or were subsidiary undertakings of the Company:

Name	Registered Office	Class of Shares	Holdings
Varde Partners Iberia SLU	Calle Serrano 49, Planta 2, Madrid, Spain	Ordinary	100%
Varde Partners Italy S.R.L	Via Manzoni 41, Milano, Italy	Ordinary	100%
Varde Partners Hellas EPE	62 Kifissias Avenue, Maroussi, Greece	Ordinary	90%

Varde Partners Iberia SLU was incorporated in January 2014. Varde Partners Italy S.R.L was incorporated in February 2016. Varde Partners Hellas EPE was incorporated in September 2017 and was liquidated during 2021. The principal activity of these entities is the provision of transaction support services to VPE.

4. Profit on ordinary activities before taxation - Group

	2021 £'000	2020 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration:		
Audit of the financial statements	72	60
Audit-related assurance services	12	12
Tax advisory services (including amounts recharged to funds)	17	120
Depreciation of tangible fixed assets:		
Owned	642	672
Loss/(gain) on disposal of fixed assets	173	(1)
Net foreign exchange (gain) / loss	(4)	21
Hire of plant and machinery - rentals payable under operating leases	40	42
Hire of land and buildings - operating leases	1,913	1,868

Notes *(continued)*

5. Staff number and costs - Group

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	Number of employees
	2021	2020
Business professionals	60	63
Administration	9	11
	<u>69</u>	<u>74</u>

The aggregate payroll costs of these persons were as follows:

	2021 £'000	2020 £'000
Salaries	26,370	21,585
Social Security	5,917	3,623
Health and life cover and other benefits	542	601
Pension costs	370	371
	<u>33,199</u>	<u>26,180</u>

6. Directors' Remuneration

	2021 £'000	2020 £'000
Directors' remuneration	2,142	4,091
Company contributions to money purchase pension plans	9	8
	<u>2,151</u>	<u>4,099</u>

Two Directors are remunerated by the Company. For the other Director, a recharge is made by VMLP to the Company for the salary and benefit costs of the Director, which are included in the above. The salary and benefits of the highest paid Director by the Company during the year totalled £1,415,000 (2020: £2,863,000), including £5,000 of pension costs (2020: £2,000). Two Directors were part of the pension scheme (2020: two).

The key management personnel ("KMP") of the Company are considered to be the Board of Directors. As a result, the above disclosure is also for the KMP.

Notes (continued)

7. Taxation

Analysis of change in year:	2021	2020
	£'000	£'000
UK corporation tax:		
Current tax on income for the year	1,031	-
Adjustments in respect of prior periods	-	-
Foreign tax payable	128	83
Total current tax	1,159	83
<i>Deferred tax</i>		
Origination/reversal of timing differences	(1,118)	452
Total deferred tax	(1,118)	452
Tax on profit on ordinary activities	41	535

Factors affecting the tax charge for the current year

The current tax charge for the year is the same as the standard rate of corporation tax in the UK (19%). In April 2023, the rate of corporation tax will increase to 25%. The differences are explained below:

	2021	2020
	£'000	£'000
<i>Reconciliation of effective tax rate</i>		
Profit on ordinary activities before tax	1,780	3,239
Current tax at 19% (2020: 19%)	338	616
<i>Effects of:</i>		
Expenses not deductible for tax purpose	31	33
Adjustments in respect of prior periods	-	-
Tax rate changes	(393)	(114)
Foreign tax expense relief	128	83
Foreign tax payable	(63)	(83)
Total (UK and foreign) tax charge (see above)	41	535

Notes (continued)

8. Tangible fixed assets

Group	Computer Equipment £'000	Furniture and Fixtures £'000	Leasehold Improvements £'000	Total £'000
Cost				
As at 1 January 2021	783	830	3,683	5,296
Additions	45	-	-	45
Effect of foreign exchange	6	6	7	19
Disposals	(273)	(135)	(154)	(562)
As at 31 December 2021	<u>561</u>	<u>701</u>	<u>3,536</u>	<u>4,798</u>
Depreciation				
As at 1 January 2021	618	378	776	1,772
Charge for year	93	139	410	642
Effect of foreign exchange	3	3	2	8
Disposals	(236)	(75)	(56)	(367)
As at 31 December 2021	<u>478</u>	<u>445</u>	<u>1,132</u>	<u>2,055</u>
Net book value				
As at 31 December 2021	<u>83</u>	<u>256</u>	<u>2,404</u>	<u>2,743</u>
As at 31 December 2020	<u>165</u>	<u>452</u>	<u>2,907</u>	<u>3,524</u>
Company				
	Computer Equipment £'000	Furniture and Fixtures £'000	Leasehold Improvements £'000	Total £'000
Cost				
As at 1 January 2021	661	702	3,536	4,899
Additions	45	-	-	45
Disposals	(152)	-	-	(152)
As at 31 December 2021	<u>554</u>	<u>702</u>	<u>3,536</u>	<u>4,792</u>
Depreciation				
As at 1 January 2021	550	320	739	1,609
Charge for year	80	125	391	596
Disposals	(152)	-	-	(152)
As at 31 December 2021	<u>478</u>	<u>445</u>	<u>1,130</u>	<u>2,053</u>
Net book value				
As at 31 December 2021	<u>76</u>	<u>257</u>	<u>2,406</u>	<u>2,739</u>
As at 31 December 2020	<u>111</u>	<u>382</u>	<u>2,797</u>	<u>3,290</u>

Notes (continued)

9. Debtors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Debtors: amounts receivable within one year				
Amounts owed by group undertakings	18,969	20,861	18,902	20,939
Account receivable other	68	34	68	34
VAT	142	238	99	156
Corporation tax	847	1,109	750	1,068
Prepayments and accrued income	440	649	428	620
	<u>20,466</u>	<u>22,891</u>	<u>20,247</u>	<u>22,817</u>
Debtors: amounts receivable after more one year				
Amounts owed by group undertakings	6,685	3,221	6,685	3,041
Other debtors	2,524	2,574	2,524	2,524
Deferred tax asset	1,675	569	1,639	516
	<u>10,884</u>	<u>6,364</u>	<u>10,848</u>	<u>6,081</u>
Debtors	<u>31,350</u>	<u>29,255</u>	<u>31,095</u>	<u>28,898</u>

10. Creditors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Creditors: amounts payable within one year				
Other creditors including taxation and social security	3,289	2,407	3,268	2,136
Amounts due to group undertakings	41	233	924	1,821
Trade creditors	661	472	646	438
Accruals and deferred income	15,471	12,776	15,250	11,772
Corporation tax payable	515	-	463	-
	<u>19,977</u>	<u>15,888</u>	<u>20,551</u>	<u>16,167</u>

Notes (continued)

11. Creditors: amounts falling due after one year

Group	2021 £'000	2020 £'000
Deferred Compensation Plans	6,685	3,221
	6,685	3,221
 Company	 2021 £'000	 2020 £'000
Deferred Compensation Plans	6,685	3,041
	6,685	3,041

12. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Company	Assets		Liabilities		Net	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Accelerated capital allowances			(238)	(218)	(238)	(218)
Trading losses	-	102			-	102
Employee benefits	1,876	632			1,876	632
	1,876	734	(238)	(218)	1,876	734
Tax assets	1,876	734			1,876	734
Net of tax liabilities/(assets)			(238)	(218)	(238)	(218)
	1,876	734	(238)	(218)	1,638	516

The expected net reversal of deferred tax assets and liabilities expected to occur in the next reporting period is £204,000. This is due to the expected payment of deferred bonus, tax rate changes and the reversal of the benefit of accelerated capital allowances.

13. Called up share capital

	2021 £'000	2020 £'000
<i>Allotted, called up and fully paid</i>		
Equity: 188,004 Ordinary shares of £1 each	188	188
	188	188

Notes (continued)

14. Reserves

Movement for the year	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 1 January 2021	15,784	13,268	15,066	12,715
Profit for the year	1,739	2,704	1,521	2,351
Other movements	(50)	(188)	-	-
Dividends distribution	(7,000)	-	(7,000)	-
At 31 December 2021	<u>10,473</u>	<u>15,784</u>	<u>9,587</u>	<u>15,066</u>

15. Pension scheme (Company only)

The Company contributes to a defined contribution pension scheme. The pension cost charge for the year represents contribution payable by the Company to the scheme and amounted to £370,000 (2020: £371,000).

No contributions were outstanding at the end of the financial year.

Notes (continued)

16. Operating lease commitments

Group

Non-cancellable operating leases are payable as follows:

	2021		2020	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	2,055	-	1,497	33
Between two and five years	7,902	-	8,066	-
More than five years	2,469	-	4,445	-
	<u>12,426</u>	<u>-</u>	<u>14,008</u>	<u>33</u>

Company

Non-cancellable operating lease rentals are payable as follows:

	2021		2020	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	2,055	-	1,310	33
Between two and five years	7,902	-	7,902	-
More than five years	2,469	-	4,445	-
	<u>12,426</u>	<u>-</u>	<u>13,657</u>	<u>33</u>

Notes (continued)

17. Analysis of cash flows - Group

	2021 £'000	2020 £'000
Returns on investment and servicing of finance		
Interest received	<u>1</u>	<u>3</u>
	<u>1</u>	<u>3</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(45)</u>	<u>(43)</u>
	<u>(45)</u>	<u>(43)</u>
Financing		
Dividends paid	<u>(7,000)</u>	<u>-</u>
	<u>(7,000)</u>	<u>-</u>

18. Analysis of net debt - Group

	At 1 January 2021 £'000	Cash Flow £'000	At 31 December 2021 £'000
Cash at bank	2,114	928	3,042
Debt due less than one year	-	-	-
Debt due after one year	-	-	-
	<u>2,114</u>	<u>928</u>	<u>3,042</u>

Notes (continued)

19. Related parties

Transactions with key management personnel

Total compensation of key management personnel is included in note 6.

Group

Related Party Name	Relationship to Company	Nature of Transaction	2021 £'000	2020 £'000
Värde Management, L.P.	100% Equity Ownership	Investment advisory fees	42,722	37,591
Varde Real Estate Advisors Europe (Italy) S.R.L	Common Control	Shared service income	11	19
Värde Management, L.P.	100% Equity Ownership	Cost recharges	(248)	(497)
Varde Real Estate Advisors Europe (Italy) S.R.L	Common Control	Transaction support and asset management services	(242)	(392)
Varde Real Estate Advisors Europe Limited	Common Control	Shared service income	2	3
Varde Partners Asia pte ltd	Common Control	Secondment fees	-	168
Varde Partners Administration Services Ireland Limited	Common Control	Shared service income	-	9

As at the year end £26,131,000 (2020: £24,082,000) was outstanding from related parties in payment of investment advisory fees and the reimbursement of costs incurred.

Company

Related Party Name	Relationship to Company	Nature of Transaction	2021 £'000	2020 £'000
Värde Management, L.P.	100% Parent	Investment advisory fees	42,722	37,591
Varde Real Estate Advisors Europe (Italy) S.R.L	Common Control	Shared service income	11	19
Värde Management, L.P.	100% Equity Ownership	Cost recharges	(248)	(497)
Värde Partners Iberia SLU	100% Subsidiary	Investment advisory fees	(830)	(1,325)
Värde Partners Italy S.R.L.	100% Subsidiary	Investment advisory fees	(1,116)	(1,737)
Varde Real Estate Advisors Europe (Italy) S.R.L	Common Control	Transaction support and asset management services	(242)	(392)
Varde Real Estate Advisors Europe Limited	Common Control	Shared service income	2	3
Varde Partners Asia pte ltd	Common Control	Secondment fees	-	168
Varde Partners Administration Services Ireland Limited	Common Control	Shared service income	-	9
Värde Partners Italy S.R.L.	100% Subsidiary	Secondment fees	490	682

As at the year end £25,587,000 (2020: £23,924,000) was outstanding from Värde Management, L.P. of investment advisory fees and the reimbursement of costs incurred.

As at the year end £515,000 (2020: £672,000) was outstanding to Värde Partners Iberia SLU for investment advisory recharges and the reimbursement of costs incurred.

As at the year end £348,000 (2020: £875,000) was outstanding to Värde Partners Italy S.R.L. for investment advisory recharges and the reimbursement of costs incurred.

19. Related parties (continued)

Company (continued)

As at the year end £nil (2020: £7,000) was outstanding to Värde Partners Hellas EPE for investment advisory recharges and the reimbursement of costs incurred.

As at the year end £40,000 (2020: £179,000) was outstanding to Värde Real Estate Advisors Europe (Italy) Srl for investment advisory recharges and the reimbursement of costs incurred.

As at the year end £nil (2020: £2,000) was outstanding to Värde Real Estate Advisors Europe Limited for the reimbursement of costs incurred.

As at the year end £nil (2020: £nil) was outstanding to Värde Partners Asia pte ltd for the reimbursement of costs incurred.

As at the year end £nil (2020: £nil) was outstanding to Värde Partners Administration Services Ireland Limited for the reimbursement of costs incurred.

20. Ultimate parent Company

Värde Partners Europe Limited's immediate parent is VPE BL LLC and its ultimate parent is Värde Management, L.P. incorporated in Delaware, USA.

The consolidated financial statements of this Company are not available to the public.

21. Subsequent events

The Directors consider that there were no events between 31 December 2021 and the date of signing that require disclosure or adjustment in the financial statements.