Fairfield Real Estate Finance Services Limited

Directors' report and financial statements for the financial period from 14 June 2016 (date of incorporation) to 31 December 2016

Registered number 10231795

Company information

Directors	P V Calvo (appointed 14 June 2016) F R M Powles (appointed 14 June 2016)
Company number	10231795
Registered office	10 Bressenden Place London SW1E 5DH
Auditor	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Solicitors	Paul Hastings (Europe) LLP 10 Bishops Square London E1 6EG
Bankers	Danske Bank 75 King William Street London EC4N 7DT

Contents

Directors' report

The directors present their report and financial statements for the financial period from 14 June 2016 (date of *incorporation*) to 31 December 2016 (the "financial period").

Principal activities
The principal activity of the company is that of an advisory company that originates and manages loans which are held in other group companies.

Results
The Income Statement for the financial period to 31 December 2016 and the Statement of Financial Position at that date are set out on pages 6 and 7. The profit on ordinary activities for the financial period before taxation amounted to £73,903 and after taxation amount to £13,684.

The Directors did not declare any dividends during the Reporting Period.

Going concern
The financial statements have been prepared on the going concern basis. The company has prepared forecasts for at least 12 months from the date of the financial statements and upon review the directors believe it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Events since the balance sheet date
There have been no significant events affecting the Company since the end of the financial period.

Directors
The directors who held office during the period of the date of this report were as follows:

Pablo Velez Calvo
Frederick Powles

The parent of the Company, OCM Luxembourg EPF IV Fairfield REF S.á r.l. has granted an indemnity to the company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' interest
The directors are both employees of Oaktree Capital Management UK LLP.

Transactions involving directors
There were no loans advanced to the directors at any time during the financial period. There were no contracts or arrangements in relation to the business of the Company in which the directors had any interest, as defined by the Companies Act 2014, at any time during the financial period.

Statement of disclosure of information to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far, they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has *confirmed* that they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor
Ernst and Young LLP, were appointed during the financial period and have expressed their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

Directors' report (continued)

For the purposes of preparing the directors' report and the financial statements, the company has taken advantage of the small companies exemption.

By order of the board

Pablo Velez Calvo
Director
3 October 2017

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Director's Report and the 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period.

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

- Select suitable accounting policies and then apply them consistent; and
- Make judgements and estimates that are reasonable and prudent

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Fairfield Real Estate Finance Services Limited

We have audited the financial statements of Fairfield Real Estate Finance Services Limited for the period from 14 June 2016 to 31 December 2016 which comprise the Income Statement, the Statement of Financial Position and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently, materially incorrect based on or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Directors' Report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Fairfield Real Estate Finance Services Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report and take advantage of the small companies exemption in preparing the Directors' Report.

Ernst & Young LLP.

Matthew Philpott (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
4 October 2017

Income statement
for the financial period from 14 June 2016 to 31 December 2016

	Note	Period ended 31 December 2016 £
Turnover	2	2,153,105
Cost of sales		(1,514,629)
Gross profit		638,476
Administrative expenses	4	(564,573)
Operating profit	3	73,903
Profit on ordinary activities before taxation		73,903
Tax on profit on ordinary activities	5	(13,684)
Profit for the financial period	10	60,219

All activities of the company are classified as continuing.

There were no recognised gains or losses other than the profit/(loss) for the current financial period.

The notes on pages 8 to 14 form an integral part of the financial statements.

Statement of financial position
as at 31 December 2016

	Note		2016
		£	£
Fixed assets			
Tangible assets	6		6,952
Current assets			
Debtors: amounts falling due within one year	7	2,621,642	
Cash at bank and in hand		216,536	
		2,838,178	
Creditors: amounts falling due within one year	8	(2,784,910)	
Net current assets			53,268
Net assets			60,220
Capital and reserves			
Called up share capital	9		1
Profit and loss account	10		60,219
Shareholders' funds	11		60,220

The notes on pages 8 to 14 form an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 3 October 2017 and are signed on its behalf by:

....
P V Calvo
Director

Company Registration No. 10231795

Notes to the financial statements
for the financial period from 14 June 2016 to 31 December 2016

1. Accounting policies

Company information
Fairfield Real Estate Finance Services Limited is a limited liability company, limited by shares and incorporated in England. The Registered Office is 10 Bressenden Place, London SW1E 5DH.

1.1 Accounting convention
The Company's financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair value.

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern
These accounts are prepared on a going concern basis as set out in the directors' report.

1.3 Turnover
Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT.

Revenue from the provision of investment advisory services is recognised when the services have been performed. This is calculated in accordance with investment advisory agreements and sub investment advisory agreements in place during the financial period.

1.4 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Fixtures, fittings & equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the profit and loss account.

1.5 Foreign exchange
Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the period-end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the Statement of Financial Position date.

Notes to the financial statements (continued)
for the financial period from 14 June 2016 to 31 December 2016

1. Accounting policies (continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate the reflects the current market assessments of the time value of money and the risks specific to the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings within current liabilities.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Notes to the *financial statements* (continued)
for the financial period from 14 June 2016 to 31 December 2016

1. Accounting policies (continued)

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit or the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Staff bonuses are recognised within Cost of sales. All other staff costs are recognised within Administrative expenses.

2 Turnover

	2016
	£
Rendering of services	2,153,105
	2,153,105

3 Operating profit/(loss)

This is stated after charging/(crediting):	2016
	£
Depreciation on tangible assets	955
Foreign exchange differences	(3,603)
Auditor's remuneration	34,250
	31,602

Notes to the financial statements (continued)
for the financial period from 14 June 2016 to 31 December 2016

4 Staff costs

The average monthly number of employees during the year was made up as follows:

	2016 No.
Loan management	2
Administration	1
	3

5 Taxation

Analysis of charge in period

	2016 £
UK corporation tax	
Current tax on income for the period	13,684
Tax on profit on ordinary activites	13,684

	2016 £
Current tax reconcilation	
Profit on ordinary activities before tax	73,903
Current tax at 20%	14,781
Effects of:	
Expenses not deductible for tax purposes	293
Capital allowances for period in excess of depreciation	(1,390)
Total current tax charge (see above)	13,684

Notes to the financial statements (continued)

for the financial period from 14 June 2016 to 31 December 2016

6 Tangible assets

	Fixtures, fittings and equipment
	£
Cost or valuation:	
At 14 June 2016	-
Additions	7,907
At 31 December 2016	7,907
Depreciation:	
At 14 June 2016	-
Charge for the year	955
At 31 December 2016	955
Carrying amount at 31 December 2016	6,952
Carrying amount at 14 June 2016	-

7 Debtors

	2016
	£
Trade debtors	834,931
Amounts owed by related parties	463,063
Other debtors	209,903
Prepayments and accrued income	1,113,745
	2,621,642

8 Creditors: amounts falling due within one year

	2016
	£
Trade Creditors	183,550
Corporation tax	13,684
Other taxes and social security costs	11,591
Amounts owed to related parties	165,760
Other creditors	8,842
Accruals	2,401,483
	2,784,910

Notes to the financial statements (continued)
for the financial period from 14 June 2016 to 31 December 2016

9 Allotted and issued share capital

	2016
	£
Allotted, called up and paid	
Ordinary share of £1 each	1

10 Profit and loss account

	Profit and loss account
	£
At 14 June 2016	-
Profit for the financial period	60,219
At 31 December 2016	60,219

11 Reconciliation of movement in shareholders' funds

	2016
	£
Profit for the financial period	60,219
Net increase in shareholders' funds	60,219
Share capital issued in financial period	1
Opening shareholders' funds	-
Closing shareholders' funds	60,220

12 Related party transactions

As at 31 December 2016, the parent company is OCM Luxembourg EPF IV Fairfield REF S.á r.l., a company registered in Luxembourg. The accounts of OCM Luxembourg EPF IV Fairfield REF S.á r.l. can be obtained at Registre de Commerce et des Sociétés, L-2961, Luxembourg. The ultimate parent companies are Oaktree European Principal Fund IV L.P. and Oaktree European Principal Fund IV SCS, companies incorporated in the Cayman Islands.

Transactions with related parties
During the financial period, services of £2,071,583 were provided to Fairfield REF EPFIV No.2 DAC, of which £665,294 was invoiced and receivable at the period end, with a further £1,107,537 recognised as accrued income but not yet invoiced. A further £314,133 was receivable in relation to amounts paid on behalf of Fairfield REF EPFIV No.2 DAC. Fairfield REF EPFIV No.2 DAC shares the same ultimate parent companies as the Company.

Services of £81,522 were provided to Fairfield REF ECS No.2 DAC, of which £81,522 was invoiced and receivable at the period end. A further £237,046 was receivable in relation to amounts paid on behalf of Fairfield REF ECS No.2 DAC. Fairfield REF ECS No.2 DAC is controlled by common members of key management.

Notes to the financial statements (continued)
for the financial period from 14 June 2016 to 31 December 2016

12 Related party transactions (continued)

At 31 December 2016, £156,221 was due to OCM Luxembourg EPF IV Fairfield REF S.á r.l. OCM Luxembourg EPF IV Fairfield REF S.á r.l. shares the same ultimate parent companies as the Company.

At 31 December 2016, £9,539 was due to OCM Luxembourg EPF IV S.á r.l. OCM Luxembourg EPF IV S.á r.l. shares the same ultimate parent companies as the Company.

Key management personnel
Individuals who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is £1,046,835.

Parent company
The company has taken advantage of the exemption available under FRS 102 Section 1A whereby it has not disclosed transactions with the immediate parent company.

13 Guarantees and other financial commitments

The Company has no guarantees, other financial commitments or provisions which have not been disclosed on the Statement of Financial Position.