

Registered No: 7273996

Asset Link Capital (No.5) Limited

Report and Financial Statements

30 November 2016

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COMPANIES HOUSE

Asset Link Capital (No.5) Limited

Directors

A R Cloake

H Shah

S L Burdell

Independent Auditors

PricewaterhouseCoopers LLP

1 Embankment Place

London WC2N 6RH

Registered Office

Camelford House

89 Albert Embankment

London SE1 7TP

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 30 November 2016.

Review of development of the business and key performance indicators

The principal activity of the Company was to act as a special purpose vehicle. During the year the Company entered and agreed to enter into future purchase and sale agreements with third parties for portfolios of non performing consumer receivables. Upon purchase of the portfolios the Company becomes the legal and beneficial owner of the portfolios and contemporaneously the Company agrees to sell the beneficial interest in the portfolios to LPCO ASSET 1 S.À.R.L. (a Luxembourg Societe a responsabilite limitee) or another SPV within the LCM Credit Opportunities Fund structure, as appropriate, a private limited liability Company (the "Onward Purchaser"). The Company retains the legal title to the assets and passes on the beneficial interest to the Onward Purchaser on terms agreed with the Onward Purchaser. The terms of the Sale and Purchase Agreements entered into by the Company with the Onward Purchasers are back to back with the terms of the Sale Agreements as agreed with the vendor and cover any exposure by the Company to the servicer or the vendor to the extent that is relevant and appropriate. The value of transactions completed as at the year-end was £329,027,448 (2015: £66,066,995).

Principal risks and uncertainties

The Company enters into purchase and sale agreements solely on the basis that onward purchaser is in place and has been approved by the original seller. The Company retains no economic benefit in the portfolios purchased and ensures that all risks are transferred to the onward purchaser through the relevant agreements and accordingly no assets and liabilities are recognised in relation to these transactions.

Future Developments and Going Concern

The Company shall continue to enter into sale and purchase agreements in the future providing onward purchase agreements are also in place to transfer the economic benefits and risks to a third party.

Results and dividends

The audited financial statements for the year ended 30 November 2016 are set out on pages 8 to 15. The result for the financial year was £nil (2015 – result of £nil).

The directors do not recommend the payment of a dividend for the year (2015: £nil).

Directors and their interests

The directors who served during the year and up to the date of signing the financial statements are as follows:

A R Cloake
H Shah
S L Burdell

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Employment policy

The Company does not have any employees.

Statement of disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' report (continued)

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and in accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Small Companies Provisions

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006. Additionally, the directors took the advantage of the small companies' exemption from preparing the Strategic report.

On behalf of the Board



A R Cloake

Director

26 May 2017

Asset Link Capital (No.5) Limited

Registered No: 7273996

Independent auditors' report to the members of Asset Link Capital (No 5) Limited

Report on the financial statements

Our opinion

In our opinion, Asset Link Capital (No.5) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its result for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 30 November 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Asset Link Capital (No.5) Limited

Registered No: 7273996

Independent auditors' report to the members of Asset Link Capital (No 5) Limited (continued)

Other matters on which we are required to report by exception
(continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page [2], 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Asset Link Capital (No.5) Limited

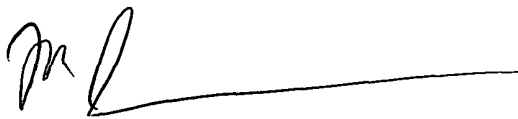
Registered No: 7273996

Independent auditors' report to the members of Asset Link Capital (No 5) Limited (continued)

Responsibilities for the financial statements and the audit (continued)

What an audit of financial statements involves (continued)

In addition, we read all the financial and non-financial information in the Annual 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.



Mark Jordan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 May 2017

Income statement

For the year ended 30 November 2016

	Note	2016 £	2015 £
<i>Revenue</i>		-	-
<i>Cost of sales</i>		-	-
		<hr/>	<hr/>
<i>Gross result</i>		-	-
<i>Operating expenses</i>		-	-
		<hr/>	<hr/>
<i>Operating result</i>	4	-	-
		<hr/>	<hr/>
<i>Result on ordinary activities before taxation</i>		-	-
<i>Tax on result on ordinary activities</i>	7	-	-
		<hr/>	<hr/>
<i>Result for the financial year</i>	10	-	-
		<hr/> <hr/>	<hr/> <hr/>

The Company has not traded during the year or the preceding financial year. During these years, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

A statement of comprehensive income has not been prepared as there were no gains or losses for the year other than those included in the movements above.

Statement of financial position

As at 30 November 2016

	Note	2016 £	2015 £
<i>Current assets</i>			
Trade and other receivables	8	1	1
		<u>-</u>	<u>-</u>
<i>Creditors: amounts falling due within one year</i>			
Trade and other payables		-	-
		<u>-</u>	<u>-</u>
<i>Net current liabilities</i>		1	1
		<u>-</u>	<u>-</u>
<i>Total assets less current liabilities</i>		1	1
		<u>-</u>	<u>-</u>
<i>Net assets</i>		1	1
		<u><u>-</u></u>	<u><u>-</u></u>
<i>Equity</i>			
Called up share capital	9	1	1
Retained earnings	10	-	-
		<u>-</u>	<u>-</u>
<i>Total Shareholders' funds</i>		1	1
		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 11 to 15 are an integral part of these financial statements.

The financial statements on pages 8 to 10 were approved and authorised for issue by the Board of directors on 26 May 2017 and signed on its behalf by:



A R Cloake
Director

Statement of changes in equity

For the year ended 30 November 2016

	Called up Share capital £	Retained earnings £	Total £
Balance as at 1 December 2014	1	-	1
Result for the financial year	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>
Balance as at 30 November 2015	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
Balance as at 1 December 2015	1	-	1
Result for the financial year	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>
Balance as at 30 November 2016	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

Notes to the financial statements

For the year ended 30 November 2016

1. General information

Asset Link Capital (No.5) Limited ("the Company") is a company incorporated and domiciled in England under the Companies Acts 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Review of development of the business on page 2.

These financial statements are presented in Pound Sterling because that is the currency of the primary economic environment in which the Company operates.

2. Accounting policies

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

a) Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council, as it is included in the group financial statements of LCH European Portfolio Holdings Limited ("the Group"), which are available to the public as per note 13.

Accordingly, in the year ended 30 November 2016, the Company has undergone transition from reporting under previously-applicable UK accounting standards to preparing financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) as issued by the Financial Reporting Council and the Companies Act 2006. The impact of this transition is considered in note 12.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that standard from the requirements of IFRS:

- i) Paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - (1) paragraph 79(a)(iv) of IAS 1 (reconciliation for the number of shares in issues); and
- ii) Paragraphs of IAS 1 *Presentation of Financial Statements*:
 - (1) 10(d) (statement of cash flows);
 - (2) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it classifies items in its financial statements);
 - (3) 16 (statement of compliance with all IFRS);
 - (4) 38A (requirement for minimum of two primary statements, including cash flow statements);
 - (5) 38B-D (additional comparative information);

Notes to the financial statements

For the year ended 30 November 2016

2. Accounting policies

b) Basis of preparation (continued)

iii) Paragraphs of IAS 1 *Presentation of Financial Statements (continued)*:

(6) 40A-D (requirements for a third statement of financial position);

(7) 111 (cash flow statement information); and

(8) 134 to 136 (capital management disclosures);

iii) IAS 7 *Statement of Cash Flows*;

iv) Paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);

v) Paragraphs 17 of IAS 24 *Related Party Disclosures* (key management compensation);

vi) The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group financial statements of LCH European Portfolio Holdings Limited. The Group financial statements of the Company are available to the public and can be obtained as set out in note 13.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

New standards, amendments and IFRIC interpretations

No new accounting standards, amendments to accounting standards or IFRIC interpretations that are effective for the year ended 30 November 2016, have had a material impact on the financial statements.

During the year the Company entered and agreed to enter into future purchase and sale agreements with third parties for portfolios of non performing consumer receivables. Upon purchase of the portfolios the Company becomes the legal and beneficial owner of the portfolios and contemporaneously the Company agrees to sell the beneficial interest in the portfolios to LPCO ASSET 1 S.À R.L. (a Luxembourg Societe a responsabilite limitee) or another SPV within the LCM Credit Opportunities Fund structure, as appropriate, a private limited liability Company (the "Onward Purchaser"). The Company retains the legal title to the assets and passes on the beneficial interest to the Onward Purchaser on terms agreed with the Onward Purchaser. The terms of the Sale and Purchase Agreements entered into by the Company with the Onward Purchasers are back to back with the terms of the Sale Agreements as agreed with the vendor and cover any exposure by the Company to the servicer or the vendor to the extent that is relevant and appropriate and according no assets and liabilities are recognised in respect of these transactions.

Notes to the financial statements

For the year ended 30 November 2016

2. Accounting policies (continued)

a) Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on pages 2 to 4.

The directors, having assessed the responses of the directors of the Company's parent, Asset Link Capital (No.3) Holdings Limited, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Asset Link Capital (No.3) Holdings Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, which is at least twelve months after the end of the reporting period. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Critical accounting estimates and judgements

The Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Operating result

The Company has no revenue or expenditure during the year.

5. Auditors' remuneration

	2016	2015
	£	£
Auditors' remuneration:		
Audit services	3,000	3,000

The auditors' remuneration has been borne by a fellow group Company, Link Financial Outsourcing Limited.

6. Directors' emoluments

The directors of the Company are also directors or employees of other companies within the Group. These directors did not receive any remuneration for their services to the Company for the year ended 30 November 2016 (2015: £nil). The directors remuneration is disclosed in the Group financial statements. The Company does not have any employees (2015: Nil).

Notes to the financial statements

For the year ended 30 November 2016

7. Tax on result on ordinary activities

(a) Tax on result on ordinary activities

	2016	2015
	£	£
UK corporation tax at 20.0% (2015 – 20.0%)	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

	2016	2015
	£	£
Result on ordinary activities before tax	-	-
	<u>-</u>	<u>-</u>
Tax on result on ordinary activities at statutory rate (2016 – 20.0% and 2015 – 20.0%)	-	-
	<u>-</u>	<u>-</u>
Tax charge for the year	-	-
	<u>-</u>	<u>-</u>

The main rate of corporation tax in the UK was reduced from 21% to 20% with effect from 1 April 2015.

8. Trade and other receivables

	2016	2015
	£	£
Amounts owed by group undertakings	1	1
	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

9. Called up share capital

	2016	2015
	£	£
<i>Allotted, called up and fully-paid:</i>		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

10. Retained earnings

The auditors' remuneration has been borne by another group Company, Link Financial Outsourcing Limited (2015 – Link Financial Outsourcing Limited).

11. Contingent liabilities

There are no contingent liabilities.

Notes to the financial statements

For the year ended 30 November 2016

12. First-time adoption of FRS 101

In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 December 2014, the Company's date of transition to FRS 101. There were no adjustments made by the Company in restating its previously published UK GAAP financial statements as at and for the year ended 30 November 2015.

13. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Asset Link Capital (No.3) Holdings Limited and is owned by it.

The Company's ultimate parent undertaking is GSLP Holdings Limited, incorporated in British Virgin Islands, and the ultimate controlling party is Mrs S L Burdell.

LCH European Portfolio Holdings Limited, incorporated in Ireland, is the smallest and largest group to consolidate these financial statements, copies of which are available from its registered office at 2 Grand Canal Square, Dublin 2.