

Registered No: 7273996

Asset Link Capital (No. 5) Limited
Report and Financial Statements

30 November 2017



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 for Asset Link Capital (No. 5) Limited ("the Company") for the year ended 30 November 2017.

Review of development of the business and key performance indicators

The principal activity of the Company was to act as a special purpose vehicle. The Company entered into purchase and sale agreements with third parties for portfolios of non-performing consumer receivables during the year. Under the terms of these agreements, the Company becomes the legal and beneficial owner of portfolios purchased and contemporaneously the Company agrees to sell the beneficial interest in these portfolios to LPCO Asset 1 S.a r.l. (a Luxembourg company) or another SPV within the LCM Credit Opportunities Fund structure (the "Onward Purchaser"), as appropriate. The Company retains legal title to the assets and passes on any beneficial interest to the Onward Purchaser on terms agreed. 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 £382,064,930 (2016: £329,027,448).

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 2017 are set out on pages 8 to 15. The result for the financial year was nil (2016: nil).

The directors do not recommend the payment of a dividend for the year (2016: 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 in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Employment policy

The Company has no 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, the Auditor of the Company, have expressed their willingness to continue in office. Pursuant to section 487 of the Companies Act 2006, subject to any resolution to the contrary, PricewaterhouseCoopers LLP are deemed to have been re-appointed as Auditor of the Company and will therefore continue in office.

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



S L Burdell

Director

23 March 2018

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 audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise:

- the statement of financial position as at 30 November 2017;
 - 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 description of the significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Asset Link Capital (No. 5) Limited

Registered No: 7273996

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

Report on the audit of the financial statements (continued)

Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 November 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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

Asset Link Capital (No. 5) Limited

Registered No: 7273996

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

Report on the audit of the financial statements (continued)

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

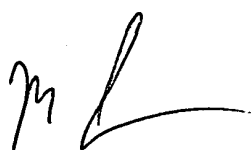
Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Mark Jordan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 March 2018

Income statement

For the year ended 30 November 2017

	<i>Note</i>	2017 £	2016 £
Revenue		-	-
Cost of sales		-	-
Gross result		-	-
Operating expenses		-	-
Operating result	4	-	-
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	7	-	-
Result for the financial year		-	-

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

A statement of comprehensive income has not been prepared as there was no other comprehensive income for the year other than that included in the movement above.

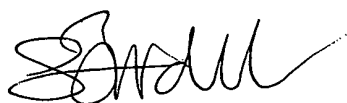
Statement of financial position

As at 30 November 2017

	Note	2017 £	2016 £
<i>Current assets</i>			
Trade and other receivables	8	1	1
		<u>1</u>	<u>1</u>
<i>Creditors: amounts falling due within one year</i>			
Trade and other payables		-	-
		<u>-</u>	<u>-</u>
Net current assets		1	1
		<u>1</u>	<u>1</u>
Total assets less current liabilities		1	1
		<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
		<u><u>1</u></u>	<u><u>1</u></u>
<i>Equity</i>			
Called up share capital	9	1	1
Retained earnings	10	-	-
		<u>1</u>	<u>1</u>
Total shareholders' funds		<u>1</u>	<u>1</u>
		<u><u>1</u></u>	<u><u>1</u></u>

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

The financial statements on pages 8 to 15 were approved and authorised for issue by the Board of directors on 23 March 2018 and signed on its behalf by:



S L Burdell
Director

Statement of changes in equity

For the year ended 30 November 2017

	Called up share capital £	Retained earnings £	Total shareholders' funds £
Balance as at 1 December 2015	1	-	1
Result for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance as at 30 November 2016	1	-	1
	<hr/>	<hr/>	<hr/>
Balance as at 1 December 2016	1	-	1
Result for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance as at 30 November 2017	1	-	1
	<hr/>	<hr/>	<hr/>

Notes to the financial statements

For the year ended 30 November 2017

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 12.

The financial statements have been prepared 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 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 2017

2. Accounting policies

- a) Basis of preparation (continued)
- ii) 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 12.

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 2017, have had a material impact on the financial statements.

The following accounting standards have been issued by the International Accounting Standards Board (IASB) but have not been early adopted by the Company:

- IFRS 9 'Financial Instruments'. The standard eliminates the existing IAS 39 'Financial Instruments: Recognition and Measurement' categories of held to maturity, loans and receivables and available-for-sale, and instead contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The effective date of IFRS 9 is 1 January 2018, and therefore the changes will impact the 2019 financial statements. The Company has not performed an assessment of the impact on those financial statements and therefore the impact is not quantified;
- IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 supersedes IAS 11 'Construction Contracts' and IAS 18 'Revenue' and sets out the requirements for recognising revenue that applies to contracts with customers, except for those revenue items that are covered by standards on leases, insurance contracts and financial instruments. The effective date of IFRS 15 is 1 January 2018, and therefore the changes will impact the 2019 financial statements. The Company has not performed an assessment of the impact on those financial statements and therefore the impact is not quantified;
- IFRS 16 'Leases'. IFRS 16 eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model. Lessees will recognise a right-of-use asset and a corresponding lease liability. The asset will be amortised over the length of the

Notes to the financial statements

For the year ended 30 November 2017

2. Accounting policies

a) Basis of preparation (continued)

lease and the financial liability will be measured at amortised cost. The effective date of IFRS 16 is 1 January 2018, and therefore the changes will impact the 2019 financial statements. The Company has not performed an assessment of the impact on those financial statements and therefore the impact is not quantified

b) 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 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 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.

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 (2016: nil).

5. Auditors' remuneration

	2017	2016
	£	£
<i>Auditors' remuneration:</i>		
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 2017 (2016: nil). Directors' remuneration is disclosed in the Group financial statements. The Company has no employees (2016: nil).

Notes to the financial statements

For the year ended 30 November 2017

7. Tax on result on ordinary activities

(a) Tax on result

	2017	2016
	£	£
UK corporation tax at 19.33% (2016: 20.0%)	-	-
	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

	2017	2016
	£	£
Result before tax	-	-
	<u>-</u>	<u>-</u>
Tax on result at statutory rate of 19.33% (2016: 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 20% to 19% with effect from 1 April 2017.

8. Trade and other receivables

	2017	2016
	£	£
Amounts owed by group undertakings	1	1
	<u>1</u>	<u>1</u>

9. Called up share capital

	2017	2016
	£	£
<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

Auditors' remuneration has been borne by another group company, Link Financial Outsourcing Limited for both the current and prior years.

11. Contingent liabilities

There are no contingent liabilities.

Notes to the financial statements

For the year ended 30 November 2017

12. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Asset Link Capital 3 (Holdings) Limited.

The company's ultimate parent undertaking during the year was GSLP Holdings Limited, incorporated in British Virgin Islands. On 11 December 2017, GSLP Holdings Limited transferred its shares in LCH European Portfolio Holdings Limited to The Sycamore Trust. The 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.