

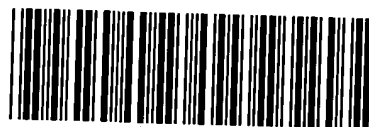
Company Number: 5253096

MATTERHORN ACQUISITIONS LTD

ANNUAL REPORT

31 DECEMBER 2015

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REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of Matterhorn Acquisitions Ltd ('the company') for the year ended 31 December 2015. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414B of the Companies Act 2006.

1. Principal activities

Matterhorn Acquisitions Ltd holds a portfolio of non-performing loan receivables which are collateralised against investment properties. Upon foreclosure the properties are included in the balance sheet of the company.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System (Federal Reserve Board). Group Inc., together with its consolidated subsidiaries, form 'the group'. The group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

The company's principal business is transacted in the Euro and accordingly, the company's functional currency is the Euro and these financial statements have been prepared in that currency.

2. Review of business and future developments

The financial statements have been drawn up for the year ended 31 December 2015. Comparative information has been presented for the year ended 31 December 2014.

The results for the year are shown in the profit and loss account on page 6. Profit on ordinary activities before taxation for the year was €1.3million (year ended 31 December 2014: loss on ordinary activities before taxation of €0.4 million). The company has total assets of €44.5 million (31 December 2014: €43.4 million).

3. Future outlook

The directors consider that the year end financial position of the company was satisfactory. No significant change in the company's business activities is expected.

4. Financial risk management

The company's risk management objectives and policies, as well as its risk exposures, are described in note 22 of the financial statements.

5. Adoption of Revised Financial Reporting Standards

The Financial Reporting Council revised financial reporting standards (FRSs) in the U.K. and Republic of Ireland for accounting periods beginning on or after 1 January 2015. The revisions fundamentally reform United Kingdom Generally Accepted Accounting Practices (U.K. GAAP), replacing the previous standards (previous U.K. GAAP).

From 1 January, 2015, the company has transitioned from the previous U.K. GAAP to the new FRS 101 Framework (FRS 101), which applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

All periods presented in this annual report are prepared in accordance with FRS 101.

The impact of adopting FRS 101 and consequential changes in accounting policy have been described in Note 5 to the financial statements.

REPORT OF THE DIRECTORS (continued)

6. Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (year ended 31 December 2014: €nil).

7. Exchange rate

The sterling / euro exchange rate at the balance sheet date was £ / € 1.36 (31 December 2014: £ / € 1.29). The average rate for the year was £ / € 1.38 (year ended 31 December 2014: £ / € 1.25).

8. Directors

The directors of the company who served throughout the year and to the date of this report, except where noted, were:

Name

M. Holmes
J.A. Wiltshire
G.P. Minson

No director had, at the year end, any interest requiring note herein.

9. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

10. 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 accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year.

In preparing those 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 accounting standards have been followed subject to any material departures disclosed and explained in the 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with

MATTERHORN ACQUISITIONS LTD

REPORT OF THE DIRECTORS (continued)

10. Statement of directors' responsibilities (continued)

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.

11. Independent Auditors

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of Schedule 3 to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

12. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 22 April 2016

BY ORDER OF THE BOARD



Director

Mike Holms

Independent auditors' report to the members of Matterhorn Acquisitions Ltd

Report on the financial statements

Our opinion

In our opinion, Matterhorn Acquisitions Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit 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 Annual Report, comprise:

- the Balance Sheet as at 31 December 2015;
- the Profit and Loss Account 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 Report of the Directors 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.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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 from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Matterhorn Acquisitions Ltd

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 parent 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.

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.

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

22 April 2016

MATTERHORN ACQUISITIONS LTD

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2015

		Year Ended 31 December 2015 EUR	Year Ended 31 December 2014 EUR
	Note		
Revenue	7	2,583,756	1,389,447
Administrative expenses	8	(1,975,650)	(2,619,337)
OPERATING PROFIT / (LOSS)		608,106	(1,229,890)
Interest receivable and similar income	9	693,664	787,038
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,301,770	(442,852)
Tax on profit / (loss) on ordinary activities	12	(331,096)	21,640
PROFIT / (LOSS) ON ORDINARY ACTIVITIES FOR THE YEAR		970,674	(421,212)

The operating profit / (loss) is derived from continuing operations in the current and prior years.

There is no material difference between profit / (loss) on ordinary activities before taxation and the profit / (loss) for the years as stated above, and their historical cost equivalents.

The company has no recognised gains and losses other than those included in the profit and loss account for the years shown above, and therefore no separate statement of total recognised gains and losses has been presented.

MATTERHORN ACQUISITIONS LTD

BALANCE SHEET

as at 31 December 2015

	Note	31 December 2015 EUR	31 December 2014 EUR
FIXED ASSETS			
Investment properties	14	-	171,910
Investment in subsidiary undertaking	15	2,760,401	3,093,675
		2,760,401	3,265,585
CURRENT ASSETS			
Loans and receivables	16	-	1,338,032
Debtors	17	41,764,175	38,390,631
Cash at bank and in hand		3,957	429,984
		41,768,132	40,158,647
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	18	(19,436,699)	(19,083,820)
NET CURRENT ASSETS		22,331,433	21,074,827
TOTAL ASSETS LESS CURRENT LIABILITIES		25,091,834	24,340,412
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	19	-	(219,252)
NET ASSETS		25,091,834	24,121,160
CAPITAL AND RESERVES			
Called up share capital	20	5,632,144	5,632,144
Profit and loss account		19,459,690	18,489,016
TOTAL SHAREHOLDER'S FUNDS		25,091,834	24,121,160

The financial statements were approved by the Board of Directors on 22 Apr/2016 and signed on its behalf by:

M. Hol

Director

Mike Holmes

MATTERHORN ACQUISITIONS LTD

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total shareholder's funds
Note	EUR	EUR	EUR
Balance at 1 January 2014	5,632,144	18,910,228	24,542,372
Loss for the financial year	-	(421,212)	(421,212)
Balance at 31 December 2014	5,632,144	18,489,016	24,121,160
Profit for the financial year	-	970,674	970,674
Balance at 31 December 2015	5,632,144	19,459,690	25,091,834

The notes on pages 9 to 24 form an integral part of these financial statements.
Independent auditors' report – pages 4
Company number: 5253096

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. General Information

The company is a limited liability company and is incorporated and domiciled in England and Wales. The address of its registered office is Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

The company's immediate parent undertaking is ELQ Investors, Ltd., a company incorporated and domiciled in England and Wales.

The ultimate parent undertaking and the parent company of the smallest and the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements, as well as certain regulatory filings, for example Quarterly Reports on Form 10-Q and Annual Report on Form 10-K, that provide additional information about GS Group and its business activities, can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, the group's principal place of business or at www.goldmansachs.com/shareholders/.

2. ACCOUNTING POLICIES

a. Basis of presentation

For all periods up to and including the year ended 31 December 2014, the company prepared its financial statements in accordance with the previous U.K. GAAP. From 1 January, 2015, the company transitioned from the previous U.K. GAAP to FRS 101. These financial statements are for the first year covered by FRS 101. All years presented in these financial statements have been prepared in accordance with FRS 101. The impact on the company's financial statements as a result of adopting FRS 101 is described in note 5 to the financial statements.

These financial statements have been prepared on the going concern basis, under the historical cost convention (except as modified in note 2d and 2f), and in accordance with the Companies Act 2006.

b. Revenue recognition

Revenue has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. Revenue includes income from investment properties and income from non-performing loan receivables.

Revenue from investment properties includes realised gains and losses on sale of investment properties and changes in fair value. Revenue from investment properties also includes the reimbursement of capitalised costs and an arrangement fee under an agreement with its subsidiary undertaking.

Revenue from non-performing loan receivables includes realised gains, where proceeds received exceed the purchase cost plus related acquisition costs of the loan, and changes in fair value. No interest income is accrued in respect of the loans.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

c. Foreign currencies

Transactions denominated in foreign currencies are translated into Euro at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in operating profit / (loss).

d. Assets held for sale

Assets held for sale represent investment properties. The investment properties are classified as held for sale if they are available for immediate sale in their present condition, the sale is highly probable and management is committed to the sale within one year from the date of classification.

The investment properties are measured at the lower of its carrying amount and fair value and are not subject to depreciation or amortisation while classified as held for sale.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

e. Investment in subsidiary undertaking

Investments in subsidiary undertaking are stated at cost less provision for any impairment. Dividends receivable are recognised when the right to receive payment has been established.

f. Financial Assets and Financial Liabilities

(i) Recognition and Derecognition

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument. A financial asset is de-recognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset. A financial liability is derecognised only when it is extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

(ii) Classification and Measurement

The company classifies its financial assets and financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

- Loans and Receivables

Loans and receivables comprise non-performing loan receivables and are stated at fair value. Expenditure incurred directly associated with the purchase of loans and receivables is capitalised. Fair value is determined by the directors on the basis of net present value of future cashflows which are dependent on a number of subjective assumptions or available bid prices.

- Other Financial Assets and Financial Liabilities

Other financial assets and financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost, with finance income and expense recognised on an accruals basis. All finance income and expense is recognised in the profit and loss account.

(iii) Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

- (i) currently a legally enforceable right to set off the recognised amounts; and
- (ii) intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met, other financial assets and financial liabilities are presented on a gross basis on the balance sheet.

g. Cash at bank and in hand

Cash at bank and in hand is highly liquid overnight deposits held in the ordinary course of business.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

h. Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in the future with the following exceptions:

- (i) Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- (ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

i. Dividends

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholder. Interim equity dividends are recognised and deducted from equity when paid.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

3. REPORTING AND DISCLOSURE EXEMPTIONS

The following exemptions from the requirements of IFRS as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

- (i) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);
- (ii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (iii) IAS 7 'Statement of Cash Flows';
- (iv) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (v) IAS 24 'Related Party Disclosures' paragraph 17; and
- (vi) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within group.

The company is a subsidiary undertaking of Group Inc., a company incorporated within the United States of America whose consolidated financial statements include the company and are publically available. As a result, the company has elected not to prepare consolidated financial statements as permitted by section 401 of the Companies Act 2006.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no judgements made that had a significant effect on amounts recognised in the financial statements as the non-performing loan receivables and investment properties held on the balance sheet were valued based on sales contracts received subsequent to the prior year end.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

5. FIRST-TIME ADOPTION OF FRS 101

As set out in note 2 to the financial statements, these financial statements are for the first year covered by FRS 101. The following describes the impact to the company's balance sheet, profit and loss account and the statement of total recognised gains and losses, as a result of adopting FRS 101 and consequential changes to accounting policies. See "FRS 101 Reconciliation Notes" below for an explanation of each transition adjustment.

Reconciliation of the Balance Sheet

		As of 1 January 2014			As of 31 December 2014		
	Note	Previous U.K. Adjustments GAAP on transition		FRS 101	Previous U.K. Adjustments GAAP on transition		FRS 101
		EUR	EUR	EUR	EUR	EUR	EUR
FIXED ASSETS							
Investment properties		785,602	-	785,602	171,910	-	171,910
Investment in subsidiary undertaking		3,435,873	-	3,435,873	3,093,675	-	3,093,675
		4,221,475	-	4,221,475	3,265,585	-	3,265,585
CURRENT ASSETS							
Loans and receivables	A	107,370	2,456,252	2,563,622	-	1,338,032	1,338,032
Debtors		37,530,251	-	37,530,251	38,390,631	-	38,390,631
Cash at bank and in hand		836,189	-	836,189	429,984	-	429,984
		38,473,810	2,456,252	40,930,062	38,820,615	1,338,032	40,158,647
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	C	(19,430,467)	(571,079)	(20,001,546)	(18,753,160)	(330,660)	(19,083,820)
NET CURRENT ASSETS		19,043,343	1,885,173	20,928,516	20,067,455	1,007,372	21,074,827
TOTAL ASSETS LESS CURRENT LIABILITIES		23,264,818	1,885,173	25,149,991	23,333,040	1,007,372	24,340,412
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		(607,619)	-	(607,619)	(219,252)	-	(219,252)
NET ASSETS		22,657,199	1,885,173	24,542,372	23,113,788	1,007,372	24,121,160
CAPITAL AND RESERVES							
Called up share capital		5,632,144	-	5,632,144	5,632,144	-	5,632,144
Revaluation reserve	B	(1,160,967)	1,160,967	-	(1,344,459)	1,344,459	-
Profit and loss account		18,186,022	724,206	18,910,228	18,826,103	(337,087)	18,489,016
TOTAL SHAREHOLDER'S FUNDS		22,657,199	1,885,173	24,542,372	23,113,788	1,007,372	24,121,160

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

5. FIRST-TIME ADOPTION OF FRS 101 (continued)

Reconciliation of the Profit and Loss Account

Year Ended 31 December 2014			
	Previous U.K. GAAP	Adjustments on transition	FRS 101
Note	EUR	EUR	EUR
Revenue	A,B 3,007,683	(1,618,236)	1,389,447
Administrative expenses	(2,619,337)	-	(2,619,337)
OPERATING PROFIT / (LOSS)	388,346	(1,618,236)	(1,229,890)
Interest receivable and similar income	787,038	-	787,038
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAX	1,175,384	(1,618,236)	(442,852)
Tax on profit / (loss) on ordinary activities	C (218,779)	240,419	21,640
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAX FOR THE YEAR	956,605	(1,377,817)	(421,212)

Reconciliation of the Statement of Total Recognised Gains and Losses

Year ended 31 December 2014			
	Previous U.K. GAAP	Adjustment on Transition	FRS 101
Note	EUR	EUR	EUR
Profit / (loss) for the year	956,605	(1,377,817)	(421,212)
Revaluation surplus / (deficit)	B (500,016)	500,016	-
TOTAL RECOGNISED GAINS / (LOSSES) FOR THE YEAR	456,589	(877,801)	(421,212)

FRS 101 Reconciliation Notes:

- A. Under the previous U.K. GAAP, non-performing loan receivables were accounted for at the lower of cost and net realisable value. On adoption of FRS 101, these are accounted for at fair value as discussed in accounting policy 2(f).
- B. Under the previous U.K. GAAP, the surplus or deficit on revaluation of unsold investment properties was transferred to the revaluation reserve and reported in the statement of total recognised gains and losses. On sale of the property, the revaluation reserve was transferred to the profit and loss account. On adoption of FRS 101, the surplus or deficit on revaluation of unsold properties is recognised directly through the profit and loss account.
- C. Represents tax adjustments on account of FRS 101 transition adjustments.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

5. FIRST-TIME ADOPTION OF FRS 101 (continued)

Disclosures:

The adoption of FRS 101 has resulted in the company providing additional disclosures relating to financial assets and financial liabilities due to the adoption of IFRS 7 'Financial Instruments: Disclosures' and IFRS 13 'Fair Value Measurement'.

In addition, under the previous U.K. GAAP, a reconciliation between current tax and the product of profit/(loss) before tax multiplied by the appropriate tax rate was required. Upon adoption of IAS 12 'Income Taxes' the company is now required to present a reconciliation between the total tax expense and the product of profit/(loss) before tax multiplied by the applicable tax rate.

6. SEGMENTAL REPORTING

The directors manage the company's activities as a single business in the same geographical region and accordingly no segmental analysis has been provided.

7. REVENUE

	Year Ended 31 December 2015 EUR	Year Ended 31 December 2014 EUR
Revenue from non-performing loan receivables	2,136,079	2,741,223
Impairment of investment in subsidiary undertaking (see note 15)	(333,274)	(342,198)
Revenue from investment properties	780,951	(1,009,578)
	2,583,756	1,389,447

Revenue from non-performing loan receivables includes realised gains, where proceeds received exceed the purchase cost plus related acquisition costs of the loan, and changes in fair value. No interest income is accrued in respect of the loans.

Matterhorn Immobilien GmbH, a subsidiary of the company, holds legal title to the real estate investment properties but the associated risk and rewards remain with the company. Revenue from investment properties includes realised gains and losses on sale of investment properties and changes in fair value. Revenue from investment properties also includes the reimbursement of capitalised costs and an arrangement fee under an agreement with its subsidiary undertaking.

8. ADMINISTRATIVE EXPENSES

The table below presents the company's administrative expenses:

	Year Ended 31 December 2015 EUR	Year Ended 31 December 2014 EUR
Loan servicing fees payable to group undertaking	1,847,771	2,480,908
Other investment expenses	83,541	94,047
Auditor's remuneration - audit services	28,784	26,940
Professional fees	15,554	17,442
	1,975,650	2,619,337

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2015	Year Ended 31 December 2014
	EUR	EUR
Interest income on short term loan with parent undertaking	663,226	746,692
Interest income on short term loan with group undertaking	33,830	38,338
Interest (expense) / income on money market investments	(3,372)	1,498
Bank interest (expense) / income	(20)	510
	693,664	787,038

10. STAFF COSTS

The company has no employees (31 December 2014: nil). All persons involved in the company's operations are employed by a group undertaking. The charges for services provided to the company are included in the loan servicing fees payable to group undertaking (see note 8).

11. DIRECTORS' EMOLUMENTS

	Year Ended 31 December 2015	Year Ended 31 December 2014
	EUR	EUR
Directors:		
Aggregate emoluments	1,321	897
Company pension contributions to money purchase schemes	16	14
	1,337	911

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. In accordance with schedule 5 of Statutory Instruments 2008 / 410, this only includes the value of cash and benefits in kind. Directors also receive emoluments for non-qualifying services which are not required to be disclosed.

All the directors were members of a defined contribution pension scheme and a defined benefit pension scheme during the year. All directors have received or are due receipt of Group Inc. shares under a long term incentive scheme during the year. No directors have exercised options during the year.

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12. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of tax charge / (credit) for the year:

	Year Ended 31 December 2015 EUR	Year Ended 31 December 2014 EUR
Current tax:		
U.K. corporation tax	364,162	218,777
Total current tax	364,162	218,777
Deferred tax:		
Deferred tax accrual (see note 13)	(33,066)	(240,417)
Total deferred tax	(33,066)	(240,417)
Total tax on profit / (loss) on ordinary activities (see note 12(b) below)	331,096	(21,640)

(b) Factors affecting tax charge / (credit) for the year:

The difference between the total tax shown above and the amount calculated by applying the weighted average rate of UK corporation tax applicable to the company for the year of 20.25% (31 December 2014: 21.50%) to the profit on ordinary activities before tax is as follows:

	Year Ended 31 December 2015 EUR	Year Ended 31 December 2014 EUR
Profit / (loss) on ordinary activities before tax	1,301,770	(442,852)
Profit on ordinary activities at the standard rate of tax in the UK 20.25% (2014: 21.50%)	263,608	(95,213)
Expenses disallowed for the purpose of the tax provision	67,488	73,573
Current tax charge / (credit) for the year	331,096	(21,640)

13. DEFERRED TAX

	31 December 2015 EUR	31 December 2014 EUR
Deferred tax liability comprises:		
Deferred taxes accrued on FRS 101 transition adjustments	297,595	330,661
	297,595	330,661
The movements in the deferred tax balance were as follows:		
As at 31 December 2014	330,661	
Transfer to the profit and loss account for the period (see note 12)	(33,066)	
At 31 December 2015	297,595	

The deferred tax balance as at 31 December 2015 will be transferred to the profit and loss account over a period of 9 years.

A potential deferred tax asset in relation to capital losses of €1,968,067 (31 December 2014: €1,979,790) has not been recognised in the financial statements as there is uncertainty whether the company will generate suitable taxable profits in the future against which the deferred tax assets can be recovered.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

14. INVESTMENT PROPERTIES

	31 December 2015
	EUR
At 31 December 2014	171,910
Disposals during the year	(171,910)
At 31 December 2015	-

Matterhorn Immobilien GmbH, a subsidiary of the company, holds the legal title to the above assets, but the associated risks and rewards lie with the company. On this basis, the properties are included within the balance sheet of the company.

The investment properties as at 31 December 2014 are stated at fair value. Fair value is determined by the directors based on sales contracts received subsequent to the prior year end. During 2015, the investment properties were sold to third parties.

15. INVESTMENT IN SUBSIDIARY UNDERTAKING

The subsidiary over which the company exercises control at the year end is listed below:

Name of company	Country of incorporation	Holding and proportion of voting rights	Nominal number of shares	Class of shares held	Nature of business
Matterhorn Immobilien GmbH	Germany	100%	9,005,000	Ownership Interest	Real Estate Investments
					EUR
Net Book Value					
At 31 December 2014					3,093,675
Impairment during the year					(333,274)
At 31 December 2015					2,760,401

During the year, the investment in subsidiary undertaking was impaired by €333,274 (year ended 31 December 2014: impairment of €342,198) following a review of the subsidiary's performance.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

16. LOANS AND RECEIVABLES

	31 December 2015 EUR	31 December 2014 EUR
Non-performing loan receivables	-	1,338,032

Non-performing loan receivables as at 31 December 2014 are stated at fair value. Fair value is determined by the directors' based on sales contracts received subsequent to the prior year end.

During 2015, the company sold all of its non-performing loan receivables to third parties.

Included within the portfolio of non-performing loan receivables in the prior year were loans where the associated risk is held by a group undertaking. These loans are included within current asset investments and the obligation to transfer the risk is included within the amounts payable to group undertaking. All collections received by the company in relation to these loans are included in cash collections with a corresponding reduction in the amounts payable to group undertaking (see note 18).

17. DEBTORS

Debtors, all of which are due within one year of the balance sheet date, comprise:

	31 December 2015 EUR	31 December 2014 EUR
Money market investments with group undertakings	5,659,175	3,377,458
Loan receivable and accrued interest due from parent undertaking	32,682,083	31,985,026
Loan receivable due from group undertaking	2,117,970	2,117,970
Receivable from group undertakings	1,303,204	910,177
Other debtors	1,743	-
	41,764,175	38,390,631

Loan receivable due from parent undertaking represents excess cash placed as a short term loan repayable in full on the earlier of 364 days after the advance of the loan or on demand by the lender and accrues interest at a rate of Euro LIBOR plus 1.1%.

Loan receivable due from group undertaking represents excess cash placed as a short term loan repayable in full on the earlier of 364 days after the advance of the loan or on demand by the lender and accrues interest at a rate of 3 month Euro LIBOR plus 1.5%.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2015	31 December 2014
	EUR	EUR
Group tax relief payable	14,086,739	14,086,739
Corporation tax payable	1,792,671	1,428,507
Deferred tax liability (see note 13)	297,595	330,661
Amounts due to subsidiary undertaking	2,555,610	3,031,738
Accrued loan servicing fees to group undertaking	-	137,999
Amounts due to group undertaking (see note 16)	464,020	-
Other creditors and accruals	240,064	68,176
	19,436,699	19,083,820

Amounts due to group undertaking were repaid subsequent to the year end.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2015	31 December 2014
	EUR	EUR
Amounts due to group undertaking (see note 16)	-	219,252

20. CALLED UP SHARE CAPITAL

At 31 December 2015 and 31 December 2014 share capital comprised:

	31 December 2015		31 December 2014	
	Number	EUR	Number	EUR
<u>Allotted, called up and fully paid</u>				
Ordinary share of US\$1 each	1	1	1	1
Redeemable shares of € 1 each	5,632,143	5,632,143	5,632,143	5,632,143
		5,632,144		5,632,144

The redeemable shares issued to date are redeemable at par, there is no fixed expiry date on their redemption and they are redeemable at the option of the company. The redeemable shares have the same rights to dividends, voting rights and priority on winding up as ordinary shares.

Share capital issued is translated at the historic rates prevailing on the date of issuance.

21. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the year end (31 December 2014: nil).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

22. FINANCIAL RISK MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base (see note 19) compared to the company's risk exposures.

The company is exposed to financial risk through its financial assets and liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the most important components of financial risk the directors consider relevant to the company are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

a. Market risk

Market risk is the risk of loss in value of investments, as well as certain other financial assets and financial liabilities, due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. Relevant market risks for the company are interest rate risk and currency risk.

Interest rate risk results from exposures to changes in level, slope and curvature of yield curves, volatilities of interest rates and credit spreads.

Currency risk results from changes in spot prices, forward prices and volatilities of currency rates.

The company manages its interest rate and currency risks as part of the group's risk management policy.

b. Credit risk

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the loans and receivables are secured.

The non-performing loan receivables held by the company in the prior year were collateralised by real estate, therefore, there was no credit risk exposure to the company, from these financial assets.

The net credit risk exposure to the company from the cash balances and the other assets balances would equal the gross exposures as disclosed on the balance sheet.

c. Liquidity risk

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties or customers as they fall due. Accordingly, the company has in place a comprehensive and conservative set of liquidity and funding policies to address market liquidity events.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

23. FINANCIAL INSTRUMENTS

a. Fair value hierarchy

FRS 101 has a three level fair value hierarchy for disclosure of fair value measurements. The fair value hierarchy prioritises inputs to the valuation techniques used to measure fair value, giving the highest priority to level 1 inputs and lowest priority to level 3 inputs. A financial instrument's level in the fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement.

The fair value hierarchy is as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets to which the group has access at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Inputs to valuation techniques are observable, either directly or indirectly;
- Level 3 - One or more inputs to valuation techniques are significant and unobservable.

The following table presents the fair value of financial instruments by level and major product type:

	Level 1	Level 2	Level 3	Total Balance
At 31 December 2014	EUR	EUR	EUR	EUR
Loans and receivables held at fair value	-	1,338,032	-	1,338,032
	-	1,338,032	-	1,338,032

There were no balances at fair value as at 31 December 2015.

b. Valuation Techniques and Significant Inputs

The loans and receivable held as at 31 December 2014 were valued based on the sales contracts received shortly after the end of the year. There were no loans and receivables balances held as at 31 December 2015.

c. Fair value of financial instruments not measured at fair value

The company has €41,768,132 (2014: €38,820,615) of current financial assets and €19,139,104 (2014: €18,753,159) of current financial liabilities that are not measured at fair value. Given the short-term nature of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

The company has €nil (31 December 2014: €219,252) of financial liabilities that are due more than one year that are not measured at fair value.

MATTERHORN ACQUISITIONS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

23. FINANCIAL INSTRUMENTS (continued)

d. Maturity of financial liabilities

The tables below present the undiscounted cash flows of the company's financial liabilities by contractual maturity including interest that will accrue.

31 December 2015					
	Less than three months	More than three months but less than one year	More than one year but less than five years	Greater than five years	Total
Group tax relief payable	14,086,739	-	-	-	14,086,739
Corporation tax payable	1,792,671	-	-	-	1,428,507
Amounts due to subsidiary undertaking	2,555,610	-	-	-	2,555,610
Accrued loan servicing fees to group undertaking	464,020	-	-	-	464,020
Other creditors and accruals	240,064	-	-	-	240,064
Total	19,139,104	-	-	-	18,774,940

31 December 2014					
	Less than three months	More than three months but less than one year	More than one year but less than five years	Greater than five years	Total
Group tax relief payable	14,086,739	-	-	-	14,086,739
Corporation tax payable	1,428,507	-	-	-	1,428,507
Amounts due to subsidiary undertaking	3,031,738	-	-	-	3,031,738
Accrued loan servicing fees to group undertaking	137,999	-	219,252	-	357,251
Other creditors and accruals	68,176	-	-	-	68,176
Total	18,753,159	-	219,252	-	18,972,411