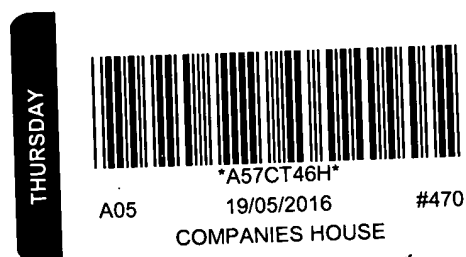


Registered No: 05322368

Asset Link Capital (No 1) Limited
Report and Financial Statements
30 November 2015



Asset Link Capital (No 1) Limited

Registered No: 05322368

Directors

S L Burdell

A R Cloake

Independent Auditors

PricewaterhouseCoopers LLP

1 Embankment Place

London WC2N 6RH

Bankers

HSBC

60 Queen Victoria Street

London

EC4N 4TR

Solicitors

Martineau

35 New Bridge Street

London EC4V 6BW

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 2015.

Principal activities

The principal activity of the company was the collection of charged off consumer receivables on owned portfolios up to the date the portfolios were sold to a third party. Subsequent to the sale the Company's principal activity is to act as a special purpose vehicle seeking opportunities to acquire and then manage portfolios of charged-off consumer receivables.

Results and dividends

The audited financial statements for the year ended 30 November 2015 are set out on pages 7 to 13. The loss for the financial year after taxation was £1,273,000 (2014 – profit £11,964,000).

The directors do not recommend the payment of a dividend (2014 – £850,000) and the loss for the financial year ended 30 November 2015 has been transferred to reserves.

Directors and their interests

The directors who served during the year are as follows:

S L Burdell
A Cloake

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

Directors' report

Going concern

The directors have considered all relevant information covering at least twelve months from the date of approval of the financial statements and have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The company has substantial liquidity arising from the sale of portfolios during 2014 and as such the directors believe there will be sufficient cash to continue in operational existence for the foreseeable future

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.

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.

On behalf of the Board



A R Cloake
Director
13 May 2016

Strategic report

Business review

The company's key financial performance indicators during the year were as follows:

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Turnover	-	3,697
Operating (loss) / profit	(1,322)	15,341
(Loss) / Profit on ordinary activities before taxation	(1,305)	15,251
Total Assets	12,330	15,723
Net Assets	11,210	12,483

Administrative expenses were £1,322,000 in 2015 (2014 – £1,024,000).

Principal risks and uncertainties

The company does not face any risks and uncertainties.

Future developments

Since the sale of the company's portfolios in 30 June 2014 it is considering other opportunities in purchasing other portfolios in the future.

On behalf of the Board



A R Cloake
Director
13 May 2016

Independent auditors' report to the members of Asset Link Capital (No 1) Limited

Report on the financial statements

Our opinion

In our opinion, Asset Link Capital (No 1) Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 November 2015 and of its loss 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 Balance sheet as at 30 November 2015;
- the Profit and loss account 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, 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 Strategic Report and 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.

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.

Independent auditors' report to the members of Asset Link Capital (No 1) Limited

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

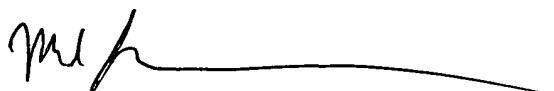
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.



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

13 May 2016

Profit and loss account

for the year ended 30 November 2015

	Notes	2015 £000	2014 £000
Turnover	2	-	3,697
Cost of sales		-	1,041
Gain on sale of portfolios		-	11,627
<i>Gross profit</i>		-	16,365
Administrative expenses		(1,322)	(1,024)
<i>Operating (loss) / profit</i>	3	(1,322)	15,341
Interest payable and similar charges	5	-	(98)
Interest receivable and similar income	6	17	8
<i>(Loss) / Profit on ordinary activities before taxation</i>		(1,305)	15,251
Tax on (Loss)/profit on ordinary activities	8	32	(3,287)
<i>(Loss) / Profit for the financial year</i>	12	(1,273)	11,964

The company's turnover and operating (loss)/profit are all relating to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

There are no recognised gains or losses attributable to the shareholders of the company in the year ended 30 November 2015 other than the loss for the financial year of £1,273,000 (2014 – Profit - £11,964,000).

Balance sheet

As at 30 November 2015

	Notes	2015 £000	2014 £000
<i>Current assets</i>			
Debtors	9	6,400	5,213
Cash at bank and in hand		5,930	10,510
		<u>12,330</u>	<u>15,723</u>
<i>Creditors: amounts falling due within one year</i>	10	(1,120)	(3,240)
<i>Net assets</i>		<u>11,210</u>	<u>12,483</u>
<i>Capital and reserves</i>			
Called up share capital	11	-	-
Profit and loss account	12	11,210	12,483
<i>Total Shareholders' funds</i>		<u>11,210</u>	<u>12,483</u>

The financial statements on pages 7 to 13 were approved and authorised for issue by the Board of directors on 13 May 2016 and signed on its behalf by:



A R Cloake
Director

Notes to the financial statements

For the year ended 30 November 2015

1. Accounting policies

The principal accounting policies are summarised below.

Basis of accounting

The financial statements are prepared under the historical cost convention on a going concern basis in accordance with applicable UK accounting standards and the Companies Act 2006. The accounting policies have been applied consistently throughout the year and the preceding period.

Portfolios

Portfolios of charged-off consumer receivables are valued at cost less a provision for amortisation based on the directors' expectation of the recoverable amount and associated costs of recovery estimated on acquisition. The recoverability of these amounts is reviewed in the light of experience at the end of each quarter with excess amortisation being charged as required. Portfolios are held in the balance sheet as current assets at net book value.

Interest rate cap

Premiums paid or payable are capitalised and then amortised proportionately over the period of the contract.

Bank borrowings

Interest bearing loans are recorded at the proceeds received. Finance charges are accounted for on an accrual basis in the profit or loss account using the effective interest rate method and are added to the carrying amount to the extent that they are not settled in the period in which they arise.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided using the liability method on all timing differences calculated at the rate at which it is anticipated the timing differences will reverse. Deferred taxation assets are only recognised if recovery is reasonably certain.

Turnover

Turnover represents amounts received or receivable during the year in respect of debts purchased.

Cost of sales

Cost of sales comprises the amortisation of portfolios charged in the year, the yearly movement in the deferred consideration liability and fees payable to other group companies..

Statement of cash flows

Under Financial Reporting Standard No. 1, the company is exempt from the requirement to prepare a statement of cash flows on the grounds that it is a wholly owned subsidiary undertaking, and a consolidated statement of cash flows is prepared by the ultimate parent company.

Notes to the financial statements

For the year ended 30 November 2015

1. Accounting policies (continued)

Related party transactions

As the company is a wholly owned subsidiary undertaking (refer to Note 14), the company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 and therefore has not disclosed transactions or balances with entities which form part of the group.

2. Turnover

The whole of the company's turnover is attributable to the UK.

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Auditors' remuneration:		
Audit services	7	7
Other Costs	1,310	482
	<u> </u>	<u> </u>

4. Directors' emoluments

The directors of the company are also directors or employees of other companies within the LCH European Portfolio Holdings Limited group. These directors did not receive any remuneration for their services to the company for the year ended 30 November 2015 (2014: £nil).

5. Interest payable and similar charges

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Bank loans	-	95
Amortisation of interest rate cap	-	3
	<u> </u>	<u> </u>
Interest payable and similar charges	-	98
	<u> </u>	<u> </u>

Notes to the financial statements

For the year ended 30 November 2015

6. Interest receivable and similar income

Interest receivable and similar income:

	2015 £'000	2014 £'000
Bank interest	17	8
	<u>17</u>	<u>8</u>

7. Staff and staff costs

The company did not employ staff during the year and in the prior year.

8. Tax on (loss)/profit on ordinary activities

Current tax

	2015 £000	2014 £000
Current year tax charge	-	(3,300)
Adjustment in respect of prior year	32	13
Total UK corporation tax credit/(charge)	<u>32</u>	<u>(3,287)</u>

Reconciliation of tax credit/(charge)

	2015 £000	2014 £000
(Loss) / Profit on ordinary activities before taxation	(1,305)	15,251
Tax on (loss)/profit on ordinary activities at statutory rate (2015 at 20.33% and 2014 at 21.67%)	<u>265</u>	<u>(3,303)</u>
Effect of:		
Group relief	(265)	-
Adjustment in respect of prior year	32	16
Tax credit/(charge) for the year	<u>32</u>	<u>(3,287)</u>

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

Notes to the financial statements

For the year ended 30 November 2015

9. Debtors

	2015 £000	2014 £000
Amounts owed by related parties	6,400	5,213
Prepayments and accrued income	–	–
	<u>6,400</u>	<u>5,213</u>

Amounts owed by related parties are unsecured, interest free and repayable on demand.

10. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Taxation and social security	–	1,870
Other creditors	1,078	1,034
Accruals and deferred income	42	336
	<u>1,120</u>	<u>3,240</u>

11. Called up share capital

	2015 £	2014 £
<i>Allotted, called up and fully-paid</i>		
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

12. Reconciliation of movement in shareholders' funds and movement on reserves

	<i>Called up Share capital</i> £000	<i>Profit and loss account</i> £000	<i>Total shareholders' funds</i> £000
At 1 December 2013	–	1,369	1,369
Profit for the financial year	–	11,964	11,964
Dividends paid out	–	(850)	(850)
At 30 November 2014 and 1 December 2014	–	12,483	12,483
Loss for the financial year	–	(1,273)	(1,273)
At 30 November 2015	–	11,210	11,210

Notes to the financial statements

For the year ended 30 November 2015

13. Commitments

The company has no future commitments.

14. Ultimate parent undertaking and controlling party

The company's immediate undertaking and controlling party is LF Outsourcing Holdings Limited.

The company's ultimate parent undertaking is GSLP Holdings Limited, incorporated in British Virgin Islands, and the controlling party is Mrs SL 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, Ireland