

**Company Registration Number: 07576944**

**LIMITED LIFE ASSETS ISSUANCE PLC**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**



**LIMITED LIFE ASSETS ISSUANCE PLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**LIMITED LIFE ASSETS ISSUANCE PLC**

**OFFICERS AND PROFESSIONAL ADVISERS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | Wilmington Trust SP Services (London) Limited<br>Mr D J Wynne   |
| <b>Company secretary</b> | Wilmington Trust SP Services (London) Limited   |
| <b>Company number</b>    | 07576944  |
| <b>Registered office</b> | c/o Wilmington Trust SP Services (London) Limited<br>Third Floor<br>1 King's Arms Yard<br>London<br>EC2R 7AF      |
| <b>Auditor</b>           | Grant Thornton Limited<br>PO Box 313<br>Lefebvre House<br>Lefebvre Street<br>St Peter Port<br>Guernsey<br>GY1 3TF |

# **LIMITED LIFE ASSETS ISSUANCE PLC**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the audited financial statements of Limited Life Assets Issuance PLC (the "Company") for the year ended 31 December 2016.

#### **DIVIDENDS**

The directors have not recommended a dividend during the year (2015: Nil).

#### **DIRECTORS' AND SECRETARY'S INTEREST IN SHARES**

The directors who held the office during the year and to the date of this report are as follows:

Wilmington Trust SP Services (London) Limited

Mr M H Filer (resigned 11 April 2017)

Mr DJ Wynne (appointed 27 March 2017)

The Secretary who held the office during the year was

Wilmington Trust SP Services (London) Limited

Wilmington Trust SP Services (London) Limited holds the entire share capital in the Company under a declaration of trust for charitable purposes.

None of the directors had any beneficial interest in the shares of the Company during the year.

In accordance with the Articles of Association, there is no requirement for the directors to retire by rotation.

#### **FUTURE DEVELOPMENTS**

There has been no change in the activities during the period under review and the Company intends to continue to pursue these activities for the foreseeable future.

#### **FINANCIAL RISK MANAGEMENT**

The Company has established a Risk and Financial Framework whose primary objectives are to protect the Company from events that hinder the achievements of Company performance.

Further details regarding financial risk factors and exposure of the Company to credit risk, interest rate risk, foreign currency risk and liquidity risk are provided in the notes to the accompanying financial statements.

#### **POST BALANCE SHEET EVENTS**

Mr M H Filer resigned from the directorship of the Company on the 11 April 2017 and Mr D J Wynne was appointed as the director of the Company on the 27 March 2017.

There have been no other significant post balance sheet events since the year ended 31<sup>st</sup> December 2016.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report, Strategic 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 or period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 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.

# **LIMITED LIFE ASSETS ISSUANCE PLC**

## **DIRECTORS' REPORT (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

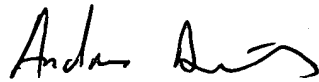
Each of the directors confirms that:

- so far as the directors are 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 directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **RE-APPOINTMENT OF AUDITORS**

A resolution to re-appoint Grant Thornton Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

The Directors' report was approved by the Board and signed on its behalf by



Andreas Demosthenous for and on behalf of  
**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**  
Director  
Date: 17 May 2017

# **LIMITED LIFE ASSETS ISSUANCE PLC**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their strategic report of Limited Life Assets Issuance PLC (the “Company”) for the year ended 31 December 2016.

#### **GENERAL**

##### **PRINCIPAL ACTIVITIES**

The Company is a special purpose Company established in order to issue secured floating rate bonds due on May 2023 (“the Bonds”). The Company used the process of Bonds issue of (a) \$216,472,298 to give loans to Limited Life Assets Services Limited (the “AssetCo”) and Limited Life Assets Master Limited (the “HoldCo”) of (b) \$159,167,976 and (c) \$57,304,322, respectively.

#### **REVIEW OF THE BUSINESS**

##### **RESULTS**

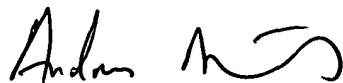
The results for the year and the Company’s financial position at the end of the year are shown in the attached financial statements. The total comprehensive loss after taxation for the year was \$1,992 (2015: profit \$454).

##### **KEY PERFORMANCE INDICATORS**

The return on the loan is considered to be as the key performance indicator. The key non-financial indicator is continued compliance with regulatory requirements.

##### **GOING CONCERN**

As explained in more detail in note 1 to the financial statements, the directors have undertaken a detailed assessment of the Company’s ongoing business model and have made extensive enquiries of the management. Given the details set out in note 1, the directors believe it is appropriate to prepare these financial statements on the assumption that the Company will be able to continue as a going concern for the foreseeable future.



**Andreas Demosthenous for and on behalf of  
Wilmington Trust SP Services (London) Limited  
Director  
17 May 2017**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF LIMITED LIFE ASSETS ISSUANCE PLC**

#### **Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the Limited Life Assets Issuance PLC's (the "Company") affairs at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"); and
- have been prepared in accordance with the requirements of Companies Act 2006.

#### **Who we are reporting to**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **What we have audited**

Limited Life Assets Issuance PLC's financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, and as applied in accordance with the provisions of Companies Act 2006.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

*Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:*

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

#### **Responsibilities for the financial statements and the audit**

*What an audit of financial statements involves:*

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

*What the directors are responsible for:*

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.

*What are we responsible for:*

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.



**David Clark**

**Senior Statutory Auditor**

**For and on behalf of Grant Thornton Limited, Statutory Auditor**

**Chartered Accountants and Registered Auditors**

**St Peter Port, Guernsey, Channel Islands**

**17 May 2017**

**LIMITED LIFE ASSETS ISSUANCE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

|  |       | 1 January to<br>31 December<br>2016 | 1 January to<br>31 December<br>2015 |
|--|-------|-------------------------------------|-------------------------------------|
|  | Notes | \$                                  | \$                                  |
| <b>Continuing operations</b>   |       |                                     |                                     |
| Interest receivable on loan  | 2     | 41,114,805                          | 50,484,806                          |
| Facility fee receivable  | 3     | 107,370                             | 113,252                             |
| Interest receivable  |       | 170,000                             | 170,000                             |
| Other income   |       | <u>44</u>                           | <u>67</u>                           |
| <b>Total income</b>  |       | 41,392,219                          | 50,768,125                          |
| <br>   |       |                                     |                                     |
| Bond interest  | 2     | (41,114,805)                        | (50,484,806)                        |
| Amortised issue cost   | 11    | (170,000)                           | (170,000)                           |
| Administrative expenses  | 4     | <u>(109,141)</u>                    | <u>(112,751)</u>                    |
| <b>Total expenses</b>  |       | (41,393,946)                        | (50,767,557)                        |
| <br>   |       |                                     |                                     |
| <b>(Loss)/profit on ordinary activities before tax</b>                 |       | (1,727)                             | 568                                 |
| Taxation   | 5     | <u>(265)</u>                        | <u>(114)</u>                        |
| <b>(Loss)/profit on ordinary activities after tax</b>                  |       | <u>(1,992)</u>                      | <u>454</u>                          |
| <br>   |       |                                     |                                     |
| <b>Total other comprehensive income</b>                                |       | <u>-</u>                            | <u>-</u>                            |
| <br>   |       |                                     |                                     |
| <b>Total comprehensive (loss)/income for the year</b>                  |       | <u>(1,992)</u>                      | <u>454</u>                          |
| <br>   |       |                                     |                                     |
| <b>Total comprehensive (loss)/income for the year attributable to:</b> |       |                                     |                                     |
| <br>   |       |                                     |                                     |
| Non-controlling interests  |       | -                                   | -                                   |
| <br>   |       |                                     |                                     |
| Owner of the Company   |       | <u>(1,992)</u>                      | <u>454</u>                          |

The above results relate to the continuing operations of the Company.  
There are no recognised gains or losses for the year, other than disclosed.

The notes on pages 10 to 15 form an integral part of these financial statements.



**LIMITED LIFE ASSETS ISSUANCE PLC**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2016**

|   | Notes | 2016<br>\$           | 2015<br>\$           |
|---|-------|----------------------|----------------------|
| <b>Fixed assets</b>                                     |       |                      |                      |
| Debtors: amounts falling due after more than one year   | 8     | 165,969,102          | 173,004,778          |
| <b>Current assets</b>                                   |       |                      |                      |
| Debtors: amounts falling due within one year            | 7     | 39,056               | 41,514               |
| Cash and cash equivalents                               | 6     | <u>23,294</u>        | <u>25,021</u>        |
| <b>Total current assets</b>                             |       | 62,350               | 66,535               |
| Creditors: amounts falling due within one year          | 10    | <u>(39,403)</u>      | <u>(41,596)</u>      |
| <b>Net current assets</b>                               |       | <u>22,947</u>        | <u>24,939</u>        |
| <b>Total assets less current liabilities</b>            |       | <u>165,992,049</u>   | <u>173,029,717</u>   |
| Creditors: amounts falling due after more than one year | 11    | <u>(165,969,102)</u> | <u>(173,004,778)</u> |
| <b>Net Assets</b>                                       |       | <u>22,947</u>        | <u>24,939</u>        |
| <b>Equity</b>   |       |                      |                      |
| Called up share capital                                 | 9     | 20,516               | 20,516               |
| Retained earnings                                       |       | <u>2,431</u>         | <u>4,423</u>         |
| <b>Shareholders' funds</b>                              |       | <u>22,947</u>        | <u>24,939</u>        |

These financial statements for Limited Life Assets Issuance PLC, Company registration 07576944, on pages 6 to 15 were approved and authorised for issue by the directors on 17 May 2017, signed on its behalf by:



Andreas Demosthenous for and on behalf of  
**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**  
 Director

The notes on pages 10 to 15 form an integral part of these financial statements.

**LIMITED LIFE ASSETS ISSUANCE PLC**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

|                                | Note | Called up<br>share capital | Retained<br>earnings | Total          |
|--------------------------------|------|----------------------------|----------------------|----------------|
|                                |      | \$                         | \$                   | \$             |
| Balance at 31 December 2014    | 9    | 20,516                     | 3,969                | 24,485         |
| Profit for the year ended 2015 |      | <u>-</u>                   | <u>454</u>           | <u>454</u>     |
| Other comprehensive income     |      | <u>-</u>                   | <u>-</u>             | <u>-</u>       |
| Total comprehensive income     |      | <u>-</u>                   | <u>4,423</u>         | <u>24,939</u>  |
| Balance as at 31 December 2015 |      | 20,516                     | 4,423                | 24,939         |
| Balance as at 1 January 2016   |      | 20,516                     | 4,423                | 24,939         |
| Loss for the year ended 2016   |      | <u>-</u>                   | <u>(1,992)</u>       | <u>(1,992)</u> |
| Other comprehensive income     |      | <u>-</u>                   | <u>-</u>             | <u>-</u>       |
| Total comprehensive loss       |      | <u>-</u>                   | <u>(1,992)</u>       | <u>(1,992)</u> |
| Balance as at 31 December 2016 | 9    | <u>20,516</u>              | <u>2,431</u>         | <u>22,947</u>  |

The notes on pages 10 to 15 form an integral part of these financial statements.

# LIMITED LIFE ASSETS ISSUANCE PLC

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2016

|   | Notes | 1 January to<br>31 December<br>2016 | 1 January to<br>31 December<br>2015 |
|---|-------|-------------------------------------|-------------------------------------|
|   |       | \$                                  | \$                                  |
| <b>Cash flows from operating activities</b>   |       |                                     |                                     |
| (Loss)/profit on ordinary activities before tax                                     |       | (1,727)                             | 568                                 |
| <b>Adjustments to reconcile profit to net cash flows from operating activities:</b> |       |                                     |                                     |
| Bond interest paid  | 2     | 41,114,805                          | 50,484,806                          |
| Interest on loan received   | 2     | (41,114,805)                        | (50,484,806)                        |
| Other interest received   |       | (45)                                | (67)                                |
| Amortised issue expense   | 11    | 170,000                             | 170,000                             |
| Interest receivable   |       | (170,000)                           | (170,000)                           |
| Decrease/(increase) in debtors  |       | 2,458                               | (735)                               |
| (Decrease)/increase in creditors  |       | (2,458)                             | 735                                 |
| Tax Paid  |       | -                                   | (105)                               |
| <b>Net cash (outflows)/inflows from operating activities</b>                        |       | <u>(1,772)</u>                      | <u>396</u>                          |
| <b>Investing activities</b>   |       |                                     |                                     |
| Other interest received   |       | 45                                  | 67                                  |
| Redemption of long term loan  |       | <u>7,205,675</u>                    | <u>26,445,402</u>                   |
| <b>Net cash inflows from investing activities</b>                                   |       | <u>7,205,720</u>                    | <u>26,445,469</u>                   |
| <b>Financing activities</b>   |       |                                     |                                     |
| Bond interest paid  | 2     | (41,114,805)                        | (50,484,806)                        |
| Interest on loan received   | 2     | 41,114,805                          | 50,484,806                          |
| Bond repayment  | 11    | <u>(7,205,675)</u>                  | <u>(26,445,402)</u>                 |
| <b>Net cash outflows from financing activities</b>                                  |       | <u>(7,205,675)</u>                  | <u>(26,445,402)</u>                 |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                         |       | (1,727)                             | 463                                 |
| Cash and cash equivalents at 1 January  |       | <u>25,021</u>                       | <u>24,558</u>                       |
| Cash and cash equivalents at 31 December  | 6     | <u>23,294</u>                       | <u>25,021</u>                       |

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the cash management agreements and as such the cash and cash equivalents are not freely available to be used for other purposes.

The notes on pages 10 to 15 form an integral part of these financial statements.

**LIMITED LIFE ASSETS ISSUANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. PRINCIPAL ACCOUNTING POLICIES**

Limited Life Assets Issuance PLC is a limited company incorporated and domiciled in the United Kingdom with registered number 07576944 and has its registered office at 1 Kings Arm's Yard, London, EC2R 7AF.

**Statement of Compliance**

The Company's financial statements have been prepared in compliance with United Kingdom Generally Accepted Accounting Principles ("UK GAAP"), including the Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland ("FRS 102")' as it applies to the financial statements of the Company for the year ended 31 December 2016.

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards including FRS 102 and with the Companies Act 2006. Financial statements have been prepared in US dollars ("\$\$") which is the functional and presentational currency of the Company.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and its position are set out in the Strategic Report on page 4. In addition, Note 12 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk, interest rate risk, foreign currency risk and liquidity risk.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Expenses of the Company are shouldered by Limited Life Assets Master Limited ("HoldCo") and Limited Life Assets Services Limited ("AssetCo") in the form of an ongoing facility fee in accordance with the HoldCo and AssetCo loan agreements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Segmental Reporting**

An operating segment is a component of a Company that engages in business activities from which it may earn revenues and incur expenses. The principal assets of the Company are portfolio of loans to AssetCo and HoldCo, which generates the Company's revenue, which is managed by the Board in the United Kingdom. The Board believes that the Company has only one operating segment and operates in only one geographical area being United Kingdom.

**Impairment**

The Company assesses at each yearend date whether there is any objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

**Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in Bank with less than three months to maturity. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the cash management agreements and as such the cash and cash equivalents are not freely available to be used for other purposes.

**Accrued Income and Expenses**

Expense consists principally of professional fees. These fees are recognised when incurred.

As per the loan agreements, all expenses are recovered from HoldCo and AssetCo through facility fee therefore an amount equal to accrued expenses are also accrued as income (refer to Note 2).

**Accounting judgments and estimates**

In preparing its financial statements in conformity with FRS 102, the Company makes estimates concerning a variety of matters.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

**Taxation**

Corporation tax is provided on taxable profits at the current attributable rates. It is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity. Current tax is the expected tax payable on the taxable income for the year.

# LIMITED LIFE ASSETS ISSUANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

##### Interest receivable and payable

Interest income and expense is accounted for on an accrual basis, by reference to the principal outstanding at the interest rate applicable, which is set by the calculating agent as per the loan agreements.

##### Loans to AssetCo and HoldCo

Loans receivables are initially recognised at present value of cash payable (including interest) which is the cash consideration to originate the loan including any transaction costs and measured subsequently at amortised cost using the effective interest rate method. The interest amortisation is included in the Statement of Comprehensive Income.

Interest on loans is included in the Statement of Comprehensive Income and is reported as 'Interest receivable'. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the Statement of Comprehensive Income.

##### Interest-bearing bonds

Interest-bearing bonds are classified as financial liabilities held at amortised cost and are recognised initially at fair value which is the cash consideration less attributable transaction costs. Subsequent to initial recognition, interest-bearing bonds and interest payable thereon are stated at amortised cost using effective interest rate with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

#### 2. INTEREST RECEIVABLE ON LOAN AND BOND INTEREST PAYABLE

As per the terms of the 'Issuer AssetCo Loan Agreement' between AssetCo and the Company and the 'Issuer HoldCo Loan Agreement' between HoldCo and the Company (together the "Loan Agreements"), interest income and expense is accounted for on a time basis, by reference to the principal outstanding at the interest rate applicable, which is set by the calculating agent by way of profit participation as per the loan agreements.

The interest paid on each note bears the same rates and have the same interest pay dates as the interest received on the advance.

#### 3. FACILITY FEE RECEIVABLE

As per the terms of the 'Issuer AssetCo Loan Agreement' between AssetCo and the Company and the 'Issuer HoldCo Loan Agreement' between HoldCo and the Company (together the "Loan Agreements"), initial and ongoing facility fees are payable to the Company where the initial facility fees pertain to expenses incurred by the Company for the issuance of the bonds and ongoing facility fees pertain to ongoing expenses incurred by the Company. The fees are paid by AssetCo and HoldCo based on the proportion of their respective loans to the total loan advanced by the Company. Ongoing facility fees are recognised as facility fee receivable in the Statement of Comprehensive Income.

#### 4. ADMINISTRATIVE EXPENSES

|   | 2016           | 2015           |
|---|----------------|----------------|
|   | \$             | \$             |
| Fees payable for the audit of the Company's annual accounts | 11,931         | 11,723         |
| Fees payable to the Company's auditor for tax services      | 2,060          | 2,583          |
| Corporate services, trustee and accountancy fees            | 67,000         | 67,000         |
| Escrow agent fees   | 25,000         | 25,000         |
| Legal and professional fees                                 | -              | 3,821          |
| Other expenses  | 3,150          | 2,624          |
|   | <u>109,141</u> | <u>112,751</u> |

The Company has no employees and none of the directors received any remuneration during the year.

#### 5. TAXATION

##### (a) Analysis of charge in the year:

|                                     | 2016       | 2015       |
|-------------------------------------|------------|------------|
|                                     | \$         | \$         |
| Current tax:                        |            |            |
| Corporation tax charge for the year | <u>265</u> | <u>114</u> |

# LIMITED LIFE ASSETS ISSUANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 5. TAXATION (continued)

##### b) Reconciliation of effective tax rate

The tax assessed on the profit on ordinary activities for the year is equal to the rate of corporation tax in the UK of 20% (2015:20%)

|   | 1 January to<br>31 December<br>2016 | 1 January to<br>31 December<br>2015 |
|---|-------------------------------------|-------------------------------------|
|   | \$                                  | \$                                  |
| (Loss)/profit before tax  | (1,727)                             | 568                                 |
| Less: amortised issue cost receivable                                     | (170,000)                           | (170,000)                           |
| Add: amortised issue cost   | <u>170,000</u>                      | <u>170,000</u>                      |
| Adjusted (loss)/profit  | <u>(1,727)</u>                      | <u>568</u>                          |
| Profit before tax multiplied by the rate of corporation tax in the UK 20% | 265                                 | 114                                 |
| Under provision from last year  | -                                   | -                                   |
| Total corporation tax charge  | <u>265</u>                          | <u>114</u>                          |

The current corporation tax payable as of 31 December 2016 is \$347 (2015: \$82) is shown as part of Creditors: amounts falling due within one year in the Statement of Financial Position (see Note 10).

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise. As at 31 December 2016, there are no tax-related contingent assets or contingent liabilities in accordance with FRS 102, Section 21.

#### 6. CASH AND CASH EQUIVALENTS

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the cash management agreements.

|                | 2016          | 2015          |
|----------------|---------------|---------------|
|                | \$            | \$            |
| Cash in bank   | 7,775         | 6,450         |
| Client account | <u>15,519</u> | <u>18,571</u> |
|                | <u>23,294</u> | <u>25,021</u> |

#### 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                         | 2016          | 2015          |
|-------------------------|---------------|---------------|
|                         | \$            | \$            |
| Facility fee receivable | 22,917        | 18,597        |
| Prepayments             | <u>16,139</u> | <u>22,917</u> |
|                         | <u>39,056</u> | <u>41,514</u> |

#### 8. LOANS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                             | 2016               | 2015               |
|-----------------------------|--------------------|--------------------|
|                             | \$                 | \$                 |
| Loans to AssetCo and HoldCo |                    |                    |
| Loan to AssetCo             | 119,338,137        | 124,258,796        |
| Loan to HoldCo              | <u>46,630,965</u>  | <u>48,745,982</u>  |
|                             | <u>165,969,102</u> | <u>173,004,778</u> |

The Loans to AssetCo and HoldCo represents the long term loans provided by the Company to purchase life settlement contracts in accordance with the Loan Agreements. The loans are due to mature in May 2021.

Subject to the terms of the Loan Agreements, the Company makes available to AssetCo and HoldCo a US Dollar term loan facility in an aggregate amount of \$216,472,298. The borrowers will repay an amount equal to the loan to the Company on the repayment date in May 2021. For the avoidance of doubt, any principal amounts prepaid shall reduce the amount repayable by AssetCo and HoldCo on the repayment date to the extent of such prepayment.

# LIMITED LIFE ASSETS ISSUANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

On each Loan Interest Payment Date, the borrowers shall prepay an amount equal to the aggregate of:

- the allocated loan amount of the un-invested portion of any realised asset amounts received in the immediately preceding collection period; and
- the allocated loan amount of the un-invested portion of any net disposal proceeds received following a disposal of an asset in the immediately preceding collection period;

The timing of the receipt of investment proceeds or the lapsing of the asset values necessary to arrive at the prepayment amount are not readily determinable. Therefore, the whole balance of the loan has been classified under amounts falling due after more than one year.

#### 9. SHARE CAPITAL

Authorised, allotted and issued

|                   | No. of Shares | Class    | Nominal Value | Amount        |
|-------------------|---------------|----------|---------------|---------------|
|                   |               |          | £             | \$            |
| Fully paid        | 1             | Ordinary | 1             | 2             |
| Partly paid (1/4) | <u>49,999</u> | Ordinary | 1             | <u>20,514</u> |
|                   | <u>50,000</u> |          |               | <u>20,516</u> |

Wilmington Trust SP Services (London) Limited holds the entire share capital of the Company under a declaration of trust for charitable purposes.

#### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|  | 2016          | 2015          |
|--|---------------|---------------|
|  | \$            | \$            |
| Accruals                                     | 39,056        | 41,514        |
| Current corporation tax payable (see Note 5) | <u>347</u>    | <u>82</u>     |
|  | <u>39,403</u> | <u>41,596</u> |

#### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

As per the Bond Issuance Agreement dated 31 May 2011, the Company issued \$186,294,935 Secured Floating Rate Bonds due in May 2023 (the "Bonds"). During the period ended 31 December 2011 the Company issued further Bonds of \$30,177,363 as per the First Supplemental Bond Issuance Agreement dated 30 September 2011. The Company repaid \$7,205,675 of the Bonds during the year (2015: \$26,445,402).

|                        | 2016               | 2015               |
|------------------------|--------------------|--------------------|
|                        | \$                 | \$                 |
| Interest bearing bonds | <u>165,969,102</u> | <u>173,004,778</u> |

Unamortised bond issue cost as of 31 December 2016 amounted to \$750,833 (2015: \$920,833).

The Issuer Deed of Charge secures all the obligations of the Company to the issuer secured parties. In accordance with the Issuer Deed of Charge, the Company, by way of first fixed security for the payment and discharge of its obligations, assigned in favour of the Issuer Security Trustee, Wilmington Trust (London) Limited, for the benefit of the issuer secured parties all of its right, title and interest under the Loan Agreements and any deeds or agreements supplemental thereto. Notwithstanding such assignment, the Company may continue to receive all payments due under the Loan Agreements which constitute discharge of the obligations of AssetCo and HoldCo.

Prepayments received from AssetCo and HoldCo in accordance with the Loan Agreements will be applied as prepaid principal amount in redeeming the bonds. Unless previously purchased or redeemed, the Bonds will be redeemed at their principal amount outstanding in May 2023. Prepayments to be received from AssetCo and HoldCo for subsequent payment for the bonds amounted to nil (2015: nil) are reported under creditors; amount falling due within one year (see Note 10). The remaining balance of the bonds has been classified under amounts falling due after more than one year.

# LIMITED LIFE ASSETS ISSUANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 12. FINANCIAL RISK MANAGEMENT

##### Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company manages its capital structure in light of the business opportunities available to it.

##### Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or contract, leading to a financial loss. The company's credit risk is principally attributable to its loans to AssetCo and HoldCo and its cash and cash equivalents. The maximum exposure to credit risk is the carrying amount of the Company's financial assets amounting to \$166,008,535 as of 31 December 2016 (2015: \$173,048,396).

##### Interest rate risk

The percentage rate of interest per annum on the Loan Agreements is the aggregate of the applicable margin and LIBOR ("floating rate"). The floating rate is determined by the calculation agent, which can be adjusted, in its sole discretion, in accordance with the Loan Agreements. The interest payable under the Bond Issuance Agreement is the sum of the floating rate interest amount under the Loan Agreements. The carrying amount of financial assets at floating interest rates amounted to \$165,969,102 (2015: \$173,004,778).

##### Foreign currency risk

All of the Company's assets and liabilities are denominated in U.S. dollars therefore there is no foreign currency risk.

##### Fair value of financial instruments

The fair values together with the carrying amounts shown in the statement of financial position of the financial assets and financial liabilities are as follows:

|                               | Notes | Carrying amount<br>2016<br>\$ | Fair value<br>2016<br>\$ | Carrying amount<br>2015<br>\$ | Fair value<br>2015<br>\$ |
|-------------------------------|-------|-------------------------------|--------------------------|-------------------------------|--------------------------|
| <b>Financial assets:</b>      |       |                               |                          |                               |                          |
| Loans to AssetCo and HoldCo   | 8     | 165,969,102                   | 165,969,102              | 173,004,778                   | 173,004,778              |
| Facility Fee receivable       | 7     | 16,139                        | 16,139                   | 18,597                        | 18,597                   |
| Cash and cash equivalents     | 6     | 23,294                        | 23,294                   | 25,021                        | 25,021                   |
|                               |       | <u>166,008,535</u>            | <u>166,008,535</u>       | <u>173,048,396</u>            | <u>173,048,396</u>       |
| <b>Financial liabilities:</b> |       |                               |                          |                               |                          |
| Interest bearing bonds        | 11    | 165,969,102                   | 165,969,102              | 173,004,778                   | 173,004,778              |
| Accruals                      | 10    | 39,403                        | 39,403                   | 41,514                        | 41,514                   |
|                               |       | <u>166,008,505</u>            | <u>166,008,505</u>       | <u>173,046,292</u>            | <u>173,046,292</u>       |

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at year end.

##### Liquidity risk

The Company's policy is to manage liquidity risk through its use of cash balances. As in Note 2, the Loan Agreements for the loans to AssetCo and HoldCo are designed to match the availability of funds, therefore it is deemed that limited liquidity risks are facing the Company.

Payments made by the Company are made in accordance with the priority of payments as set out in the cash management agreement. Under these terms, payments are made on a monthly basis. The prepayments of the bonds are determined by the prepayments made by AssetCo and HoldCo under the Loan Agreements.

The table on the next page shows the maturity profile of the carrying amount of the Company's financial liabilities.



# LIMITED LIFE ASSETS ISSUANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 12. FINANCIAL RISK MANAGEMENT (continued)

| 2016                         | Total              | Less than 1<br>year | 1-2 years | 2-5 years | More than 5<br>years |
|------------------------------|--------------------|---------------------|-----------|-----------|----------------------|
|                              | \$                 | \$                  | \$        | \$        | \$                   |
| <b>Financial liabilities</b> |                    |                     |           |           |                      |
| Interest bearing bonds       | 165,969,102        | -                   | -         | -         | 165,969,102          |
| Accruals                     | 39,403             | 39,403              | -         | -         | -                    |
|                              | <u>166,008,505</u> | <u>39,403</u>       | <u>-</u>  | <u>-</u>  | <u>165,969,102</u>   |
| 2015                         | Total              | Less than 1<br>year | 1-2 years | 2-5 years | More than 5<br>years |
|                              | \$                 | \$                  | \$        | \$        | \$                   |
| <b>Financial liabilities</b> |                    |                     |           |           |                      |
| Interest bearing bonds       | 173,004,778        | -                   | -         | -         | 173,004,778          |
| Accruals                     | 41,514             | 41,514              | -         | -         | -                    |
|                              | <u>173,046,292</u> | <u>41,514</u>       | <u>-</u>  | <u>-</u>  | <u>173,004,778</u>   |

#### 13. RELATED PARTY TRANSACTIONS

The Company is a special-purpose company controlled by its Board of Directors, which comprises two directors; Wilmington Trust SP Services (London) Limited and Mr D J Wynne. During the year Mr M H Filer was a director of the Company and also a director of Wilmington Trust SP Services (London) Limited. The Company pays a corporate service and trustee fee to Wilmington Trust (London) Limited in connection with the corporate services provided. The fees payable for corporate services and trustee fees for the year ended 31 December 2016 amounted to \$55,000 (2015: \$55,000) including irrecoverable VAT.

During the year, accounting services amounting to \$12,000 (2015: \$12,000) were charged by Wilmington Trust SP Services (London) Limited. At 31 December 2016, \$nil was outstanding.

#### 14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

|  | 2016                 | 2015                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| (Decrease)/increase in cash                  | (1,727)              | 463                  |
| Cash outflow from repayment of bonds         | <u>7,205,675</u>     | <u>26,445,402</u>    |
| Change in net debt resulting from cash flows | <u>7,203,948</u>     | <u>26,445,865</u>    |
| Amortisation of bond issue cost              | <u>(170,000)</u>     | <u>(170,000)</u>     |
| Movement in net debt                         | <u>7,033,948</u>     | <u>26,275,865</u>    |
| Net debt at the beginning of the year        | <u>(172,979,757)</u> | <u>(199,255,622)</u> |
| Net debt at the end of the year              | <u>(165,945,809)</u> | <u>(172,979,757)</u> |

#### 15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Wilmington Trust SP Services (London) Limited is a company incorporated in Great Britain and registered in England and Wales.

Wilmington Trust SP Services (London) Limited holds the entire share capital of the Company under a declaration of trust for charitable purposes.

The registered office of Wilmington Trust SP Services (London) Limited is given on page 1.

#### 16. POST BALANCE SHEET EVENTS

Mr M H Filer resigned from the directorship of the Company on the 11 April 2017 and Mr D J Wynne was appointed as the director of the Company on the 27 March 2017.

There have been no other significant post balance sheet events since the year ended 31<sup>st</sup> December 2016.