

**Company Registration Number: 07576944**

**LIMITED LIFE ASSETS ISSUANCE PLC**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



**LIMITED LIFE ASSETS ISSUANCE PLC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**LIMITED LIFE ASSETS ISSUANCE PLC**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>Directors</b>	Wilmington Trust SP Services (London) Limited Mr I Kyriakopoulos
<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 Third Floor 1 King's Arms Yard London EC2R 7AF
<b>Auditor</b>	Grant Thornton Limited PO Box 313 Lefebvre House Lefebvre Street St Peter Port Guernsey GY1 3TF

# **LIMITED LIFE ASSETS ISSUANCE PLC**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the audited financial statements of Limited Life Assets Issuance PLC (the "Company") for the year ended 31 December 2020.

#### **DIVIDENDS**

The directors have not recommended a dividend during the year (2019: 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 I Kyriakopoulos (appointed 21 July 2020)  
Mr D J Wynne (resigned 21 July 2020)

The secretary who held the office during the year is 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**

In the context of operational resilience, the Company is assessing the risks associated with the current global health issue COVID-19 and continues to analyse the impacts. As the outbreak continues to progress and evolve, it is challenging at this date, to predict the impact that this will have on the Company. The impact of the financial markets are highly uncertain, and the directors of the Company are unable to measure the impairment or quantifiable effect that this will have on the loans.

The directors of the Company have concluded (as a result of the credit enhancement in the structure and the limited recourse nature of the Company's debt) that the Company has retained substantially all the risks and rewards of the portfolio of loans. In light of this the directors have concluded that the current global health issue COVID-19 is not expected to have any effect on the Company's ability to trade as a going concern. However, the Directors will continue to closely monitor the impact of the decision on the market and therefore on the Company.

#### **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.

Companies Act 2006 (the "Company law") requires the directors to prepare financial statements for each financial year. Under the Company law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 ("FRS102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland 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 year. 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 2020**

#### **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 Company law. 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 auditor is 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 auditor is aware of that information.

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



Approved Signatory  
for Wilmington Trust  
SP Services (London) Limited

Mr B Neilson for and on behalf of

**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

Director

Date: 30 July 2021

# **LIMITED LIFE ASSETS ISSUANCE PLC**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their Strategic report of Limited Life Assets Issuance PLC (the “Company”) for the year ended 31 December 2020.

#### **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 proceeds of the Bonds issue of (a) \$216,472,298 to provide 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.

##### **FINANCIAL RISK MANAGEMENT**

The Company has established a risk and financial framework where its primary role is to protect the Company from events that hinder the achievements of the Company’s objectives.

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 Note 12 to these financial statements.

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

##### **RESULTS**

The results for the year and the Company’s financial position as at the balance sheet date are shown in the attached financial statements. As at 31 December 2020, the Company had net assets of \$4,651 (2019: \$24,187). The total comprehensive loss after taxation for the year was \$19,536 (2019: \$8,983).

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

The return on the loans is considered to be the key performance indicator, during the year ended 31 December 2020 the Company received \$13,292,914 (2019: \$8,086,262) in interest income. The loans are used by the AssetCo and the HoldCo to acquire life insurance contracts for investment purposes (the “life settlement contracts”). The performance of the life settlement contracts has a direct link to the loans provided by the Company.

The key non-financial indicator is continued compliance with regulatory requirements such as compliance with United Kingdom Generally Accepted Accounting Principles (“UK GAAP”) including FRS 102.

##### **GOING CONCERN**

On 8 June 2021, the parent of the Company finalised negotiations pertaining to the sale of the entire life insurance portfolio held by HoldCo and AssetCo and redeem the loans receivable and bonds payable within November 2021. The Directors have also expressed their intentions to place the Company, the HoldCo and the AssetCo into liquidation within 12 months from the date of signing the balance sheet.

The Directors have therefore concluded that it would not be appropriate to prepare the financial statements on a going concern basis.



Approved Signatory  
for Wilmington Trust  
SP Services (London) Limited

Mr B Neilson for and on behalf of  
**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**  
Director  
30 July 2021

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **Opinion**

We have audited the financial statements of Limited Life Assets Issuance Plc (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


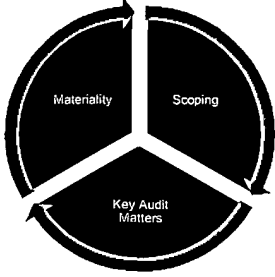
#### **Emphasis of Matter – Basis of preparation**

We draw attention to Note 1 to the financial statements which explains that the intention is to place the Company into liquidation within 12 months from the date of signing these financial statements, and therefore the accounts are prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT

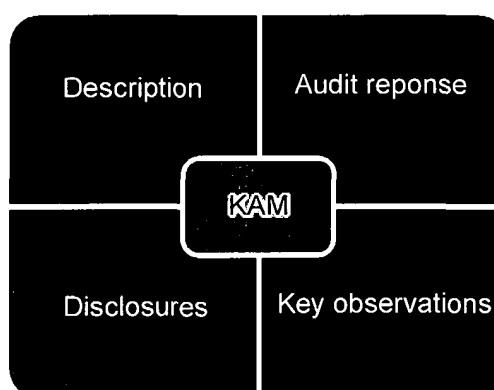
## TO THE SHAREHOLDER OF LIMITED LIFE ASSETS ISSUANCE PLC

### Our approach to the audit

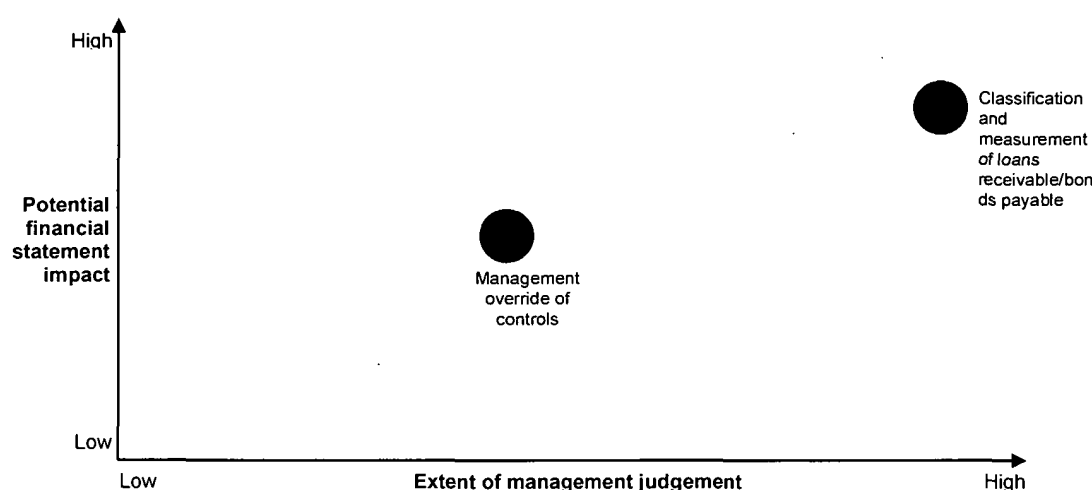
 <b>Grant Thornton</b> 	<b>Overview of our audit approach</b> Overall materiality: \$3,542,000 which represents 1% of the Company's total assets as at 31 December 2020 preliminary balances. Key audit matter identified as: <ul style="list-style-type: none"> <li>• Classification and measurement of loans receivable/bonds payable (Same as previous year)</li> </ul> Our auditor's report for the year ended 31 December 2019 included the same key audit matter that has been reported in our current year's report. There are no changes in scoping from previous year.
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### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



●	Key audit matter	●	Significant risk	●	Other risk
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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF LIMITED LIFE ASSETS ISSUANCE PLC

Key Audit Matter	How our work addressed the matter
<b>Classification and measurement of loans receivable/bonds payable</b> <p>The Company's loans receivables/bonds payable are the most significant area of the financial statements, with a value of \$409.12 million as at 31 December 2020. (2019: \$359.12 million).</p> <p>The classification of the loans receivable and the interest-bearing bonds as other than basic financial instruments requires a fair value assessment to be performed, which involves judgements and estimation by management. The cash flows and risks of the loans receivable and the interest-bearing bonds are deemed to match those of the life settlement contracts held by the borrowers, Limited Life Assets Services Limited (the "AssetCo") and Limited Life Assets Master Limited (the "HoldCo"), as loan repayments are wholly based on the receipt of investment proceeds from those contracts. Hence, the determination of the fair values of the loans receivable and the interest-bearing bonds involves valuation of the underlying life settlement contracts held by the AssetCo and HoldCo and involves judgements and estimates. The classification and measurement of the loans receivable and the interest-bearing bonds is therefore an area of significant judgement and a risk that requires special audit attention.</p> <p>The Company's accounting policies and other disclosures on loans receivables are included in Notes 1, 2, 3, 4, 7 and 17 to the financial statements, and the accounting policies for the interest-bearing bonds are included in Notes 1, 2, 10 and 17 to the financial statements.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"><li>• Updating our understanding on the Company's processes, policies and methodologies in relation to the classification and measurement of the loans receivable/bonds payable and confirming our understanding by testing the design and implementation of these controls;</li><li>• Assessing the reasonableness of the methodology and assumptions used by the Company to measure its loans and bonds payable and ensuring that this remains appropriate and has been consistently applied;</li><li>• Check the reasonableness of the significant inputs used in calculation of the fair value in reference with the amounts recorded in the books of LLAM and LLAS; and</li><li>• Reviewing the adequacy of the financial instruments disclosures.</li></ul> <p><b>Key observations</b></p> <p>Management's assessment of the classification of the loans receivable and the interest bearing bonds as other than basic financial instruments in the prior year remains consistent during the current year.</p> <p>Also, management's assessment to record the receivable and the interest-bearing bonds as at 31 December 2020 based on the adjusted net asset value of its borrowers is consistent with last year's treatment.</p> <p>We are satisfied that the loans receivable and the interest-bearing bonds as at 31 December 2020 are classified and measured appropriately.</p>

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF LIMITED LIFE ASSETS ISSUANCE PLC

#### Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

<b>Materiality measure</b>	
<b>Materiality for financial statements as a whole</b>	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	\$3,542,000 which represents 1% of the Company's total assets.
Significant judgements made by auditor in determining the materiality	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"><li>• The Company is listed in The International Stock Exchange ("TISE"); and</li><li>• Total assets is the key performance indicator that is relevant to the bond holders of the Company and users of its financial instruments.</li></ul> <p>Materiality for the current year is lower than the level that we determined for the year ended 31 December 2019 due to lower total assets.</p>
<b>Performance materiality used to drive the extent of our testing</b>	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	\$2,657,000 which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining our performance materiality, we have considered our risk assessment, including our assessment of the Company's overall control environment.
<b>Specific materiality</b>	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"><li>• Related party transactions; and</li><li>• Legal expenses</li></ul>
<b>Communication of misstatements to the audit committee</b>	We determine a threshold for reporting unadjusted differences to the audit committee.

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF LIMITED LIFE ASSETS ISSUANCE PLC

#### Materiality measure

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Threshold for communication	\$177,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.
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#### An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk based, and in particular included the following:

#### Understanding the Company and its environment, including controls

- the engagement team focused on updating its understanding of the internal controls of the Company's third party service providers; and
- the engagement team inspected the records and documents held by these third party service providers.

#### Performance of our audit

- the engagement team undertook the substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 2 to 4, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and determined that the most significant are those that relate to the reporting and legal frameworks (FRS 102 and the Companies Act 2006).
- We identified areas of the above laws and regulations that could reasonably be expected to have a material effect on the financial statements from discussions with management. We discussed the policies and procedures regarding compliance with laws and regulations and corroborated these enquiries through reviews of board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.
- Our audit procedures involved:
  - Reviewing the financial reporting practices of the Company, with a focus on accounting estimates, judgements and decisions made by management;
  - Journal entry testing, with a focus on material journals, including those with unusual account combinations and those posted at year-end;
  - Reviewing of unusual significant transactions or unusual adjustment immediately prior to year end.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **Use of our report**

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Carpenter**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton Limited  
Statutory Auditor, Chartered Accountants  
Guernsey, Channel Islands

Date: 30 July 2021

**LIMITED LIFE ASSETS ISSUANCE PLC**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Notes	\$	\$
Interest income on loan	2	13,292,914	8,086,262
Facility fee income	4	98,592	69,737
Amortised issue fee income		<u>170,000</u>	<u>170,000</u>
<b>Total income</b>		<b>13,561,506</b>	<b>8,325,999</b>
Bond interest	2	(13,292,914)	(8,086,262)
Amortised issue cost		(170,000)	(170,000)
Administrative expenses	5	<u>(117,868)</u>	<u>(80,383)</u>
<b>Total expenses</b>		<b>(13,580,782)</b>	<b>(8,336,645)</b>
Fair value gain / (loss) on loans receivable		55,046,890	(50,213,992)
Fair value (loss) / gain on bonds payable		<u>(55,046,890)</u>	<u>50,213,992</u>
Total fair value movement		-	-
<b>Loss on ordinary activities before tax</b>		<b>(19,276)</b>	<b>(10,646)</b>
Taxation	6	<u>(260)</u>	<u>1,663</u>
<b>Loss on ordinary activities after tax</b>		<b><u>(19,536)</u></b>	<b><u>(8,983)</u></b>
<b>Total other comprehensive income</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Total comprehensive loss for the year</b>		<b><u>(19,536)</u></b>	<b><u>(8,983)</u></b>

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 17 to 25 form an integral part of these financial statements.

**LIMITED LIFE ASSETS ISSUANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

		2020	2019
	Notes	\$	\$
<b>Fixed assets</b>			
Debtors: amounts falling due after more than one year	3	-	359,118,083
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	409,307,389	105,335
Cash and cash equivalents	8	<u>24,946</u>	<u>24,946</u>
<b>Total current assets</b>		<b>409,332,335</b>	<b>130,281</b>
Creditors: amounts falling due within one year	9	<u>(409,327,684)</u>	<u>(106,094)</u>
<b>Net current assets</b>		<b><u>4,651</u></b>	<b><u>24,187</u></b>
<b>Total assets less current liabilities</b>		<b><u>4,651</u></b>	<b><u>359,142,270</u></b>
Creditors: amounts falling due after more than one year	10	<u>-</u>	<u>(359,118,083)</u>
<b>Net assets</b>		<b><u>4,651</u></b>	<b><u>24,187</u></b>
<b>Equity</b>			
Called up share capital	11	20,516	20,516
(Accumulated losses) / retained earnings		<u>(15,865)</u>	<u>3,671</u>
<b>Total equity</b>		<b><u>4,651</u></b>	<b><u>24,187</u></b>

These financial statements for Limited Life Assets Issuance PLC, Company registration 07576944, on pages 13 to 25 were approved and authorised for issue by the directors on 30 July 2021, signed on its behalf by



Approved Signatory  
for Wilmington Trust  
SP Services (London) Limited

Mr B Neilson for and on behalf of  
**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**  
 Director

The notes on pages 17 to 25 form an integral part of these financial statements.



**LIMITED LIFE ASSETS ISSUANCE PLC**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Called up share capital</b>	<b>(Accumulated losses) / Retained earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 01 January 2019	20,516	12,654	33,170
Total comprehensive loss	<u>-</u>	<u>(8,983)</u>	<u>(8,983)</u>
Balance as at 31 December 2019	<u>20,516</u>	<u>3,671</u>	<u>24,187</u>
Balance as at 01 January 2020	20,516	3,671	24,187
Total comprehensive loss	<u>-</u>	<u>(19,536)</u>	<u>(19,536)</u>
Balance as at 31 December 2020	<u>20,516</u>	<u>(15,865)</u>	<u>4,651</u>

The notes on pages 17 to 25 form an integral part of these financial statements.

**LIMITED LIFE ASSETS ISSUANCE PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020	2019
		\$	\$
<b>Cash flows from operating activities</b>			
Loss on ordinary activities before tax		(19,276)	(10,646)
<b>Adjustments to reconcile profit to net cash flows from operating activities:</b>			
Bond interest	2	(13,292,914)	(8,086,262)
Interest receivable on loan	2	13,292,914	8,086,262
Amortised issue cost		170,000	170,000
Amortised issue fee income		(170,000)	(170,000)
Fair value (loss) / gain on loans receivable		(55,046,890)	50,213,992
Fair value gain / (loss) on bonds payable		55,046,890	(50,213,992)
Increase in debtors		(84,318)	(81,543)
Increase in creditors		103,854	90,526
Tax paid		(260)	-
Tax overprovision		<u>-</u>	<u>1,663</u>
<b>Net cash inflows from operating activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Redemption of long term loan	3	(5,047,237)	10,534,473
Interest on loan received	2	<u>13,292,914</u>	<u>8,086,262</u>
<b>Net cash inflows generated from investing activities</b>		<u>8,245,677</u>	<u>18,620,735</u>
<b>Cash flows from financing activities</b>			
Bond interest paid	2	(13,292,914)	(8,086,262)
Bond repayment	10	<u>5,047,237</u>	<u>(10,534,473)</u>
<b>Net cash outflows from financing activities</b>		<u>(8,245,677)</u>	<u>(18,620,735)</u>
<b>Net increase in cash and cash equivalents</b>		-	-
Cash and cash equivalents at 01 January		<u>24,946</u>	<u>24,946</u>
Cash and cash equivalents at 31 December	8	<u>24,946</u>	<u>24,946</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 17 to 25 form an integral part of these financial statements.

**LIMITED LIFE ASSETS ISSUANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. PRINCIPAL ACCOUNTING POLICIES**

Limited Life Assets Issuance PLC is a company limited by shares, incorporated and domiciled in the United Kingdom with registered number 7576944 and has its registered office at 1 King's Arms 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 2020.

**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.

On 8 June 2021, the parent of the Company finalised the negotiations pertaining to the sale of the life insurance policies held by AssetCo and HoldCo outlined in the Purchase and Sale agreement dated 8 June 2021. The parent of the Company expressed their intentions redeem the bonds payable in November 2021 and place the Company, the HoldCo and the AssetCo into liquidation within 12 months from the date of signing the balance sheet.

The Company is therefore no longer a going concern, and the accounts have been prepared on a non-going concern basis. Assets and liabilities have been adjusted to their recoverable amounts and, where necessary, non-current assets and liabilities have been reclassified as current. The Company's accruals include a provision for the estimated costs of winding up the Company.

**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 and are managed by a board in the United Kingdom. The board has assessed that the Company has only one operating segment and operates in only one geographical area being the United Kingdom.

**Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial assets comprise loans to AssetCo and HoldCo, facility fee receivable and cash and cash equivalents. Its financial liabilities comprise interest bearing bonds and accruals. Financial assets and financial liabilities are classified as either basic or other than basic.

**Basic Financial instruments**

Basic financial instruments are those that satisfy the conditions in paragraph 11.8 of FRS 102 and are within the scope of Section 11. These include the facility fee receivable, cash and cash equivalents and accruals.

**LIMITED LIFE ASSETS ISSUANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Initial recognition

The Company recognises a financial asset or a financial liability only when it becomes a party to the contractual provisions of the instrument. When a financial asset or financial liability is recognised initially, it is measured at the transaction price (adjusted for transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. An arrangement constitutes a financing transaction if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. Except as set out in paragraph 11.13A of FRS102, if the arrangement constitutes a financing transaction, the Company measures the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition adjusted for transaction costs.

Subsequent measurement

At the end of each reporting period, the Company measures its financial instruments as follows, without any deduction for transaction costs the Company may incur on sale or disposal:

- Debt instruments that meet the conditions in paragraph 11.8(b) or paragraph 11.8(BA) of FRS 102 shall be measured at amortised cost using the effective method.
- For a non-interest bearing debt instrument that is payable or receivable within one year on normal business terms, amortised cost shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received, i.e. : net of impairment.

Impairment of financial instruments measured at cost or amortised cost

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment set out in paragraphs 11.22 and 11.23 of FRS 102, the Company recognises an impairment loss in profit or loss immediately. The Company assesses individually for impairment all equity instruments regardless of significance, and other financial assets that are individually significant. The Company assesses other financial assets for impairment either individually or grouped on the basis of similar credit risk characteristics. If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the Company reverses the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Company recognises the amount of the reversal in profit or loss immediately.

Derecognition of financial instruments

The Company derecognises a financial asset in accordance with paragraphs 11.33 to 11.35 of FRS 102. A financial liability (or part of a financial liability) is derecognised only when it is extinguished, i.e., when the obligation specified in the contract is discharged, is cancelled or expires and in accordance with paragraphs 11.36 to 11.38 of FRS 102.

Other than basic financial instruments

Other than basic financial instruments are those within the scope of Section 12 of FRS 102. They are recognised only when the Company becomes a party to the contractual provisions of the instrument. These include the loans to AssetCo and HoldCo and interest bearing bonds. On initial recognition they were measured at fair value, which was the transaction price.

Subsequent measurement and derecognition

At the end of each reporting period, the Company measures its loans to AssetCo and HoldCo and interest bearing bond at fair value and recognises changes in fair value in profit or loss. The Company also applies the derecognition requirements in paragraphs 11.33 to 11.38 of FRS 102 to other than basic financial instruments.

**LIMITED LIFE ASSETS ISSUANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

***Offsetting***

A financial asset and a financial liability are offset, and the net amount presented in the statement of financial position when, and only when, the Company:

- Currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**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 a facility fee therefore an amount equal to accrued expenses is also accrued as income (refer to Note 2).

**Accounting judgements and estimates**

In preparing its financial statements in conformity with FRS 102, the Company makes estimates concerning a variety of matters, including valuation of loans to AssetCo and HoldCo and interest bearing bonds.

The cash flows and risks of the loans and interest bearing bonds match those of the life settlement contracts held by the AssetCo and HoldCo as repayments are based on the receipt of investment proceeds from those contracts (see Note 3). Hence, the determination of the fair values of the loans and interest bearing bonds involved independent valuation of the underlying life settlement contracts held by the AssetCo and HoldCo. The fair value of the life settlement contracts are calculated using actuarial method. Inputs and data used in the calculation, such as life expectancy estimates, are obtained from independent third-party underwriters and computed based on policy provisions obtained from insurance carriers. The discount rates were determined after considering various factors such as illiquidity, uncertain time to maturity and implied rate of return from policy purchases, among others.

The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements 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. Revisions to accounting estimates are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Interest receivable and payable**

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.

**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 2020**

**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. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

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 November 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.

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.

	2020	2019
	\$	\$
<b>Loans to AssetCo and HoldCo</b>		
Loan to AssetCo	-	116,125,450
Loan to AssetCo - Allowance on FV movement	-	148,599,816
Loan to HoldCo	-	30,237,647
Loan to HoldCo - Allowance on FV movement	-	64,155,170
	<u>-</u>	<u>359,118,083</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 2023 but the Company has opted to redeem the loans at the earlier date of November 2021 hence these are reclassified as current assets as at 31 December 2020 (Note 7).

**4. FACILITY FEE INCOME**

As per the terms of the loan agreements, initial and on-going 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 on-going facility fees pertain to on-going 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. On-going facility fees are recognised as 'Facility Fee Income' in the Statement of comprehensive income.

**5. ADMINISTRATIVE EXPENSES**

	2020	2019
	\$	\$
Fees payable for the audit of the Company's annual accounts	52,875	16,000
Fees payable for tax services	8,098	8,198
Corporate services, trustee and accountancy fees	52,956	24,197
Legal and professional fees	3,939	-
Other expenses	-	31,988
	<u>117,868</u>	<u>80,383</u>

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

**LIMITED LIFE ASSETS ISSUANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. TAXATION**

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

	2020	2019
	\$	\$
<b>Current tax:</b>		
Corporation tax charge (income) for the year	<u>260</u>	<u>(1,663)</u>

**(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 19% (2019:19%)

	2020	2019
	\$	\$
Loss before tax	(19,276)	(10,646)
Less: amortised issue fee income	(170,000)	(170,000)
Add: amortised issue cost	<u>170,000</u>	<u>170,000</u>
Adjusted loss	<u>(19,276)</u>	<u>(10,646)</u>
Current tax (payable) / credit at 19%	(3,662)	2,023
Accounting profit not taxed in accordance with SI 2006/3296	3,922	(1,778)
Under / (over) provision from prior years	-	(1,908)
Total corporation tax charge / (income)	<u>260</u>	<u>(1,663)</u>

The current corporation tax payable as of 31 December 2020 is \$260 (2019: \$245) is shown as part of Creditors: amounts falling due within one year in the Statement of financial position (see Note 9).

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 2020, there are no tax-related contingent assets or contingent liabilities in accordance with FRS 102, Section 21.

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

	2020	2019
	\$	\$
Facility fee receivable	180,965	82,373
Prepayments	8,688	22,962
AssetCo loan receivable	316,717,243	-
HoldCo loan receivable	<u>92,400,493</u>	<u>-</u>
	<u>409,307,389</u>	<u>105,335</u>

**8. 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.

	2020	2019
	\$	\$
Cash in bank	<u>24,946</u>	<u>24,946</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	\$	\$
Current corporation tax payable	505	245
Accruals	42,012	14,568
Other creditors	167,431	91,281
Interest bearing bonds	<u>409,117,736</u>	<u>-</u>
	<u>409,327,684</u>	<u>106,094</u>

**LIMITED LIFE ASSETS ISSUANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. 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 \$5,047,237 of the Bonds during the year (2019: \$10,534,473).

	2020	2019
	\$	\$
Interest bearing bonds	-	146,363,097
Interest bearing bonds - Allowance on FV movement	-	212,754,986
	<u>-</u>	<u>359,118,083</u>

Unamortised bond issue cost as of 31 December 2020 amounted to \$70,834 (2019: \$240,834).

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 or 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. In accordance with the Purchase and Sale Agreement date 8 June 2021, the Company has opted to redeem the bonds at the earlier date of November 2021, therefore any outstanding balance on the bonds has been classified under amounts falling due within than one year.

**11. CALLED UP SHARE CAPITAL**

Authorised, allotted and issued

	No. of Shares	Class	Nominal Value	Amount
			£	\$
Fully paid	1	Ordinary	1	2
Partly paid (1/4)	49,999	Ordinary	1	20,514
	<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.

**12. FINANCIAL RISK MANAGEMENT**

**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 due to the receivables received being required to pay the loans to the bondholders. There is a risk that the Company will be unable to pay the bondholders as and when the obligation falls due if there is a reduction on receivables. The Directors manage this risk by actively analysing the health of the insurance companies.



**LIMITED LIFE ASSETS ISSUANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The maximum exposure to credit risk is the carrying amount of the Company's financial assets amounting to \$409,323,648 as of 31 December 2020 (2019: \$359,225,402). Based on evaluation of the insurance companies, management considers the credit quality of receivables on matured policies that are not past due or impaired to be good. The cash balances are held with reputable banks with high external credit ratings. To this extent, the Company and the Group's credit risk is considered low.

**Interest rate risk**

Interest rate risk is the risk of a reduction in the value of asset resulted from unexpected fluctuations in interest rates. 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 \$409,117,736 (2019: \$359,118,083). The Directors monitor the headroom between amounts due from connected companies and loan notes to ensure that the risk is managed.

**Foreign currency risk**

All of the Company's financial 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:

		Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
	Notes	\$	\$	\$	\$
<b>Financial assets:</b>					
Loans to AssetCo and HoldCo	3	409,117,736	409,117,736	359,118,083	359,118,083
Facility fee receivable	7	180,965	180,965	82,373	82,373
Cash and cash equivalents	8	24,946	24,946	24,946	24,946
		<u>409,323,648</u>	<u>409,323,648</u>	<u>359,225,402</u>	<u>359,225,402</u>
<b>Financial liabilities:</b>					
Interest bearing bonds	10	409,117,736	409,117,736	359,118,083	359,118,083
Other creditors	9	167,431	167,431	91,281	91,281
Accruals	9	42,012	42,012	14,568	14,568
		<u>409,327,179</u>	<u>409,327,179</u>	<u>359,223,932</u>	<u>359,223,932</u>

Loans to AssetCo and HoldCo are carried at fair value which are classified as level 3 in the fair value hierarchy. Other assets and liabilities are carried at amortised costs, which approximates their fair value. There had been no transfers between levels during the year.

**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.

**LIMITED LIFE ASSETS ISSUANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The table below shows the maturity profile of the carrying amount of the Company's financial liabilities.

2020	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$
<b>Financial liabilities</b>					
Interest bearing bonds	409,117,736	409,117,736	-	-	-
Other creditors	167,431	167,431	-	-	-
Accruals	42,012	42,012	-	-	-
	<u>409,327,179</u>	<u>409,327,179</u>	<u>-</u>	<u>-</u>	<u>-</u>
2019	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$
Financial liabilities	359,118,083	-	-	359,118,083	-
Interest bearing bonds	91,281	91,281	-	-	-
Accruals	14,568	14,568	-	-	-
	<u>359,223,932</u>	<u>105,849</u>	<u>-</u>	<u>359,118,083</u>	<u>-</u>

**13. RELATED PARTY TRANSACTIONS**

The Company is a special purpose company controlled by its Board of Directors, which comprises three directors; Wilmington Trust SP Services (London) Limited, Mr I Kyriakopoulos and Mr D J Wynne. Mr D J Wynne and Mr I Kyriakopoulos, are directors of the Company and are also directors of Wilmington Trust SP Services (London) Limited. The Company pays a corporate service and trustee fee to Wilmington Trust SP Services (London) Limited in connection with the corporate services provided. The fees payable for corporate services and trustee fees for the year ended 31 December 2020 amounted to \$21,115 (2019: \$21,000) including irrecoverable VAT.

During the year, accounting services amounting to \$12,000 (2019: \$12,000) were charged by Wilmington Trust SP Services (London) Limited. The balance outstanding at 31 December 2020 was \$nil (2019: \$nil).

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

	2020	2019
	\$	\$
Increase in cash	-	-
Cash outflow from repayment of bonds	(5,217,237)	10,534,473
Change in net debt resulting from cash flows	(5,217,237)	10,534,473
Amortisation of bond issue cost	(170,000)	(170,000)
Movement in net debt	(5,047,237)	10,364,473
Net debt at the beginning of the year	(359,093,136)	(419,671,601)
Movement in fair value of bonds payable	(55,046,890)	50,213,992
Net debt at the end of the year	<u>(409,092,790)</u>	<u>(359,093,136)</u>

The Company's net debt comprises its borrowings less cash and cash equivalents.

**LIMITED LIFE ASSETS ISSUANCE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

**16. SUBSEQUENT EVENTS**

On 8 June 2021, the parent company reached an agreement with VICOF II Acquisition LLC (the “buyer”) in relation to the sale of the entire life insurance policies portfolio held by the HoldCo and the AssetCo and to redeem the loans receivable and bonds payable within November 2021.