

EPIC (Magistrate Finance) S.A.  
*Société Anonyme*  
R.C.S. Luxembourg: B 102781

ANNUAL ACCOUNTS  
AS AT DECEMBER 31, 2016  
with the Report of the Réviseur d'Entreprises agréé thereon

Registered office:  
46A, avenue J.F. Kennedy  
L-1855 Luxembourg

EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg: B 102781

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EPIC (Magistrate Finance) S.A.  
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### Directors' report

The Directors (the "Directors") present their annual report and the annual accounts of Epic (Magistrate Finance) S.A. (the "Company") for the year ended December 31, 2016.

### **1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS**

The object of the Company is to grant to Luxembourg or foreign entities loans, assistance in whatever form (e.g. including, but not limited to, by subscription of stocks, bonds, debentures, obligations or notes, advances, pledges or other guarantees of any kind).

The Company may also:

(a) raise funds, including, but not limited to, the issue of bonds, notes, obligations and other evidences of indebtedness, and obtain loans;

(b) grant security for funds raised, including, but not limited to, bonds, obligations and notes issued, and to grant security for indemnities given by the Company;

(c) enter into agreements, including, but not limited to:

- 1) underwriting agreements, marketing agreements and selling agreements in relation to the raising of funds;
- 2) interest and/or currency exchange agreements and other financial derivative agreements; and
- 3) bank and cash administration agreements, liquidity facility agreements, credit insurance agreements and agreements creating security in connection with the objects mentioned (a),(b),(c) 1. and 2. above.

The Company can perform all legal, commercial, technical and financial investments or operation and in general, all transactions which are necessary, or useful to fulfil its objects as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above.

The total expenses of GBP 11,220,518 are represented mainly by interest payable and similar expenses for an amount of GBP 11,183,087.

The total income of GBP 11,233,571 is represented by other interest receivable and similar income.

The nature of the transaction may involve certain types of risks:

#### **Foreign Exchange Risk**

Investments in non-GBP denominated collateral obligations are restricted as set out in the transaction documentation.

#### **Credit Risk**

The Company may be exposed to a credit risk with third parties with whom it trades and may also bear the risk of settlement default.

#### **Counterparty Risk**

Some of the assets or derivatives will expose the Company to risk of counterparty default.

#### **Interest Rate Risk**

The Company will be required from time to time to enter into interest rate hedge transactions, which may be interest cap and/or swap transactions in order to hedge its interest rate exposure under its assets and the securities issued by the Company.

#### **Market risk**

The Company is exposed to market risk arising from open positions in interest and financial fixed assets, all of which are exposed to general and specific market movements. Market risks are managed by means of identifying, evaluating, forecasting market prices, currency rates and market interest rates, determining the acceptable level of risk on open positions, setting limits and developing risk insurance mechanisms.

The Company is formed for an unlimited duration and intends to continue its activities after the year end.

During the year ended December 31, 2016 the Company has not purchased any of its own shares.

The Company was not involved or did not participate in any kind of research or development activities during the year ended December 31, 2016.

As at December 31, 2016 the Company had no branches.

EPIC (Magistrate Finance) S.A.  
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Directors' report - continued

**2. RESULTS AND ALLOCATION**

The result for the year ended is a profit of GBP 13,053 which we propose to distribute as dividends.

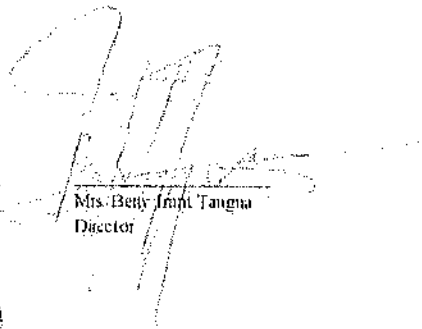
**3. PROPOSAL**

We propose the approval of the annual accounts as well as the proposed allocation of the results and to grant full discharge to the Directors for the exercise of their mandates during the year ended December 31, 2016.

Luxembourg, 30 OCT 2017

  
Mr. Shehzad Atchia  
Director

  
Mr. Fabrice Rota  
Director

  
Mrs. Betty Inghu Tangua  
Director

By proxy by

M.S.A. Atchia

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EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg: B 102781

BALANCE SHEET

Financial year (from January 1, 2016 to December 31, 2016) (in GBP)

| ASSETS                                                                                                                                                           |               |              |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|---------------|
|                                                                                                                                                                  | Reference (s) | Current year | Previous year |
| A. Subscribed capital unpaid                                                                                                                                     | 1101          | -            | -             |
| 1. Subscribed capital not called                                                                                                                                 | 1103          | -            | -             |
| II. Subscribed capital called but not paid                                                                                                                       | 1105          | -            | -             |
| B. Formation expenses                                                                                                                                            | 1107          | -            | -             |
| C. Fixed assets                                                                                                                                                  | 1109          | 186,379,237  | 183,821,526   |
| I. Intangible fixed assets                                                                                                                                       | 1111          | -            | -             |
| 1. Costs of development                                                                                                                                          | 1113          | -            | -             |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were acquired for valuable consideration and need not be shown under C.I.3 | 1115          | -            | -             |
| a) acquired for valuable consideration and need not be shown under C.I.3                                                                                         | 1117          | -            | -             |
| b) created by the undertaking itself                                                                                                                             | 1119          | -            | -             |
| 3. Goodwill, to the extent that it was acquired for valuable consideration                                                                                       | 1121          | -            | -             |
| 4. Payments on account and intangible assets under development                                                                                                   | 1123          | -            | -             |
| II. Tangible assets                                                                                                                                              | 1125          | -            | -             |
| 1. Land and buildings                                                                                                                                            | 1127          | -            | -             |
| 2. Plant and machinery                                                                                                                                           | 1129          | -            | -             |
| 3. Other fixtures and fittings, tools and equipment                                                                                                              | 1131          | -            | -             |
| 4. Payments on account and tangible assets in the course of construction                                                                                         | 1133          | -            | -             |
| III. Financial assets                                                                                                                                            | 1135          | 186,379,237  | 183,821,526   |
| 1. Shares in affiliated undertakings                                                                                                                             | 1137          | -            | -             |
| 2. Loans to affiliated undertakings                                                                                                                              | 1139          | -            | -             |
| 3. Participating interests                                                                                                                                       | 1141          | -            | -             |
| 4. Loans to undertakings with which the undertaking is linked by virtue of participating interests                                                               | 1143          | -            | -             |
| 5. Investments held as fixed assets                                                                                                                              | 1145 Note 1   | 186,379,237  | 183,821,526   |
| 6. Other loans                                                                                                                                                   | 1147          | -            | -             |

EPIG (Magistère Finance) S.A.  
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BALANCE SHEET

Financial year from January 1, 2016 to December 31, 2016 (in GBP)

| ASSETS                                                                                                    |               |        |              |     |               |
|-----------------------------------------------------------------------------------------------------------|---------------|--------|--------------|-----|---------------|
|                                                                                                           | Reference (s) |        | Current year |     | Previous year |
| <b>D. Current assets:</b>                                                                                 | 1151          | 151    | 2,940,390    | 152 | 2,846,153     |
| <b>I. Stocks</b>                                                                                          | 1153          | 153    | -            | 154 | -             |
| 1. Raw materials and consumables                                                                          | 1155          | 155    | -            | 156 | -             |
| 2. Work in progress                                                                                       | 1157          | 157    | -            | 158 | -             |
| 3. Finished goods and goods for resale                                                                    | 1159          | 159    | -            | 160 | -             |
| 4. Payments on account                                                                                    | 1161          | 161    | -            | 162 | -             |
| <b>II. Debtors</b>                                                                                        | 1163          | Note 2 | 2,617,194    | 164 | 2,562,318     |
| 1. Trade debtors                                                                                          | 1165          | 165    | -            | 166 | -             |
| a) becoming due and payable within one year                                                               | 1167          | 167    | -            | 168 | -             |
| b) becoming due and payable after more than one year                                                      | 1169          | 169    | -            | 170 | -             |
| 2. Amounts owed by affiliated undertakings                                                                | 1171          | 171    | -            | 172 | -             |
| a) becoming due and payable within one year                                                               | 1173          | 173    | -            | 174 | -             |
| b) becoming due and payable after more than one year                                                      | 1175          | 175    | -            | 176 | -             |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177          | 177    | -            | 178 | -             |
| a) becoming due and payable within one year                                                               | 1179          | 179    | -            | 180 | -             |
| b) becoming due and payable after more than one year                                                      | 1181          | 181    | -            | 182 | -             |
| 4. Other debtors                                                                                          | 1183          | 183    | 2,617,194    | 184 | 2,562,318     |
| a) becoming due and payable within one year                                                               | 1185          | 185    | 2,617,194    | 186 | 2,562,318     |
| b) becoming due and payable after more than one year                                                      | 1187          | 187    | -            | 188 | -             |
| <b>III. Investments</b>                                                                                   | 1189          | 189    | -            | 190 | -             |
| 1. Shares in affiliated undertakings                                                                      | 1191          | 191    | -            | 192 | -             |
| 2. Own shares                                                                                             | 1193          | 193    | -            | 194 | -             |
| 3. Other investments                                                                                      | 1195          | 195    | -            | 196 | -             |
| <b>IV. Cash at bank and in hand</b>                                                                       | 1197          | Note 3 | 323,196      | 198 | 283,835       |
| <b>E. Prepayments</b>                                                                                     | 1199          | 199    | -            | 200 | -             |
| <b>TOTAL (ASSETS)</b>                                                                                     | 201           |        | 189,319,627  | 202 | 186,667,679   |

EPIC (Magistrate Finance) S.A.  
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# BALANCE SHEET

Financial year from January 1, 2016 to December 31, 2016 (in GBP)

## CAPITAL, RESERVES AND LIABILITIES

|                                                                                                            | Reference (s)        | Current year           | Previous year          |
|------------------------------------------------------------------------------------------------------------|----------------------|------------------------|------------------------|
| <b>A. Capital and reserves</b>                                                                             | 1301 <u>Note 4</u>   | 301 <u>37,253</u>      | 302 <u>37,256</u>      |
| I. Subscribed capital                                                                                      | 1303                 | 303 <u>22,000</u>      | 304 <u>22,000</u>      |
| II. Share premium account                                                                                  | 1305                 | 305 <u>-</u>           | 306 <u>-</u>           |
| III. Revaluation reserves                                                                                  | 1307                 | 307 <u>-</u>           | 308 <u>-</u>           |
| IV. Reserves                                                                                               | 1309                 | 309 <u>-</u>           | 310 <u>-</u>           |
| 1. Legal reserve                                                                                           | 1311                 | 311 <u>2,200</u>       | 312 <u>2,200</u>       |
| 2. Reserve for own shares                                                                                  | 1313                 | 313 <u>-</u>           | 314 <u>-</u>           |
| 3. Reserves provided for by the articles of association                                                    | 1315                 | 315 <u>-</u>           | 316 <u>-</u>           |
| 4. Other reserves including the fair value reserve                                                         | 1317                 | 317 <u>-</u>           | 318 <u>-</u>           |
| V. Profit or loss brought forward                                                                          | 1319                 | 319 <u>-</u>           | 320 <u>-</u>           |
| VI. Profit or loss for the financial year                                                                  | 1321                 | 321 <u>13,053</u>      | 322 <u>13,056</u>      |
| VII. Interim dividends                                                                                     | 1323                 | 323 <u>-</u>           | 324 <u>-</u>           |
| VIII. Capital investment subsidies                                                                         | 1325                 | 325 <u>-</u>           | 326 <u>-</u>           |
| <b>B. Provisions</b>                                                                                       | 1331                 | 331 <u>-</u>           | 332 <u>-</u>           |
| 1. Provisions for pensions and similar obligations                                                         | 1333                 | 333 <u>-</u>           | 334 <u>-</u>           |
| 2. Provisions for taxation                                                                                 | 1335                 | 335 <u>-</u>           | 336 <u>-</u>           |
| 3. Other provisions                                                                                        | 1337                 | 337 <u>-</u>           | 338 <u>-</u>           |
| <b>C. Creditors</b>                                                                                        | 1339 <u>Note 5</u>   | 339 <u>189,282,374</u> | 340 <u>186,630,423</u> |
| I. Debenture loans                                                                                         | 1341                 | 341 <u>187,536,322</u> | 342 <u>185,002,550</u> |
| a) Convertible loans                                                                                       | 1343                 | 343 <u>-</u>           | 344 <u>-</u>           |
| i) becoming due and payable within one year                                                                | 1345                 | 345 <u>-</u>           | 346 <u>-</u>           |
| ii) becoming due and payable after more than one year                                                      | 1347                 | 347 <u>-</u>           | 348 <u>-</u>           |
| b) Non convertible loans                                                                                   | 1349 <u>Note 5 f</u> | 349 <u>187,536,322</u> | 350 <u>185,002,550</u> |
| i) becoming due and payable within one year                                                                | 1351                 | 351 <u>195,242</u>     | 352 <u>259,618</u>     |
| ii) becoming due and payable after more than one year                                                      | 1353                 | 353 <u>187,341,080</u> | 354 <u>184,742,932</u> |
| 2. Amounts owed to credit institutions                                                                     | 1355                 | 355 <u>-</u>           | 356 <u>-</u>           |
| a) becoming due and payable within one year                                                                | 1357                 | 357 <u>-</u>           | 358 <u>-</u>           |
| b) becoming due and payable after more than one year                                                       | 1359                 | 359 <u>-</u>           | 360 <u>-</u>           |
| 3. Payments received on account of orders in so far as they are shown separately as deductions from stocks | 1361                 | 361 <u>-</u>           | 362 <u>-</u>           |
| a) becoming due and payable within one year                                                                | 1363                 | 363 <u>-</u>           | 364 <u>-</u>           |
| b) becoming due and payable after more than one year                                                       | 1365                 | 365 <u>-</u>           | 366 <u>-</u>           |
| 4. Trade creditors                                                                                         | 1367                 | 367 <u>-</u>           | 368 <u>-</u>           |
| a) becoming due and payable within one year                                                                | 1369                 | 369 <u>-</u>           | 370 <u>-</u>           |
| b) becoming due and payable after more than one year                                                       | 1371                 | 371 <u>-</u>           | 372 <u>-</u>           |

Mr. Shohzad Atchia  
Director

Mr. Fabrice Rota  
Director

Mrs. Betty Irina Tanguy  
Director

By proxy by M.S.A. Atchia

EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg: B 102781

BALANCE SHEET

Financial year from January 1, 2016 to December 31, 2016 (in GBP)

CAPITAL, RESERVES AND LIABILITIES

|                                                                                                           | Reference(s) | Current year       | Previous year      |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------------|--------------------|
| 5. Bills of exchange payable                                                                              | 1373         | 373                | 374                |
| a) becoming due and payable within one year                                                               | 1375         | 375                | 376                |
| b) becoming due and payable after more than one year                                                      | 1377         | 377                | 378                |
| 6. Amounts owed to affiliated undertakings                                                                | 1379         | 379                | 380                |
| a) becoming due and payable within one year                                                               | 1381         | 381                | 382                |
| b) becoming due and payable after more than one year                                                      | 1383         | 383                | 384                |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | 1385         | 385                | 386                |
| a) becoming due and payable within one year                                                               | 1387         | 387                | 388                |
| b) becoming due and payable after more than one year                                                      | 1389         | 389                | 390                |
| 8. Other creditors                                                                                        | 1391         | 391                | 392                |
| a) Tax authorities                                                                                        | 1393         | 393                | 394                |
| b) Social security authorities                                                                            | 1395         | 395                | 396                |
| c) Other creditors                                                                                        | 1397         | 397                | 398                |
| i) becoming due and payable within one year                                                               | 1399         | 399                | 400                |
| ii) becoming due and payable after more than one year                                                     | 1401         | 401                | 402                |
| E. Deferred income                                                                                        | 1403         | 403                | 404                |
| <b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>                                                          | <b>405</b>   | <b>189,319,627</b> | <b>186,667,679</b> |



EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg B 102781

PROFIT AND LOSS ACCOUNT

Financial year from January 1, 2016 to December 31, 2016 (in GBP)

| PROFIT AND LOSS ACCOUNT                                                         |              |                |                |
|---------------------------------------------------------------------------------|--------------|----------------|----------------|
|                                                                                 | Reference(s) | Current year   | Previous year  |
| 1. Net turnover                                                                 | 1701         | 701 -          | 702 -          |
| 2. Variation in stocks of finished goods and work in progress                   | 1703         | 703 -          | 704 -          |
| 3. Work performed by the undertaking for its own purposes and capitalised       | 1705         | 705 -          | 706 -          |
| 4. Other operating income                                                       | 1713         | 713 -          | 714 -          |
| 5. Raw materials and consumables and other external expenses                    | 1671         | 671 - 29,793   | 672 - 24,535   |
| a) Raw materials and consumables                                                | 1601         | 601 -          | 602 -          |
| b) Other external expenses                                                      | 1603 Note 6  | 603 - 29,793   | 604 - 24,535   |
| 6. Staff costs                                                                  | 1605         | 605 -          | 606 -          |
| a) Wages and salaries                                                           | 1607         | 607 -          | 608 -          |
| b) Social securities costs                                                      | 1609         | 609 -          | 610 -          |
| i) relating to pensions                                                         | 1653         | 653 -          | 654 -          |
| ii) other social security costs                                                 | 1655         | 655 -          | 656 -          |
| c) other staff costs                                                            | 1613         | 613 -          | 614 -          |
| 7. Value adjustments                                                            | 1657         | 657 -          | 658 -          |
| a) in respect of formation expenses and of tangible and intangible fixed assets | 1659         | 659 -          | 660 -          |
| b) in respect of current assets                                                 | 1661         | 661 -          | 662 -          |
| 8. Other operating expenses                                                     | 1621         | 621 -          | 622 -          |
| 9. Income from participating interests                                          | 1715         | 715 -          | 716 -          |
| a) derived from affiliated undertakings                                         | 1717         | 717 -          | 718 -          |
| b) other income from participating interests                                    | 1719         | 719 -          | 720 -          |
| 10. Income from other investments and loans forming part of the fixed assets    | 1721         | 721 -          | 722 -          |
| a) derived from affiliated undertakings                                         | 1723         | 723 -          | 724 -          |
| b) other income not included under a)                                           | 1725         | 725 -          | 726 -          |
| 11. Other interest receivable and similar income                                | 1727 Note 7  | 727 11,233,571 | 728 11,017,850 |
| a) derived from affiliated undertakings                                         | 1729         | 729 -          | 730 -          |
| b) other interest and similar income                                            | 1731         | 731 11,233,571 | 732 11,017,850 |

EPIC (Magistrate Finance) S.A.  
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PROFIT AND LOSS ACCOUNT

Financial year from January 1, 2016 to December 31, 2016 (in GBP)

PROFIT AND LOSS ACCOUNT

|                                                                                                | Reference (s) | Current year | Previous year |
|------------------------------------------------------------------------------------------------|---------------|--------------|---------------|
| 12. Share of profits or loss of undertakings accounted for under the equity method             | 1663          | 663 -        | 664 -         |
| 13. Value adjustments in respect of financial assets and of investments held as current assets | 1625          | 625 -        | 626 -         |
| 14. Interest payable and similar expenses                                                      | 1627          | 627 -        | 628 -         |
| a) concerning affiliated undertakings                                                          | 1629          | 629 -        | 630 -         |
| b) other interest and similar expenses                                                         | 1631          | 631 -        | 632 -         |
| 15. Tax on profit or loss                                                                      | 1635          | 635 -        | 636 -         |
| 16. Profit or loss after taxation                                                              | 1667          | 667 -        | 668 -         |
| 17. Other taxes not shown under items 1 to 16                                                  | 1637          | 637 -        | 638 -         |
| 18. Profit or loss for the financial year                                                      | 1669          | 669 -        | 670 -         |

Mr. Shetzaad Atchia  
Director

By proxy by

Mr. Fabrice Rota  
Director

G.A. Atchia

Mrs. Betty Rina Tangua  
Director

EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg: B 102781

NOTES TO THE ANNUAL ACCOUNTS  
AS AT DECEMBER 31, 2016

General

The Company was incorporated in Luxembourg with the name Magistrate Finance S.A. on July 27, 2004 as a "société anonyme".

On May 19, 2005, during an extraordinary general meeting of shareholders, the Company changed its name from Magistrate Finance S.A. to EPIC (Magistrate Finance) S.A., as is reflected in these annual accounts.

The Company has changed its registered address from 1, allée Scheffler, L-2520 Luxembourg to 46A, avenue J.F. Kennedy, L-1855 Luxembourg on January 16, 2012 and is registered at the Luxembourg Register of Trade and Companies under number B 102781.

The object of the Company is to grant to Luxembourg or foreign entities loans, assistance in whatever form (e.g. including, but not limited to, subscription stocks, bonds, debentures, obligations or notes, advances, pledges or other guarantees of any kind).

The Company may also:

(a) raise funds, including, but not limited to, the issue of bonds, notes, obligations and other evidences of indebtedness, and obtain loans;

(b) grant security for funds raised, including, but not limited to: bonds, obligations and notes issued, and to grant security for indemnities given by the Company;

(c) enter into agreements, including, but not limited to:

1) underwriting agreements, marketing agreements and selling agreements in relation to the raising of funds;

2) interest and/or currency exchange agreements and other financial derivative agreements; and

3) bank and cash administration agreements, liquidity facility agreements, credit insurance agreements and agreements creating security in connection with the objects mentioned 3.2 (a),(b),(c) 1. and 2. above.

The Company can perform all legal, commercial, technical and financial investments or operation and in general, all transactions which are necessary or useful to fulfil its objects as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above.

The share capital of the Company consist of 22 shares with a par value of GBP 1,000 each (GBP 22,000 of total amount).

As at December 31, 2016, 22 shares were issued and fully paid.

The Company does not need to consolidate and is not included in any consolidated accounts.

The functional currency of the Company is Great British Pound ("GBP").

On January 2008, the Company issued a floating rate note due 2042 (the "Note") and a secured zero coupon bond due 2042 (the "Bond"). The proceeds of the issuance of the Note and the Bond were used by the Company to (i) finance the loan to Gartside Limited (the "Gartside Loan"), (ii) to pay certain costs and expenses in connection with such financing and (iii) meet certain costs and expenses in connection with the issuance of the Note and the Bond. The Notes will not be subordinated to any debt incurred or to be incurred by the Company.

Summary of significant accounting policies

Basis of preparation

The annual accounts are prepared in accordance and compliance with Luxembourg law and Generally Accepted Accounting Principles ("Lux GAAP") and are prepared under historical cost convention.

Presentation of the comparative financial data

According to the Grand Ducal Regulation dated 18 December 2015 the layout of the balance sheet and of profit and loss account has been modified. Some figures for the year ended December 31, 2015 have been reclassified to ensure comparability with the figures for the year ended December 31, 2016.

Use of estimates and judgements

The preparation of the annual accounts under Lux GAAP, requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Assets and liabilities

Unless stated otherwise, assets and liabilities have been stated at their historical cost, expressed in GBP.

EPIC (Magistrate Finance) S.A.  
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NOTES TO THE ANNUAL ACCOUNTS  
AS AT DECEMBER 31, 2016

Summary of significant accounting policies - continued

Financial assets

Investments held as fixed assets are valued at acquisition cost including the expenses incidental thereto. They are subject to value adjustments where their recovery is compromised on a permanent nature. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

Debtors

Debtors are carried at anticipated realisable value. An estimate is made for doubtful accounts receivable based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

Cash at bank and in hand

Cash and cash equivalents comprise cash in hand, cash at bank, deposits held at call with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

Notes issued

In accordance with the limited recourse of the transaction documentation, the noteholder and the bondholder will ultimately support the net results of the Company. Therefore, the Directors have decided to adjust the notes for the results incurred by the Company.

During the transaction period, gains and/or losses as a result from sales, defaults, market value adjustments, costs and fees may cause a partial reduction/redemption or addition on to the Note. Shortfalls will be borne by the noteholders in inverse order of the priority of payments, additions are fully payable to the holders of the Note. Consequently deferred consideration has been created and shown as a deduction/addition from to the Note and that is in order to reflect the realization value of the Notes as at the balance sheet date, and booked in the Profit and Loss account as an "Equalisation provision" in the position "Interest payable and similar expenses". Annually reductions/additions from/to the Notes may vary as a result of the performance of the underlying portfolio.

Derivative instruments

The Company's derivative instruments are held for the hedging purposes and the Company has both, the ability and intent to hold these instruments to maturity. Further details are presented in note 12 "Off balance sheet commitments".

Foreign currencies

The Company maintains its accounts in GBP. Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction.

Financial assets expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank and all items subject to fair value valuation are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains are recorded in the profit and loss account at the moment of their realisation. Consequently, only realised exchange gains and losses and unrealised exchange losses are reflected in the profit and loss account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and only the net unrealised loss is recorded in the profit and loss account.

Tax

The Company is subject to all taxes applicable to a fully taxable company in Luxembourg

Income and expenses recognition

Interest income and expenses are recorded on an accrual basis.

EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg: B 102781

NOTES TO THE ANNUAL ACCOUNTS  
Financial year from January 1, 2016 to December 31, 2016 (in GBP)

**BALANCE SHEET**

**1. Financial assets**

The financial assets are comprised as follows:

in investments held as fixed assets

The carrying value of investments held as fixed assets is comprised as follows:

|                                              | 31/12/2016  | 31/12/2015  |
|----------------------------------------------|-------------|-------------|
| Balance as at January 1                      | 183,821,526 | 181,413,950 |
| Movements for the year - principal accretion | 2,557,711   | 2,377,576   |
| Value as at December 31                      | 186,379,237 | 183,821,526 |

The loans and claims held as fixed assets represent the rights of the Company to receive payments, as stated under the Credit Facility Agreement, dated August 4, 2005, between the Company (being the original lender) and Gartside Limited (being the borrower), as amended on 17 January 2008.

**2. Debtors**

The debtors are comprised as follows:

A. Other debtors

in becoming due and payable within one year

|                                       | 31/12/2016 | 31/12/2015 |
|---------------------------------------|------------|------------|
| Accrued interest income on securities | 2,529,272  | 2,491,567  |
| Other receivables                     | 76,389     | 61,658     |
| Tax advantages                        | 11,333     | 6,097      |
| Balance                               | 2,617,194  | 2,562,313  |

**3. Cash at bank and in hand**

The cash at bank and in hand is comprised as follows:

|                                | 31/12/2016 | 31/12/2015 |
|--------------------------------|------------|------------|
| Robobank                       |            |            |
| EUR current account            | 19,463     | 40,467     |
| GBP current account            | 77         | -          |
| The Royal Bank of Scotland plc |            |            |
| Transaction accounts           | 303,656    | 243,368    |
| Balance                        | 323,196    | 283,835    |

**4. Capital and reserves**

The movements of the year are as follows:

|                                 | Subscribed capital | Legal reserve | Profit (Loss) brought forward | Profit (Loss) for the financial year | Total    |
|---------------------------------|--------------------|---------------|-------------------------------|--------------------------------------|----------|
| Balance as at January 1, 2016   | 22,000             | 2,200         | -                             | 13,056                               | 37,256   |
| Allocation of the result        | -                  | -             | 13,056                        | (13,056)                             | -        |
| Dividends payable               | -                  | -             | (13,056)                      | -                                    | (13,056) |
| Result for the year             | -                  | -             | -                             | 13,053                               | 13,053   |
| Balance as at December 31, 2016 | 22,000             | 2,200         | -                             | 13,053                               | 37,253   |

Legal reserve

Luxembourg companies are required to appropriate to the legal reserve a minimum of 5% of the net profit for the year after deduction of any losses brought forward, until this reserve equals 10% of the subscribed capital.

This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company.

The appropriation to legal reserve is effected after approval at the general meetings of shareholders.

As the legal reserve has already been fully appropriated, no further appropriation is required.

EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg: B.101761

NOTES TO THE ANNUAL ACCOUNTS  
Financial year from January 1, 2016 to December 31, 2016 (in GBP)

BALANCE SHEET - continued

5. Creditors

The Creditors are comprised as follows

I. Debtenture loans

The debtenture loans are comprised as follows

A. Non convertible loans

a) *becoming due and payable within one year*

|                                  | 31/12/2016     | 31/12/2015     |
|----------------------------------|----------------|----------------|
| Accrued interest expense on note | 195,242        | 259,618        |
| <b>Balance</b>                   | <b>195,242</b> | <b>259,618</b> |

b) *becoming due and payable after more than one year*

|                                                  | Principal   | Maturity date | Interest       | Movement for the year | 31/12/2016         | 31/12/2015         |
|--------------------------------------------------|-------------|---------------|----------------|-----------------------|--------------------|--------------------|
| Floating Rate Note                               | 162,561,102 | 2042          | Floating       | (35,193)              | 166,925,821        | 166,961,014        |
| Zero Coupon Bond                                 | 1,425,000   | 2042          | N/A            | -                     | 1,425,000          | 1,425,000          |
|                                                  | 163,986,102 |               | <b>Balance</b> | <b>(35,193)</b>       | <b>168,350,821</b> | <b>168,386,014</b> |
|                                                  |             |               |                |                       | <b>31/12/2016</b>  | <b>31/12/2015</b>  |
| Balance of the Notes (total) as at January 1     |             |               |                |                       |                    |                    |
| Capitalized interest on notes for the year       |             |               |                |                       | 168,386,014        | 168,445,347        |
| Principal repayment during the year              |             |               |                |                       | 5,287              | 4,952              |
| Equalisation provision - Balance as at January 1 |             |               |                |                       | (40,479)           | (64,265)           |
| Equalisation provision - Movement for the year   |             |               |                |                       | 16,356,918         | 13,869,123         |
|                                                  |             |               |                |                       | <b>2,635,340</b>   | <b>2,487,793</b>   |
| <b>Balance as at December 31</b>                 |             |               |                |                       | <b>187,341,080</b> | <b>184,742,932</b> |

II. Amounts owed to affiliated undertakings

The amounts owed to affiliated undertaking are comprised as follows:

|                                                    | 31/12/2016 | 31/12/2015    |
|----------------------------------------------------|------------|---------------|
| a) <i>becoming due and payable within one year</i> |            |               |
| Dividends payable                                  | -          | 13,061        |
| <b>Balance</b>                                     | <b>-</b>   | <b>13,061</b> |

III. Tax authorities

The tax authorities are comprised as follows

|                                  | 31/12/2016    | 31/12/2015   |
|----------------------------------|---------------|--------------|
| Corporate income tax provision   | 5,363         | 3,784        |
| Net wealth tax provision         | 2,962         | -            |
| Municipal business tax provision | 728           | -            |
| <b>Balance</b>                   | <b>12,053</b> | <b>3,784</b> |

IV. Other creditors

The other creditors are comprised as follows

|                                                    | 31/12/2016       | 31/12/2015       |
|----------------------------------------------------|------------------|------------------|
| a) <i>becoming due and payable within one year</i> |                  |                  |
| Accrued SWAP interest                              | 1,718,254        | 1,611,028        |
| Other payables                                     | 13,743           | 605              |
| <b>Balance</b>                                     | <b>1,733,999</b> | <b>1,611,028</b> |

On December 31, 2017, the Company entered into an interest rate swap ("IRS") transaction with Royal Bank of Scotland Plc., under which, the Company exchanges the income from the underlying financial fixed assets for the floating rate expense due to notes payable, thus hedging the interest rate risk exposure. The original notional amount of this transaction was GBP 162,561,192 and the current notional amount as at December 31, 2016, was GBP 166,923,278. Please also refer to note 12 "Off balance sheet commitments".

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NOTES TO THE ANNUAL ACCOUNTS  
AS AT DECEMBER 31, 2016

**PROFIT AND LOSS ACCOUNT**

6. **Other external expenses**

The other external expenses are comprised as follows:

|                   | <u>01/01/2016-</u><br><u>31/12/2016</u> | <u>01/01/2015-</u><br><u>31/12/2015</u> |
|-------------------|-----------------------------------------|-----------------------------------------|
| Audit fees        | 14,513                                  | 9,766                                   |
| TMF fees          | 10,093                                  | 9,001                                   |
| Tax advisory fees | 1,884                                   | 2,074                                   |
| Legal fees        | 1,300                                   | 1,300                                   |
| Other expenses    | 1,150                                   | 1,329                                   |
| Bank fees         | 653                                     | 665                                     |
| Balance           | <u>29,793</u>                           | <u>24,535</u>                           |

7. **Other interest receivable and similar income**

The other interest receivable and similar income are comprised as follows:

| <u>of other interest and similar income</u> | <u>01/01/2016-</u><br><u>31/12/2016</u> | <u>01/01/2015-</u><br><u>31/12/2015</u> |
|---------------------------------------------|-----------------------------------------|-----------------------------------------|
| Interest income on loan                     | 11,226,339                              | 11,045,491                              |
| Exchange gain                               | 7,232                                   | 2,359                                   |
| Balance                                     | <u>11,233,571</u>                       | <u>11,047,850</u>                       |

8. **Interest payable and similar expenses**

The interest payable and similar expenses are comprised of the following items:

| <u>of other interest and similar expenses</u> | <u>01/01/2016-</u><br><u>31/12/2016</u> | <u>01/01/2015-</u><br><u>31/12/2015</u> |
|-----------------------------------------------|-----------------------------------------|-----------------------------------------|
| SWAP interest                                 | 7,455,827                               | 7,358,534                               |
| Equalisation provision                        | 2,633,341                               | 2,467,793                               |
| Interest expense on Note                      | 1,688,878                               | 1,158,108                               |
| Foreign exchange loss                         | 4,909                                   | 1,377                                   |
| Bank interest                                 | 132                                     | -                                       |
| Balance                                       | <u>11,183,087</u>                       | <u>11,005,812</u>                       |

9. **Tax on profit or loss**

The tax on profit or loss is comprised as follows:

|                           | <u>01/01/2016-</u><br><u>31/12/2016</u> | <u>01/01/2015-</u><br><u>31/12/2015</u> |
|---------------------------|-----------------------------------------|-----------------------------------------|
| Corporate income tax      | 4,676                                   | 4,454                                   |
| Recovery on tax provision | -                                       | (7)                                     |
| Balance                   | <u>4,676</u>                            | <u>4,447</u>                            |

10. **Other taxes not shown under items 1 to 16**

The other taxes not shown under items 1 to 16 are comprised as follows:

|                | <u>01/01/2016-</u><br><u>31/12/2016</u> | <u>01/01/2015-</u><br><u>31/12/2015</u> |
|----------------|-----------------------------------------|-----------------------------------------|
| Net wealth tax | 2,962                                   | -                                       |
| Balance        | <u>2,962</u>                            | <u>-</u>                                |

EPIC (Magistrate Finance) S.A.  
R.C.S. Luxembourg: B 102781

NOTES TO THE ANNUAL ACCOUNTS  
AS AT DECEMBER 31, 2016

**OTHER NOTES**

11. **Staff costs**  
During the year under review, the Company did not employ any personnel and, consequently, no payment for wages, salaries or social securities were made. (2015: nil)
12. **Off balance sheet commitments**  
On December 21, 2007, the Company entered into an interest rate swap ("IRS") transaction with Royal Bank of Scotland Plc., under which, the Company exchanges the income from the underlying financial fixed assets for the floating rate expense due to notes payable, thus hedging the interest rate risk exposure. The original notional amount of this transaction was GBP 162,561,102 and the current notional amount as at December 31, 2016 was GBP 166,923,278. The Company will pay under this swap agreement floating interest and will receive fixed interest (4.9775%). The Company has the ability and intent to hold the swap agreement to maturity, which will take place in 2042.
13. **Related party transactions**  
There were no direct nor indirect transactions with main shareholders and members of its administrative, management and supervisory bodies that would be material and not concluded under normal market conditions. (2015: nil)
14. **Emoluments granted to the members of the managing and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies**  
In December 31, 2016, the Directors of the Company received no remuneration. (2015: nil)
15. **Advances and loans granted to the members of the managing and supervisory bodies**  
There are no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of the management and supervisory bodies during the financial year. (2015: nil)
16. **Audit fees**  
Fees billed to the Company by L'Alliance Révision S.à r.l. during the year are as follows:

|            | 31/12/2016 | 31/12/2015 |
|------------|------------|------------|
| Audit fees | 12,121     | 10,391     |
| Total      | 12,121     | 10,391     |

Such fees are presented under caption other external charges in the profit and loss account.

17. **Subsequent events**  
On July 28, 2017 an extraordinary general meeting of shareholders acknowledged and accepted the resignation of Mrs. Maud Meyer as Director of the Company. Mrs. Betty Inuit Tangua was appointed as a new Director.

There were no significant events since the year end which could influence the results and the presentation of the current annual accounts.

Mr. Shehzad Atefid  
Director

Mr. Fabrice Rota  
Director

Mrs. Betty Inuit Tangua  
Director

By proxy by M.S.A. Atefid

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## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Board of Directors  
To the Shareholders  
**EPIC (Magistrate Finance)S.A.**  
Société anonyme  
46A, avenue J. F. Kennedy  
L-1855 Luxembourg

### Report on the annual accounts

Following our appointment by the Board of Directors, we have audited the accompanying annual accounts of **EPIC(Magistrate Finance)S.A.** which comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year ended 31 December 2016 and a summary of the significant accounting policies and other explanatory information.

### Responsibility of the Board of Directors' for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the réviseur d'entreprises agréé's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of **EPIC (Magistrate Finance)S.A.** as of 31 December 2016, and of the results of its operations for the year ended 31 December 2016 in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

## Other information

The Board of directors is responsible for the other information. The other information comprises the information included in the management report but does not include the annual accounts and our report of réviseur d'entreprises agréé thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

## Report on other legal and regulatory requirements

The Directors' report, is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 30 October 2017



**L'Alliance Révision S.à r.l.**  
Cabinet de révision agréé  
Represented by Bishen Jacmohone  
Réviseur d'entreprises agréé  
1, rue des Glacis  
L-1628 Luxembourg