

**Company No. 09709443**

**SIMON BIDCO LIMITED**

**Report and Financial Statements**

**As at 31 December 2016 and for the period  
from 29 July 2015 (date of incorporation) to  
31 December 2016**

**SIMON BIDCO LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2016**  
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**SIMON BIDCO LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

P S Muelder (appointed on 29 July 2015)  
C Pell (appointed on 13 August 2015)  
A Gabriel (appointed on 29 July 2015, resigned 13 August 2015)

**Registered office**

Ellington House  
9 Savannah Way  
Leeds Valley Park West  
Leeds  
LS10 1AB

**Legal Advisor**

Freshfields Bruckhaus Deringer LLP  
65 Fleet Street  
London  
EC4Y 1HS

**Auditor**

KPMG LLP  
Chartered Accountants & Statutory Auditors  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

## **SIMON BIDCO LIMITED**

### **DIRECTORS' REPORT**

**Period from 29 July 2015 to 31 December 2016**

The directors present their report and the audited financial statements of Simon Bidco Limited ("the Company") for the 74 weeks ended 31 December 2016.

The Company was incorporated on 29 July 2015. Accordingly the current financial statements are prepared for the 74 weeks from 29 July 2015 to 31 December 2016.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is that of a financial services holding company.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend for the period.

#### **DIRECTORS**

The directors who held office during the period and up to the date of signing the financial statements are shown on page 1.

#### **DISCLOSURE OF INFORMATION TO THE COMPANY'S AUDITOR**

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **AUDITOR**

KPMG LLP were appointed auditors on 18 October 2016.

Approved by the Board of Directors and signed on behalf of the Board by:



C Pell  
Director

4 April 2017

## **SIMON BIDCO LIMITED**

### **STRATEGIC REPORT**

**Period from 29 July 2015 to 31 December 2016**

#### **OBJECTIVES AND STRATEGY**

The Company is a holding company and therefore the strategy is considered on a group level; details are included in the consolidated financial statements of Garfunkelux Holdco 2 S.A. ("the Group").

#### **THE BUSINESS MODEL**

The Company's business model is to act as a holding company for group investments.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks to the Company are non-recovery of intercompany debt, liquidity risk of the Company being able to meet its financial obligations as they fall due and the risk of investment impairment. The Company manages these and other risks on a group basis. Documentation of the risk management procedures is included in the consolidated financial statements of Garfunkelux Holdco 2 S.A., given they are applied on a group basis.

#### **FINANCIAL PERFORMANCE**

The Company's loss before tax for the period was £40.7m.

The directors consider the Company to be a going concern; further details are included in Note 1.

#### **KEY PERFORMANCE INDICATORS (KPIs)**

The Company considers performance against KPIs at a group level; details are included in the consolidated financial statements of Garfunkelux Holdco 2 S.A..

Approved by the Board of Directors and signed on behalf of the Board by:



C Pell

Director

4 April 2017

## **SIMON BIDCO LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS REPORT AND THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMON BIDCO LIMITED**

**Period from 29 July 2015 to 31 December 2016**

We have audited the financial statements of Simon Bidco Limited for the period from 29 July 2015 to 31 December 2016 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

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

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

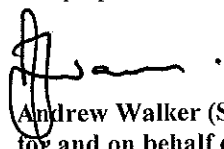
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Andrew Walker (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 Sovereign Square  
Sovereign Street  
Leeds

LS1 4DA

4 April 2017

**SIMON BIDCO LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**Period from 29 July 2015 to 31 December 2016**

		<b>29 July 2015 to 31 December 2016 £000</b>
	<b>Note</b>	
<b>Revenue</b>		
Interest income	6	69,982
<b>Operating expenses</b>		
Finance costs	7	(95,379)
Other expenses		(15,312)
<b>Total operating expenses</b>		<u>(110,691)</u>
<b>Loss before tax</b>	5	(40,709)
Income tax expense	8	-
<b>Loss for the period after tax</b>		<u>(40,709)</u>
Other comprehensive income		-
<b>Total comprehensive expenditure for the period attributable to equity shareholders</b>		<u>(40,709)</u>

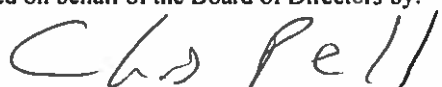
The notes on pages 10 to 20 form part of these financial statements

**SIMON BIDCO LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2016**

	Note	31 December 2016 £000
<b>Assets</b>		
<b>Non-current assets</b>		
Investments	10	586,592
Other receivables	11	524,889
<b>Total non-current assets</b>		<b>1,111,481</b>
<b>Current Assets</b>		
Other receivables	11	34,385
Cash and cash equivalents		4,551
<b>Total current assets</b>		<b>38,936</b>
<b>Total assets</b>		<b>1,150,417</b>
<b>Equity</b>		
Share capital	12	13,012
Share premium		393,633
Retained deficit		(40,709)
<b>Total equity</b>		<b>365,936</b>
<b>Non-current liabilities</b>		
Borrowings	13	767,146
<b>Total non-current liabilities</b>		<b>767,146</b>
<b>Current liabilities</b>		
Borrowings	13	11,526
Other payables	14	5,809
<b>Total current liabilities</b>		<b>17,335</b>
<b>Total equity and liabilities</b>		<b>1,150,417</b>

These financial statements of Simon Bidco Limited, Company No. 09709443, were approved by the Board of Directors on 4 April 2017.

Signed on behalf of the Board of Directors by:



C Pell  
Director

4 April 2017

The notes on pages 10 to 20 form part of these financial statements.

**SIMON BIDCO LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**Period from 29 July 2015 to 31 December 2016**

	Share Capital £000	Share Premium £000	Retained deficit £000	Total £000
Balance at 29 July 2015	-	-	-	-
Issue of ordinary shares	8,334	19,486	-	27,820
Issue of preference shares	4,678	374,147	-	378,825
Loss for the period	-	-	(40,709)	(40,709)
Balance at 31 December 2016	13,012	393,633	(40,709)	365,936

The notes on pages 10 to 20 form part of these financial statements.

# **SIMON BIDCO LIMITED**

## **STATEMENT OF CASH FLOWS**

**Period from 29 July 2015 to 31 December 2016**

		<b>29 July 2015 to 31 December 2016 £000</b>
	<b>Note</b>	
Loss for the period before tax		(40,709)
<b>Adjustments for:</b>		
Interest income	6	(69,982)
Finance costs	7	95,379
Unrealised losses from foreign exchange		(107)
Increase in other receivables		(3,124)
Increase in other payables		5,809
<b>Cash used in operating activities</b>		<b>(12,734)</b>
Income taxes paid		-
<b>Net cash used in operating activities</b>		<b>(12,734)</b>
<b>Investing activities</b>		
Interest received		37,506
Acquisition of Metis Bidco Limited		(92,284)
<b>Net cash used in investing activities</b>		<b>(54,778)</b>
<b>Financing activities</b>		
Proceeds from loans and borrowings		17,762
Proceeds from issue of share capital		140,000
Transaction costs related to loans and borrowings		(8,083)
Interest paid		(78,604)
<b>Net cash from financing activities</b>		<b>71,075</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,563</b>
Cash and cash equivalents at beginning of period		-
Effect of movements in exchange rates on cash held		988
<b>Cash and cash equivalents at end of period</b>		<b>4,551</b>

The notes on pages 10 to 20 form part of these financial statements

# **SIMON BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

### **1. ACCOUNTING POLICIES**

#### **General information and basis of preparation**

These financial statements are prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU).

The Company is domiciled in the UK.

The Company was incorporated on 29 July 2015. Accordingly the current financial statements are prepared for the 74 weeks from 29 July 2015 to 31 December 2016.

#### **Adoption of new and revised standards**

The following new and revised Standards and Interpretations are in issue and have been endorsed by the EU but are not yet effective for these financial statements. None are expected to have a material impact on the financial statements.

Standards and Interpretations with an expected date of adoption by the Company on 1 January 2017:

Annual improvements 2012 – 2014 cycle IAS 1 (amended)	Improvements to IFRS 5, IFRS 7, IAS 9 and IAS 34 Disclosure initiative
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Standards and Interpretations with an expected date of adoption by the Company on 1 January 2018:

IFRS 9	Financial Instruments
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The following new and revised Standards and Interpretations are in issue but have not yet been endorsed by the EU and are hence not yet effective for these financial statements.

IAS 7 – Disclosure Initiative – Amendments to IAS 7. The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

#### **Going concern**

The directors consider the Company to be a going concern. The Company has positive net assets. There are long term business plans and short term forecasts in place at a group level which are reviewed and updated on a regular basis by management.

#### **Group accounts**

The financial statements present information about the Company as an individual undertaking and not as a group. The Company has not prepared group accounts as it is exempt from the requirement to do so under section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary and its results are included in the consolidated financial statements of Garfunkelux Holdco 2 S.A..

#### **Functional and presentational currency**

These financial statements are presented in sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### **Foreign currency**

Transactions in foreign currencies are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign balances and transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## **SIMON BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **Non-current asset investments**

Investments are stated at cost less provision for impairment.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and bank deposits with a term from inception of three months or less.

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position ("SFP") when the Company becomes a party to the contractual provisions of the instrument.

##### *Loans and receivables*

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'other receivables'. Other receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

##### *Financial liabilities*

All financial liabilities held by the Company are measured at amortised cost using the effective interest rate method. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Borrowings are initially recognised at fair value, calculated as the issue proceeds net of any directly attributable prepaid fees. Borrowings are subsequently carried at amortised cost using the EIR method.

##### *Impairment of financial assets*

Financial assets, are assessed for indicators of impairment at each period end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the investment have been affected.

##### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

#### **2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

No estimates have been used when preparing these financial statements.

Judgements were used to evaluate the carrying value of investments and amounts due from / due to group undertakings when preparing these financial statements.

## **SIMON BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

#### **3. SIGNIFICANT RISKS**

The Company is a holding company and therefore its key financial risk is the impairment of its investments and its amounts due from group undertakings.

#### **4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The directors were not paid any emoluments for their services to the Company in the 74 weeks to 31 December 2016.

Apart from the directors, the Company has one employee (see note 9).

#### **5. LOSS BEFORE TAX**

	<b>29 July 2015 to 31 December 16 £000</b>
<b>Loss for the period is after charging:</b>	
Staff costs (note 9)	60
Exceptional acquisition costs	12,223
Audit fees	12
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#### **6. INTEREST INCOME**

	<b>29 July 2015 to 31 December 16 £000</b>
Bank interest receivable	15
Preference share coupon (note 16)	3,880
Loan interest receivable from related parties (note 16)	65,207
Net foreign exchange gain	880
	<hr/> <hr/>
	<b>69,982</b>

#### **7. FINANCE COSTS**

	<b>29 July 2015 to 31 December 16 £000</b>
Interest payable on shareholder loan (note 16)	90,130
Fees payable on borrowings	5,249
	<hr/> <hr/>
	<b>95,379</b>

**SIMON BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

**8. INCOME TAX**

**a) Amounts recognised in the Statement of Comprehensive Income**

	<b>29 July 2015 to 31 December 16 £000</b>
<b>Tax</b>	
Tax per Statement of Comprehensive Income	-

**b) Reconciliation of effective tax rate**

	<b>29 July 2015 to 31 December 16 £000</b>
<b>Loss on ordinary activities before taxation</b>	<b>(40,709)</b>
<b>Tax on loss on ordinary activities at standard UK corporation tax rate of 20.00%</b>	<b>(8,142)</b>
<b>Effects of:</b>	
Expenses not deductible	1,649
Effects of group relief/other reliefs	3,934
Amounts not recognised	2,559
<b>Tax charge for the period</b>	<b>-</b>

# **SIMON BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

### **9. STAFF COSTS**

The average number of employees in the period and at the period end was 1.

	<b>29 July 2015 to 31 December 16 £000</b>
Staff costs	53
Social security costs	7
	<u><u>60</u></u>

### **10. INVESTMENTS**

	<b>£000</b>
<b>Subsidiary undertakings</b>	
<b>At 31 December 2016</b>	<u><u>586,592</u></u>

The Company has investments in the following subsidiary undertakings:

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Ordinary share holding %</b>
Metis Bidco Limited	UK	Holding company	100*
Lowell Finance Holdings Limited	UK	Holding company	100
Lowell Group Financing Plc	UK	Financing	100
Lowell Group Limited	UK	Holding company	100
Lowell Funding Limited	UK	Holding company	100
Lowell Acquisitions Limited	UK	Holding company	100
Lowell Holdings Ltd	UK	Holding company	100
Lowell Finance Ltd	UK	Holding company	100
Lowell Financial Ltd	UK	Consumer debt collection	100
Lowell Portfolio I Ltd	UK	Consumer debt acquisition and collection	100
Tocatto Ltd	UK	Dormant	100
Lowell Portfolio III Holdings Limited	UK	Holding company	100
Lowell Portfolio III Limited	UK	Dormant	100
Lowell Portfolio IV Holdings Limited	UK	Holding company	100
Lowell Portfolio IV Limited	UK	Dormant	100
Lowell Solicitors Limited	UK	Litigation services	100
Interlaken Group Limited	UK	Holding company	100
Fredrickson International Limited	UK	Consumer debt collection	100
SRJ Debt Recoveries Limited	UK	Dormant	100

\*Held directly by the Company.

## **SIMON BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

#### **11. OTHER RECEIVABLES**

	<b>31 December 2016 £000</b>
<b>Non current</b>	
Amounts owed from group undertakings (note 16)	524,889
<b>Total non current other receivables</b>	<b>524,889</b>
<b>Current</b>	
Amounts owed from group undertakings (note 16)	34,343
Amounts owed from other related party (note 16)	42
<b>Total current other receivables</b>	<b>34,385</b>

#### **12. CAPITAL AND RESERVES**

##### **Share Capital**

	<b>31 December 2016 £000</b>
<b>Allotted</b>	
1,117,154,093 ordinary shares of €0.01 each	8,334
627,111,763 preference shares of €0.01 each	4,678
	<b>13,012</b>

At 31 December 2016, £2.0m share capital was unpaid.

On incorporation, the Company was set up with the issue of 100 ordinary shares with a nominal value of £0.01.

On 13 October 2015, the Company issued 900 ordinary shares with a nominal value of €0.01 per share. In addition, on this date the company issued 1,000 preference shares with a nominal value of €0.01 per share.

On the 13 October 2015 the Company issued one PBA Share with a nominal value of £1.00.

On 23 October 2015, the Company issued 1,117,153,193 ordinary shares with a nominal value of €0.01 per share. In addition, on this date the company issued 627,110,763 preference shares with a nominal value of €0.01 per share.

On 11 January 2016, the company repurchased and cancelled 100 ordinary shares with a nominal value of £0.01.

## **SIMON BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

#### **12. CAPITAL AND RESERVES (CONTINUED)**

The rights of all classes of shares are set out below:

##### **Voting**

The ordinary shares shall confer on each holder the right to receive notice of, and to attend, speak and vote at any general meeting of the Company except that, in respect of any general meeting at which a director is elected or removed, the holders of the ordinary shares shall only be entitled to exercise 75% of the total number of votes in respect of any resolution to elect or remove a director and for these purposes, each holder of ordinary shares shall have one vote for each ordinary share.

The holders of the preference shares shall not be entitled to receive notice of, or attend and speak at or vote at any general meeting of the Company.

The holders of the PBA shares shall not be entitled to receive notice of, or attend and speak at or vote at any general meeting of the Company, except that the holders of the PBA shares shall:

- a) have the right to receive notice of, and to attend, any general meeting of the Company at which a resolution to elect or remove a director will be proposed, and
- b) in respect of any such resolutions, have the right to speak and exercise 25% of the total number of votes and for these purposes, each holder of the PBA shares shall have one vote for each PBA share held.

##### **Dividends**

The profits of the Company available for distribution and resolved to be distributed shall, subject to the provisions of the Companies Act 2006, be distributed as follows:

- a) the holders of the ordinary shares and preference shares pro rata to the number of ordinary shares and preference shares held by them respectively, and
- b) the holders of the PBA Shares shall receive dividends as and when declared by the board of directors.

##### **Return of capital**

On a return of capital on liquidation, reduction of capital or otherwise (other than on a redemption or purchase of shares), the balance of any assets available for distribution shall be distributed among the holders of the shares in the following priority:

- a) first, in paying to each holder of shares, in respect of each share a sum equal to the issue price, and
- b) thereafter, of the balance remaining, to the holders of the ordinary shares and preference shares only (and not to any holders of the PBA Shares) pro rata to the number of ordinary shares and preference shares.

## **SIMON BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

#### **13. BORROWINGS**

	<b>31 December 2016 £000</b>
<b>Non current borrowings</b>	
Shareholder loan owed to Garfunkelux Holdco 3 S.A. (note 16)	795,000
Prepaid costs on borrowings	(27,854)
<b>Total borrowings due for settlement after 12 months</b>	<b>767,146</b>
 <b>Current borrowings</b>	
Interest on shareholder loan (note 16)	11,526
<b>Total borrowings due for settlement before 12 months</b>	<b>11,526</b>
 <b>Total Borrowings</b>	<b>778,672</b>

The Company entered into a loan facility in October 2015 for £565m with Group undertaking Garfunkelux Holdco 3 S.A.. The loan has an interest rate of 8.601% and will mature on 31 December 2024.

The Company entered into a loan facility in October 2015 for £230m with Group undertaking Garfunkelux Holdco 3 S.A.. The loan has an interest rate of 11.11% and will mature on 31 December 2024.

Interest rates on the above borrowings are reflective of external bond rates issued by Group entities Garfunkelux Holdco 3 S.A. and Garfunkelux Holdco 2 S.A..

#### **14. OTHER PAYABLES**

	<b>31 December 2016 £000</b>
Amounts owed to group undertakings (note 16)	4,096
Accruals and deferred income	1,601
Other taxes and social security	112
	<b>5,809</b>

# SIMON BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period from 29 July 2015 to 31 December 2016

### 15. FINANCIAL INSTRUMENTS

#### Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

Categories of financial instruments	31 December 2016 £000
<b>Financial assets</b>	
Cash and cash equivalents	4,551
<i>Assets classified as loans &amp; receivables:</i>	
Other receivables - non-current	524,889
Other receivables - current	34,385
	<hr/>
<b>Financial liabilities</b>	
<i>Liabilities held at amortised cost:</i>	
Borrowings - non-current	767,146
Borrowings - current	11,526
Other payables	5,809
	<hr/>

#### Foreign currency risk

The Company has exposure to foreign currency risk. The Company has a number of foreign suppliers who invoice in a foreign currency.

#### Financial risk management objectives

As a result of its normal business activities, the Company has exposure to liquidity risk.

#### Liquidity risk management

Liquidity risk is the risk of the Company being unable to meet its financial obligations as they fall due, due to insufficient cash, cash equivalents and available drawings. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. At 31 December 2016, the Group had available undrawn committed borrowing facilities by way of a group Revolving Credit Facility (RCF) facility of €200m. Details of additional undrawn RCF facility that the Group has at its disposal to further reduce liquidity risk are set out below.

#### Group financing facilities

	31 December 2016 £000
<b>RCF</b>	
Amount used	75,000
Amount unused	96,200
	<hr/>
	171,200
	<hr/>

# SIMON BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period from 29 July 2015 to 31 December 2016

### 15. FINANCIAL INSTRUMENTS

The following table shows the Company's gross undiscounted contractual cash flows of financial liabilities including interest payments at the SFP date:

As at 31 December 2016

	Weighted average interest rate %	Carrying amount £000	Contractual cash flows £000	0-6 months £000	6-12 months £000	1-5 years £000	Over 5 years £000
Shareholder loan	9.33	806,526	1,265,445	37,074	37,074	296,595	894,702
Other payables	-	5,809	5,809	5,809	-	-	-
<b>Total liabilities</b>		<b>812,335</b>	<b>1,271,254</b>	<b>42,883</b>	<b>37,074</b>	<b>296,595</b>	<b>894,702</b>

Shareholder loan: includes loan principal outstanding and accrued interest.

#### Fair value of financial instruments carried at amortised cost

The directors consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

### 16. RELATED PARTIES

The Company is a wholly owned subsidiary undertaking of Garfunkelux Holdco 3 S.A., which is part of a wider group headed by Garfunkelux Holdco 2 S.A..

Period end balances with related parties	31 December 2016 £000
<b>Balances with immediate parent</b>	
Simon Midco Limited (Note A)	2,038
<b>Balances with intermediate parents</b>	
Loan notes 2021 held by Garfunkelux Holdco 3 S.A. (see note 13)	(795,000)
Interest on loan notes 2021 held by Garfunkelux Holdco 3 S.A. (see note 13)	(11,526)
Garfunkelux Holdco 2 S.A. (trading) (Note A)	341
<b>Balances with subsidiary undertakings</b>	
Loan note principal with Lowell Portfolio I Ltd (Note B)	492,711
Loan note interest with Lowell Portfolio I Ltd (Note B)	24,071
Shareholder loan principal and accrued interest owed from Metis Bidco Limited (Note B)	32,178
Metis Bidco Limited Loan Notes (Note B)	3,921
Lowell Portfolio I Limited (trading) (Note A)	1,421
Lowell Financial Ltd (trading) (Note A)	(811)
<b>Balances with other related parties</b>	
GFKL Financial Services GmbH (trading) (Note A)	688
Garfunkelux Nominee S.à.r.l. (Note A)	42
Garfunkel Holding GmbH (trading) (Note A)	(1,421)

Note A: these balances are non-interest bearing, unsecured and repayable on demand.

Note B: these balances are unsecured, not repayable on demand and interest is charged at market rates.

## **SIMON BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Period from 29 July 2015 to 31 December 2016**

#### **16. RELATED PARTIES (CONTINUED)**

<b>Transactions with related parties</b>	<b>29 July 2015 to 31 December 2016 £000</b>
<b>Transactions with intermediate parents</b>	
Expenses recharged to Garfunkelux Holdco 2 S.A.	341
Expenses recharged from Garfunkelux Holdco 3 S.A.	(31,978)
Interest payable on loan Notes 2021 held by Garfunkelux Holdco 3 S.A.	(90,130)
<b>Transactions with subsidiary undertakings</b>	
Interest receivable charge on loan with Lowell Portfolio I Ltd	61,561
Interest receivable charge on shareholder loan with Metis Bidco Limited	3,575
Interest receivable charged on Metis Bidco Limited loan (group relief)	71
Expenses recharged from Lowell Financial Limited	(849)
Expenses recharged to Lowell Portfolio I Limited	1,421
Expenses recharged from Metis Bidco Limited	(44)
Preference share coupon – Metis Bidco Limited	3,880
<b>Transactions with other related parties</b>	
Expenses recharged to GFKL Financial Services GmbH	688
Expenses recharged from Garfunkel Holding GmbH	(1,421)
Permira Beteiligungsberatung GmbH (trading)	(77)

#### **17. ULTIMATE CONTROLLING PARTY**

The Company is a subsidiary undertaking of Garfunkelux S.à.r.l., which is the ultimate parent company, incorporated in Luxembourg.

The largest group in which the results of the Company are consolidated is that headed by Garfunkelux Holdco 2 S.A., incorporated in Luxembourg. The consolidated financial statements of Garfunkelux Holdco 2 S.A. are available from their registered offices at 488, route de Longwy, L – 1940, Luxembourg.