
Everest UK Bidco Limited

Financial Statements for the period ended
28 December 2016

Everest UK Bidco Limited

**Directors' Report
For the period ended 28 December 2016**

The Directors present their report and unaudited financial statements for the Company for the period ended 28 December 2016.

Incorporation

The Company was incorporated on 5 October 2015 in Jersey, Channel Islands.

Principal activities

The principal activity of the Company is that of investment holding.

Results and dividend

The results for the period are shown on page 4 of the financial statements.

The directors have paid dividends in the amount of £56,237,464 in respect of the period ended 28 December 2016.

Directors

The Directors of the Company as at 28 December 2016, all of whom had been directors for the whole of the period then ended except where stated, were:

Graham Burnett	(appointed 14 December 2016)
Geoffrey Geiger	(appointed 5 October 2015)
James Mahoney	(appointed 18 February 2016)
Timothy Moss	(appointed 13 April 2016)
Robert Pryn	(appointed 13 April 2016)
Christopher Rowlands	(appointed 23 August 2016)
Michael Tye	(appointed 14 November 2016)
Jan Voute	(appointed 18 February 2016)
Michael Powell	(appointed 5 October 2015, resigned 23 August 2016)

Secretary

The Secretary of the Company is Intertrust Corporate Services (Jersey) Limited (formerly Elian Corporate Services (Jersey) Limited).

By Order of the Board

Frances Allain

Authorised signatory

**For Intertrust Corporate Services (Jersey) Limited
Secretary**

Registered office:

44 Esplanade
St Helier
Jersey
JE4 9WG

Directors' responsibilities for the accounts

Company law in Jersey requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 proper accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company at that time and enable them to ensure that any financial statements prepared comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Everest UK Bidco Limited

**Profit and Loss account
For the period ended 28 December 2016**

	Notes	5 October 2015 to 28 December 2016	
		£	£
Income			
Investment income		86,350,601	
Management fees		<u>370,161</u>	
			86,720,761
Expenditure			
Interest expense - Loan Notes	7	45,126,185	
Interest expense - Compound interest		787,793	
Amortisation of borrowing costs	7	30,787	
Administration fees		32,565	
Legal and professional fees		149,681	
Bonus payments		99,788	
Annual Return		150	
ISE fees		300	
Sundry expenses		1,551	
Bank charges		329	
Exchange differences		<u>26</u>	
			(46,229,155)
Operating profit for period			<u><u>40,491,607</u></u>

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses have been presented.

There is no difference between the results for the year stated above, and its historical cost equivalent.

The results for the year were derived from continuing operations.


The notes on pages 8 to 14 form part of these financial statements.
These financial statements have not been audited.

Everest UK Bidco Limited

Balance Sheet
As at 28 December 2016

	Notes	28 December 2016	
		£	£
Investments	2	764,372,717	
Loan receivable	3	<u>1,677,335</u>	
			766,050,052
Current assets			
Cash at bank		489,267	
Debtors and prepayments	4	<u>65,450</u>	
		554,716	
Current liabilities			
Creditors and accruals	5	(16,481,822)	
Loans payable	6	(10,234,772)	
Other liabilities	7	<u>(1,677,335)</u>	
		(28,393,929)	
Net current assets			(27,839,212)
Non-current liabilities			
Loans payable	8	<u>(346,005,530)</u>	
			(346,005,530)
Net assets			<u><u>392,205,309</u></u>
Capital and reserves			
Called up share capital	9		403,460,368
Share premium	9		4,490,799
Profit and loss account			(15,745,858)
Equity shareholders' funds			<u><u>392,205,309</u></u>

The financial statements on pages 3 to 5 were approved by the Board of Directors on 23 November 2017 and were signed on its behalf by:

Director:  _____

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Everest UK Bidco Limited

Statement of changes in equity
For the period ended 28 December 2016

	Called up share capital £	Share premium £	Profit and loss account £	Total £
Balance at 5 October 2015	-	-	-	-
Issue of share capital	403,460,368	4,490,799		407,951,167
Profit and loss for period	-	-	40,491,607	40,491,607
Dividends paid	-	-	(56,237,464)	(56,237,464)
Balance at 31 December 2016	<u>403,460,368</u>	<u>4,490,799</u>	<u>(15,745,858)</u>	<u>392,205,309</u>

The notes on pages 8 to 14 form part of these financial statements.
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Everest UK Bidco Limited

Statement of cash flows
For the period ended 28 December 2016

5 October 2015 to
28 December 2016
£ £

Cash flows from operating activities		
Profit on ordinary activities after taxation	40,491,607	
Working capital adjustments:		
Amortisation of borrowing costs	30,787	
(Increase) in trade and other receivables	(65,449)	
Increase in trade and other payables	<u>18,159,156</u>	
Net cash flows from operating activities		58,616,101
Cash flows from investing activities		
Investment acquisition	(764,372,717)	
Issue of related party loans	<u>(1,677,335)</u>	
Cash used in investing activities		(766,050,052)
Cash flows from financing activities		
Proceeds from share issue	407,951,167	
Proceeds from related party loans	360,234,772	
Borrowing costs from related party loans	(4,025,257)	
Dividends paid	<u>(56,237,464)</u>	
Cash generated from financing activities		707,923,218
Net increase in cash and cash equivalents		<u>489,267</u>
Cash and cash equivalents at start of period		-
Cash and cash equivalents at end of period		<u><u>489,267</u></u>

The notes on pages 8 to 14 form part of these financial statements.
These financial statements have not been audited.

Everest UK Bidco Limited

Notes to the accounts

For the period ended 28 December 2016

1 Accounting policies

The financial statements have been prepared in accordance with Section 1A of FRS 102 The Financial Reporting Standard applicable to United Kingdom and the Republic of Ireland ("FRS102").

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following accounting policies have been applied:

a) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

b) Income and expenditure

Income and expenditure is accounted for on an accruals basis, with the exception of bank interest received, which is brought into account when it is received by the company.

c) Taxation

Although the Company is registered in Jersey, it is managed and controlled in the UK and therefore is considered to be tax resident in the UK and subject to UK tax.

The Company would ordinarily be subject to Jersey Goods and Services Tax (GST) at the rate of 5%. To alleviate this charge the Company is registered as an International Service Entity for a fee of £300 per annum which exempts it from this tax.

d) Cash at bank and in hand

Cash and cash equivalents include amounts due from banks on demand which have original maturities of three months or less.

Everest UK Bidco Limited

Notes to the accounts

For the period ended 28 December 2016

1 Accounting policies (continued)

e) Investments

Investments comprise investments in unquoted equity which are measured at fair value. Changes in fair value are recognised in profit or loss.

The Company has capitalised borrowing costs in accordance with FRS102 s.25 in relation to borrowing costs incurred which are considered to be directly attributable to the acquisition of the investments. These costs are being amortised over the same period as the Loan Notes which have been issued to finance the investment acquisition.

e) Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in sterling, which is the Company's functional and presentational currency. In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items that are denominated in foreign currencies are retranslated into sterling at the rate prevailing on such date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

f) Going concern

The directors have reasonable expectation that the Company will continue in existence for the foreseeable future. The directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

g) Financial instruments

The Company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Everest UK Bidco Limited

Notes to the accounts

For the period ended 28 December 2016

1 Accounting policies (continued)

g) Financial instruments -continued

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets, including investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, and loans are initially recognised at transaction cost.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Everest UK Bidco Limited

Notes to the accounts

For the period ended 28 December 2016

2 Investments	Nominal	28 December 2016
		£
Moto International Parent Limited	7,749	472,134,700
Moto International Holdings Limited	5,165	285,816,466
Moto Holdings Limited	1,000,000	1,000,000
Capitalised transaction costs		5,421,550
		<u>764,372,717</u>

The Company holds a 100% interest in Moto International Parent Limited.

The Company holds a 40% interest in Moto International Holdings Limited.

The Company holds a 100% interest in Moto Holdings Limited. The Company acquired this holding by way of a dividend in specie from Moto International Parent Limited at par value of the shares, being £1,000,000.

Transaction costs of £5,421,550 related to the acquisition of the investments have been capitalised as part of the cost of the investments.

3 Loan receivable	28 December 2016
	£
Moto International Parent Limited	<u>1,677,335</u>

The loan receivable from Moto International Parent Limited is interest free and repayable on 31 December 2017.

4 Debtors and prepayments	28 December 2016
	£
Accrued management fee income	50,450
VAT control account	15,000
	<u>65,450</u>

Everest UK Bidco Limited

Notes to the accounts

For the period ended 28 December 2016

5 Creditors and Accruals	28 December 2016 £
Accrued expenses	1,142
Interest payable - Loan Notes	16,294,936
Interest payable - Compound interest	185,744
	<u>16,481,822</u>

The interest payable as at 31 December 2016 is interest accrued from 27 July 2016.

6 Loans payable (due within one year)	28 December 2016 £
Everest UK Topco Limited	<u>10,234,772</u>

The loan payable to Everest UK Topco Limited is interest free and repayable on the later date on which the Transaction Costs have been determined, the day following Completion, and no later than the long stop date of 31 December 2016.

7 Other liabilities (due within one year)	28 December 2016 £
Deferred consideration payable	<u>1,677,335</u>

Under a share purchase agreement between various parties, deferred consideration of £1,677,335 was payable by Moto International Holdings Limited. This liability was novated to Moto International Parent Limited. Subsequently, in consideration for the creation of the loan as per note 2, the liability for the deferred consideration was then novated to the Company. The amounts are payable on 5 December 2017.

Everest UK Bidco Limited

Notes to the accounts

For the period ended 28 December 2016

8 Loans payable (due after more than one year)

	28 December 2016 £
Tranche A Loan Notes - USS Way LP	210,000,000
Tranche A Loan Notes - Project Lane Holdings Jersey Limited	140,000,000
Capitalised borrowing costs	(3,994,470)
	<u>346,005,530</u>

The Loan Notes issued to USS Way LP are interest bearing at 11% per annum and mature on 26 October 2040. PIK Notes may be issued in settlement of accrued interest and are interest bearing at 11% per annum.

On 3 February 2016, £140,000,000 Loan Notes were transferred from USS Way LP to Project Lane Holdings Jersey Limited.

Borrowing costs of £4,025,257 related to the group borrowing for the acquisition of the investments have been capitalised against the Loan Notes. The borrowing costs are being amortised over the period of the Loan Notes, with £30,787 being amortised for the period ended 31 December 2016.

9 Share capital

<i>Authorised</i>	Nominal	Par value £
Ordinary Share Capital - £1	500,000,000	<u>500,000,000</u>
<i>Issued</i>	Nominal	Par value £
Ordinary Share Capital - £1	403,460,368	<u>403,460,368</u>

The Company issued 1 share on 5 October 2015, 364,458,160 shares on 29 October 2015 and 39,002,205 shares on 6 November 2015 for a consideration of £1 per share.

The Company subsequently issued 2 further shares on 18 March 2016 for a total consideration of £4,490,801, being the settlement of loan notes which had been issued on the same date.

10 Ultimate parent undertaking and controlling party

The Company's immediate controlling party is Everest UK Topco Limited and the ultimate controlling party is USS Way LP.

Everest UK Bidco Limited

Notes to the accounts

For the period ended 28 December 2016

11 Related party transactions

Loans with the subsidiary, immediate and ultimate controlling parties are disclosed in notes 3, 6 and 7 respectively.

12 Reporting period

These financial statements cover the period from 5 October 2015 (being the date of the Company's incorporation) to 28 December 2016. This is the first period for which financial statements have been presented and accordingly there are no comparative figures.

13 Events after reporting period

There has not arisen, in the interval between the end of the financial period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of the Company, in future years.