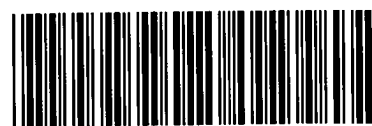


Company No. 09709443

SIMON BIDCO LIMITED

**Report and Financial Statements
Year ended 31 December 2017**

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SIMON BIDCO LIMITED
REPORT AND FINANCIAL STATEMENTS 2017
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SIMON BIDCO LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Directors

P S Muelder
C Pell
C Storrar (appointed 28 November 2017)
J Cornell (appointed 7 December 2017)

Company secretary

W Flynn (appointed 7 December 2017)

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
Year ended 31 December 2017

The directors present their report and the audited financial statements of Simon Bidco Limited ("the Company") for the year ended 31 December 2017.

The Company was incorporated on 29 July 2015 with the registration number 09709443. Accordingly the current financial statements are prepared for the year ended 31 December 2017 with a prior period of 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

A dividend of £1,131,185 was declared and paid by the Company during the year.

DIRECTORS

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

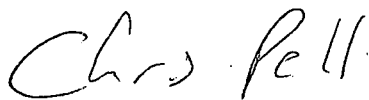
DISCLOSURE OF INFORMATION TO THE COMPANY'S AUDITOR

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

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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



C Pell
Director

28 March 2018

SIMON BIDCO LIMITED
STRATEGIC REPORT
Year ended 31 December 2017

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

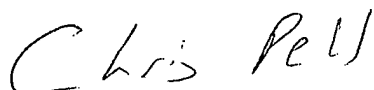
The Company's loss before tax for the period was £27.9m (2016: £40.7m).

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

28 March 2018

SIMON BIDCO LIMITED

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

Year ended 31 December 2017

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 are required to prepare the Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (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 the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

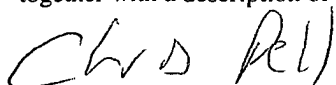
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, and Corporate Governance Statement that complies with that law and those regulations.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report and directors' report include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.



C Pell
Director

28 March 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SIMON BIDCO LIMITED
Year ended 31 December 2017**

Our opinion is unmodified

We have audited the financial statements of Simon Bidco Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of the Company's loss for the year then ended;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as the Company's first auditor by the directors in 2016. The period of total uninterrupted engagement is for the two financial years ended 31 December 2017.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Recoverability of investment in subsidiaries and of amounts owed from group undertakings and other related parties

The risk

The carrying amount of the Company's investment in subsidiaries and amounts owed from group undertakings and other related parties represents 100.0% (2016: 99.6%) of the Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the financial statements, this is considered to be the area that had the greatest effect on our overall audit. The carrying amount of intra-group debtors is also not considered to be at a high risk of misstatement or subject to significant judgement, however again due to materiality in the Company financial statements, this is an area which also saw significant focus during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SIMON BIDCO LIMITED (CONTINUED)
Year ended 31 December 2017**

Recoverability of investment in subsidiaries and of amounts owed from group undertakings and other related parties (continued)

Our response

Our procedures included:

- Tests of detail: Comparing the carrying amount of 100% of investments with the relevant subsidiaries' financial statements to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit making.
- Assessing the recoverability of a sample of the highest amounts owed by group undertakings and other related parties representing 94.1% of the total group debtors balance to identify, with reference to relevant debtors' financial statements whether the net asset value supports the recoverability of the debtor balance.
- Assessing subsidiary audits: Assessing the work performed on the individual subsidiary audits on that sample of subsidiaries, considering the results of that work on the subsidiaries' profits and net assets.

Our results

We found the assessment of the recoverability of the investment in subsidiaries and amounts owed from group undertakings and other related parties to be acceptable.

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £2.00m (2016: £2.17m), determined with reference to a benchmark of total assets, of which it represents 0.16%.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £100,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

We have nothing to report on the other information in the Report and Financial Statements

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SIMON BIDCO LIMITED (CONTINUED)
Year ended 31 December 2017**

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from locations 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.

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so:

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SIMON BIDCO LIMITED (CONTINUED)
Year ended 31 December 2017**

Auditor's responsibilities (continued)

Irregularities – ability to detect

Our audit aimed to detect non-compliance with relevant laws and regulations (irregularities) that could have a material effect on the financial statements. In planning and performing our audit, we considered the impact of laws and regulations in the specific areas of money laundering and market abuse rules, recognising the nature of the Company's listed debt. We identified these areas through discussion with the directors and other management (as required by auditing standards), from our sector experience and from inspection of regulatory correspondence. In addition we had regard to laws and regulations in other areas including financial reporting, and company and taxation legislation.

We considered the extent of compliance with those laws and regulations that directly affect the financial statements, being money laundering and market abuse rules, as part of our procedures on the related financial statement items. For the remaining laws and regulations, we made enquiries of directors and other management (as required by auditing standards), and inspected correspondence with regulatory bodies.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

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.

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

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

28 March 2018

SIMON BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

		Year ended 31 December 2017	29 July 2015 to 31 December 2016
	Note	£000	£000
Finance income	6	70,863	69,982
Finance costs	7	(96,359)	(95,379)
Net financing costs		(25,496)	(25,397)
Other income		150	-
Other expenses		(2,577)	(15,312)
Loss before tax		(27,923)	(40,709)
Income tax credit	8	3,765	-
Loss after tax		(24,158)	(40,709)
Other comprehensive income		-	-
Total comprehensive expenditure attributable to equity shareholders		(24,158)	(40,709)

The notes on pages 13 to 27 form part of these financial statements.

SIMON BIDCO LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	31 December 2017 £000	31 December 2016 £000
Assets			
Non-current assets			
Investments	11	586,592	586,592
Intangible assets		276	-
Other receivables	12	680,246	524,889
Total non-current assets		1,267,114	1,111,481
Current assets			
Other receivables	12	18,098	34,385
Deferred tax asset	9	34	-
Cash and cash equivalents		34	4,551
Total current assets		18,166	38,936
Total assets		1,285,280	1,150,417
Equity			
Share capital	13	-	13,012
Share premium		-	393,633
Capital reserve	13	560,564	-
Retained deficit		(64,867)	(40,709)
Total equity		495,697	365,936
Non-current liabilities			
Borrowings	14	770,475	767,146
Total non-current liabilities		770,475	767,146
Current liabilities			
Borrowings	14	12,150	11,526
Other payables	15	6,958	5,809
Total current liabilities		19,108	17,335
Total equity and liabilities		1,285,280	1,150,417

These financial statements of Simon Bidco Limited, Company No. 09709443, were approved by the Board of Directors on 28 March 2018.

Signed on behalf of the Board of Directors by:

Chris Pell

C Pell
Director

28 March 2018

The notes on pages 13 to 27 form part of these financial statements.

SIMON BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

	Share Capital £000	Share Premium £000	Capital Reserve £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
Issue of ordinary shares	-	155,050	-	-	155,050
Capital Reduction	(13,012)	(548,683)	561,695	-	-
Dividend paid	-	-	(1,131)	-	(1,131)
Loss for the year	-	-	-	(24,158)	(24,158)
Balance at 31 December 2017	-	-	560,564	(64,867)	495,697

The notes on pages 13 to 27 form part of these financial statements.

SIMON BIDCO LIMITED
STATEMENT OF CASH FLOWS
Year ended 31 December 2017

		Year ended 31 December 2017 £000	29 July 2015 to 31 December 2016 £000
	Note		
Loss for the period before tax		(27,923)	(40,709)
Adjustments for:			
Amortisation of intangible assets	5	197	-
Finance income	6	(70,863)	(69,982)
Finance costs	7	96,359	95,379
Unrealised losses from foreign exchange		(62)	(107)
Decrease/(increase) in other receivables		649	(3,124)
Increase in other payables		1,450	5,809
Cash used in operating activities		(193)	(12,734)
Income taxes paid		-	-
Net cash used in operating activities		(193)	(12,734)
Investing activities			
Repayment of loans and borrowings		23,075	11,500
Interest received		51,467	26,006
Issue of loans and borrowings		(63,548)	-
Acquisition of Metis Bidco Limited		-	(92,284)
Purchase of intangible assets		(473)	-
Net cash from/(used in) investing activities		10,521	(54,778)
Financing activities			
Proceeds from loans and borrowings		63,548	17,762
Proceeds from issue of share capital		-	140,000
Transaction costs related to loans and borrowings		(312)	(8,083)
Dividends paid		(1,131)	-
Interest paid		(76,983)	(78,604)
Net cash (used in)/from financing activities		(14,878)	71,075
Net (decrease)/ increase in cash and cash equivalents		(4,550)	3,563
Cash and cash equivalents at beginning of period		4,551	-
Effect of movements in exchange rates on cash held		33	988
Cash and cash equivalents at end of period		34	4,551

The notes on pages 13 to 27 form part of these financial statements

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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 year ended 31 December 2017 with a prior period of 74 weeks from 29 July 2015 to 31 December 2016.

Adoption of new and revised standards

The following accounting standard amendment became effective for periods commencing on or after 1 January 2017 and has been adopted in the current year. This amendment did not have a material impact on these financial statements.

IAS 7 (amended)

Disclosure initiative – the amendments to IAS 7 Statement of cashflows 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.

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 consolidated financial statements.

IFRS 9 – Financial Instruments – effective from 1 January 2018. The current assessment is that IFRS 9 will not have a material financial impact on the Company's financial statements.

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

Year ended 31 December 2017

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.

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Separately acquired intangible assets are stated at cost less accumulated amortisation and any recognised impairment loss.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licences	1 year	Straight line
----------	--------	---------------

Assets are reviewed for signs of impairment at least annually and more frequently if necessary. Impairments are recognised where carrying value of the asset exceeds the future economic benefit.

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.

3. SIGNIFICANT RISKS

The principal risks to the Company are liquidity risk of the Company being able to meet its financial obligations as they fall due and the risk of investment impairment.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were not paid any emoluments for their services to the Company in the year ended 31 December 2017 or the prior period of 74 weeks to 31 December 2016.

Apart from the directors, the Company has two employees (see note 10).

5. LOSS BEFORE TAX

	Year ended 31 December 2017 £000	29 July 2015 to 31 December 16 £000
Loss for the period is after charging:		
Staff costs (note 10)	287	60
Exceptional acquisition costs	-	12,223
Audit fees	16	12
Amortisation	197	-
	<hr/>	<hr/>

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

6. FINANCE INCOME

	Year ended 31 December 2017 £000	29 July 2015 to 31 December 2016 £000
Bank interest receivable	-	15
Preference share coupon (note 18)	-	3,880
Loan interest receivable from related parties (note 18)	59,354	65,207
Redemption fee recharge to related parties (note 18)	1,551	-
Revolving Credit Facility fee recharge to related parties (note 18)	1,208	-
Finance costs recharged to related parties (note 18)	8,750	-
Net foreign exchange gain	-	880
	70,863	69,982

7. FINANCE COSTS

	Year ended 31 December 2017 £000	29 July 2015 to 31 December 2016 £000
Interest payable on shareholder loan (note 18)	73,894	90,130
Interest payable on other loans with related parties (note 18)	3,711	-
Revolving Credit Facility fees	1,208	-
Fees payable on borrowings	7,218	5,249
Redemption fee	1,551	-
Finance costs recharged from related parties (note 18)	8,750	-
Net foreign exchange loss	27	-
	96,359	95,379

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

8. INCOME TAX

a) Amounts recognised in the Statement of Comprehensive Income

	Year ended 31 December 2017 £000	29 July 2015 to 31 December 2016 £000
Tax		
Tax per Statement of Comprehensive Income	(3,765)	-

b) Reconciliation of effective tax rate

	Year ended 31 December 2017 £000	29 July 2015 to 31 December 2016 £000
Loss on ordinary activities before taxation	(27,923)	(40,709)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19.25% (2016: 20.00%)	(5,375)	(8,142)
Effects of:		
Expenses not deductible	-	1,649
Effects of group relief/other reliefs	3,338	3,934
Adjustments in respect of prior periods	(1,732)	-
Amounts not recognised	-	2,559
Income not taxable	4	-
Tax credit for the period	(3,765)	-

9. DEFERRED TAX

Deferred taxation assets recognised in the financial statements are as follows:

	Accelerated capital allowances £000
Balance at 31 December 2016	-
Income tax credit to the Statement of Comprehensive Income	34
Balance at 31 December 2017	34

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

10. STAFF COSTS

The average number of employees in the period and at the period end was 2 (2016:1).

	Year ended 31 December 2017 £000	29 July 2015 to 31 December 2016 £000
Staff costs	254	53
Social security costs	33	7
	<u>287</u>	<u>60</u>

11. INVESTMENTS

Subsidiary undertakings

£000

At 31 December 2016 and 31 December 2017

586,592

The Company has investments in the following subsidiary undertakings:

Name	Country of incorporation	Principal activity	Ordinary share holding %
Metis Bidco Limited	UK	Holding company	100*
Hansa Holdco Limited ¹	UK	Holding company	100
Pofidax Oy ²	Finland	Holding company	100
Lowell Finance Holdings Limited	UK	Holding company	100
Lowell Group Financing Plc	UK	Dormant	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.

¹On 11 December 2017, Hansa Holdco Limited was incorporated.

²On 1 November 2017, Pofidax Oy was acquired.

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

12. OTHER RECEIVABLES

	31 December 2017 £000	31 December 2016 £000
Non current		
Amounts owed from group undertakings (note 18)	680,246	524,889
Total non current other receivables	680,246	524,889
Current		
Amounts owed from group undertakings (note 18)	18,054	34,343
Amounts owed from other related party (note 18)	44	42
Total current other receivables	18,098	34,385

13. CAPITAL AND RESERVES

Share Capital

	31 December 2017 £000	31 December 2016 £000
Allotted		
3,000 (2016: 1,117,154,093) ordinary shares of €0.01 each	-	8,334
2,000 (2016: 627,111,763) preference shares of €0.01 each	-	4,678
As at 31 December 2017	-	13,012

At 31 December 2016 and 31 December 2017, £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 1,000 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.

On 20 September 2017, the Company issued 1,000 ordinary shares with a nominal value of €0.01 per share.

On 24 October 2017, the Company underwent a capital reduction where 1,117,152,193 ordinary shares of €0.01 each and 627,109,763 preference shares of €0.01 each were cancelled along with all associated share premium.

SIMON BIDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2017

13. CAPITAL AND RESERVES (CONTINUED)

Capital reserve

	£000
As at 31 December 2016	-
Cancellation of shares	561,695
Dividend paid	(1,131)
	<hr/>
As at 31 December 2017	560,564
	<hr/>

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, unless the holders of shares resolve otherwise by Special Resolution:

- a) first, in paying to each holder of shares, in respect of each share of which he is a holder, 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

Year ended 31 December 2017

14. BORROWINGS

	31 December 2017 £000	31 December 2016 £000
Non current borrowings		
Shareholder loan owed to Garfunkelux Holdco 3 S.A. (note 18)	795,000	795,000
Prepaid costs on borrowings	(24,525)	(27,854)
Total borrowings due for settlement after 12 months	770,475	767,146
Current borrowings		
Interest on shareholder loan (note 18)	12,150	11,526
Total borrowings due for settlement before 12 months	12,150	11,526
Total Borrowings	782,625	778,672

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 8.560% (2016: 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 11.002% (2016: 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..

The Company entered into a loan facility in April 2017 for £146m with Group undertaking Garfunkelux Holdco 3 S.A.. The loan had an interest rate of 5.601% and a maturity date of 2021. In September 2017 this loan facility was paid in full including any interest accrued to date.

15. OTHER PAYABLES

	31 December 2017 £000	31 December 2016 £000
Amounts owed to group undertakings (note 18)	6,355	4,096
Accruals and deferred income	592	1,601
Other taxes and social security	11	112
	6,958	5,809

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

16. 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 2017 £000	31 December 2016 £000
Financial assets		
Cash and cash equivalents	34	4,551
<i>Assets classified as loans & receivables:</i>		
Other receivables - non-current	680,246	524,889
Other receivables - current	18,098	34,385
Financial liabilities		
<i>Liabilities held at amortised cost:</i>		
Borrowings - non-current	795,000	795,000
Borrowings - current	12,150	11,526
Other payables	6,958	5,809

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 and 31 December 2017, 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 2017 £000	31 December 2016 £000
RCF		
Amount used	41,000	75,000
Amount unused	136,400	96,200
	177,400	171,200

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

16. FINANCIAL INSTRUMENTS (CONTINUED)

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 2017

	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	9.295	807,150	1,190,003	36,947	36,947	860,578	255,531
Other payables	-	6,958	6,958	6,958	-	-	-
Total liabilities		814,108	1,196,961	43,905	36,947	860,578	255,531

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	9.327	806,526	1,265,445	37,074	37,074	296,595	894,702
Other payables	-	5,809	5,809	5,809	-	-	-
Total liabilities		812,335	1,271,254	42,883	37,074	296,595	894,702

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.

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

17. NOTE TO THE STATEMENT OF CASHFLOWS

	Note	Shareholder loan £000	Prepaid costs £000	Total £000
Balance at 31 December 2016	14	806,526	(27,854)	778,672
Changes from financing cashflows				
Proceeds from shareholder loan		63,548	-	63,548
Prepaid costs on borrowings		-	(312)	(312)
Interest paid		(76,983)	-	(76,983)
Total changes from financing cash flows		(13,435)	(312)	(13,747)
The effects of changes in foreign exchange rate		-	8	8
Liability related changes				
Shareholder loan issued		82,754	-	82,754
Shareholder loan redeemed		(146,300)	-	(146,300)
Interest expense	7	77,605	-	77,605
Capitalised borrowing costs		-	(3,585)	(3,585)
Prepaid cost release	7	-	7,218	7,218
Total liability related changes		14,059	3,633	17,692
Balance at 31 December 2017	14	807,150	(24,525)	782,625

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

18. RELATED PARTIES

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

Period end balances with related parties	31 December 2017 £000	31 December 2016 £000
Balances with immediate parent		
Simon Midco Limited (Note A)	2,038	2,038
Balances with intermediate parents		
Loan notes 2021 held by Garfunkelux Holdco 3 S.A. (see note 14)	(795,000)	(795,000)
Interest on loan notes 2021 held by Garfunkelux Holdco 3 S.A. (see note 14)	(12,150)	(11,526)
Garfunkelux Holdco 2 S.A. (trading) (Note A)	-	341
Garfunkelux Holdco 3 S.A. (trading) (Note A)	(3,153)	-
Balances with subsidiary undertakings		
Loan note principal with Lowell Portfolio I Ltd (Note B)	640,285	492,711
Loan note interest with Lowell Portfolio I Ltd (Note B)	8,621	24,071
Shareholder loan principal and accrued interest owed from Metis Bidco Limited (Note B)	36,040	32,178
Metis Bidco Limited Loan Notes (Note A)	3,921	3,921
Lowell Portfolio I Limited (trading) (Note A)	4,363	1,421
Lowell Financial Ltd (trading) (Note A)	(35)	(811)
Lowell Solicitors Limited (trading) (Note A)	2,005	-
Fredrickson International Limited (trading) (Note A)	17	-
Balances with other related parties		
Lowell Financial Services GmbH (trading) (Note A)	884	688
Garfunkelux Nominee S.à r.l. (Note A)	44	42
Lowell Holding GmbH (trading) (Note A)	(3,042)	(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

Year ended 31 December 2017

18. RELATED PARTIES (CONTINUED)

Transactions with related parties	Year ended 31 December 2017 £000	29 July 2015 to 31 December 2016 £000
Transactions with immediate parent		
Dividend paid to Simon Midco Limited	(1,131)	-
Transactions with intermediate parents		
Expenses recharged to Garfunkelux Holdco 2 S.A.	-	341
Expenses recharged from Garfunkelux Holdco 3 S.A.	(12,214)	(31,978)
Interest payable on loan notes 2021 held by Garfunkelux Holdco 3 S.A.	(73,894)	(90,130)
Interest payable on other loan held by Garfunkelux Holdco 3 S.A.	(3,711)	-
Transactions with subsidiary undertakings		
Issue of loans to Metis Bidco Limited	(301,350)	-
Repayment of loans with Metis Bidco Limited	169,375	-
Interest receivable on loan with Lowell Portfolio I Ltd	55,493	61,561
Interest receivable on shareholder loan with Metis Bidco Limited	3,861	3,575
Interest receivable charged on Metis Bidco Limited loan (group relief)	-	71
Expenses recharged to/(from) Lowell Financial Limited	1,314	(849)
Expenses recharged to Lowell Portfolio I Limited	11,509	1,421
Expenses recharged from Metis Bidco Limited	(2)	(44)
Expenses recharged to Lowell Solicitors Limited	39	-
Expenses recharged to Fredrickson International Limited	57	-
Preference share coupon – Metis Bidco Limited	-	3,880
Transactions with other related parties		
Expenses recharged to Lowell Financial Services GmbH	2,178	688
Expenses recharged from Lowell Holding GmbH	(3,140)	(1,421)
Permira Beteiligungsberatung GmbH (trading)	(34)	(77)

19. 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.

SIMON BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

20. SUBSEQUENT EVENTS

On 20 March 2018, the Group acquired 100% share in Fair Play Please AS and Lindorff Sverige AB, which represent the Carve-out business of Intrum, for €749m. The acquisition was made through Pofidax Oy, an indirect subsidiary of the Company.

The Carve-out comprises Lindorff's entire business in Denmark, Estonia, Finland and Sweden as well as Intrum Justitia's entire business in Norway and was specified by the European Commission as a condition of the combination of the two companies in 2017.