Company No. 09722126

SIMON MIDCO LIMITED

Report and Financial Statements
Year ended 31 December 2017

SIMON MIDCO LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

CONTENTS

SIMON MIDCO LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Directors

D Brueckmann
D Gagie
H Hilgert
P S Muelder
C Pell
M Teubner
J Rockenhauser
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 MIDCO LIMITED

DIRECTORS' REPORT
Year ended 31 December 2017

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

The Company was incorporated on 8 August 2015 with the registered number 09722126. Accordingly the current financial statements are prepared for the year ended 31 December 2017 with a prior period of 73 weeks from 8 August 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

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:

Chris Pell

C Pell
Director

28 March 2018

SIMON MIDCO 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 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 £25.8m (2016: £25.4m).

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:

Chris Pell

C Pell
Director

28 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMON MIDCO LIMITED
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, and Directors' Report 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.

Chris Pell

C Pell
Director

28 March 2018

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

Our opinion is unmodified

We have audited the financial statements of Simon Midco 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

The risk

The carrying amount of the company's investment in subsidiaries represents 99.7% (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 MIDCO LIMITED (continued)
Year ended 31 December 2017

Recoverability of investment in subsidiaries (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 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 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 0.32%.

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMON MIDCO LIMITED (continued)
Year ended 31 December 2017

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMON MIDCO LIMITED (continued)
Year ended 31 December 2017

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 MIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2017

	Note	Year ended 31 December 2017 £000	8 August 2015 to 31 December 2016 £000
Finance income	6	4	13
Finance costs	7	(26,936)	(25,377)
Net financing costs		**(26,932)**	**(25,364)**
Other expenses		(16)	-
Operating loss		**(26,948)**	**(25,364)**
Dividend income	9	1,131	-
Loss before tax		**(25,817)**	**(25,364)**
Income tax expense	8	-	-
Loss attributable to equity shareholders		**(25,817)**	**(25,364)**
Other comprehensive income - items that will or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		7,528	29,563
Other comprehensive income		**7,528**	**29,563**
Total comprehensive income attributable to equity shareholders		**(18,289)**	**4,199**

The notes on pages 13 to 25 form part of these financial statements

SIMON MIDCO LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	31 December 2017 £000	31 December 2016 £000
Assets			
Non current assets			
Investments	9	638,729	466,606
Total non current assets		**638,729**	**466,606**
Current assets			
Other receivables	10	2,038	2,038
Cash		2	-
Total current assets		**2,040**	**2,038**
Total assets		**640,769**	**468,644**
Equity			
Share capital	11	10,160	10,160
Share premium		202,209	202,209
Translation reserve		37,091	29,563
Retained deficit		(51,181)	(25,364)
Total equity		**198,279**	**216,568**
Non current liabilities			
Borrowings	12	438,458	250,038
Total non current liabilities		**438,458**	**250,038**
Current liabilities			
Derivatives	14	286	-
Borrowings	12	466	-
Other payables	13	3,280	2,038
Total current liabilities		**4,032**	**2,038**
Total equity and liabilities		**640,769**	**468,644**

These financial statements of Simon Midco Limited, Company No. 09722126, 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 25 form part of these financial statements.

SIMON MIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2017

	Share Capital £000	Share Premium £000	Translation reserve £000	Retained deficit £000	Total £000
Balance at 8 August 2015	-	-	-	-	-
Issue of ordinary shares	5,482	9,952	-	-	**15,434**
Issue of preference shares	4,678	192,257	-	-	**196,935**
Loss for the period	-	-	-	(25,364)	**(25,364)**
Foreign exchange differences	-	-	29,563	-	**29,563**
Balance at 31 December 2016	**10,160**	**202,209**	**29,563**	**(25,364)**	**216,568**
Loss for the year	-	-	-	(25,817)	**(25,817)**
Foreign exchange differences	-	-	7,528	-	**7,528**
Balance at 31 December 2017	**10,160**	**202,209**	**37,091**	**(51,181)**	**198,279**

The notes on pages 13 to 25 form part of these financial statements.

SIMON MIDCO LIMITED

STATEMENT OF CASH FLOWS
Year ended 31 December 2017

	Note	Year ended 31 December 2017 £000	8 August 2015 to 31 December 2016 £000
Loss before tax		(25,817)	(25,364)
Adjustments for:			
Finance income	6	(4)	(13)
Finance costs	7	26,936	25,377
Unrealised losses from foreign exchange		2	-
Increase in other receivables		(2,153)	
Increase in other payables		1,021	-
Cash generated from operating activities		**(15)**	**-**
Income taxes paid		-	-
Net cash from operating activities		**(15)**	**-**
Investing activities			
Dividends received		1,131	-
Net cash from investing activities		**1,131**	**-**
Financing activities			
Interest paid		(1,114)	-
Net cash from financing activities		**(1,114)**	**-**
Net increase in cash and cash equivalents		**2**	**-**
Cash and cash equivalents at beginning of period		-	-
Effect of movement in exchange rates on cash held		-	-
Cash and cash equivalents at end of period		**2**	**-**

The notes on pages 13 to 25 form part of these financial statements

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 8 August 2015. Accordingly the current financial statements are prepared for the year ended 31 December 2017 with a prior period of 73 weeks from 8 August 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. ("the Group").

Functional and presentational currency

The Company's functional currency is euro. For the purposes of these financial statements, the results are presented in sterling. This is to align with the presentational currency of the Group. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The assets and liabilities of the Company are translated to the presentational currency (sterling) at foreign exchange rates ruling at the balance sheet date. Transactions 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 reported as an item of other comprehensive income and accumulated in the translation reserve.

1. ACCOUNTING POLICIES (CONTINUED)

Non-current asset investments
Investments are stated at cost less provision for impairment.

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.

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

The Company holds financial liabilities in the form of borrowings and other payables. These financial liabilities 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.

Derivative financial instruments

Derivative financial instruments have previously been used for hedging. As of the balance sheet date, the Company does not hold any derivative instruments.

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into, and subsequently re-measured at their fair value at each reporting date. The resulting gain or loss is recognised in the SCI immediately. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

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 SCI 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. 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 73 weeks to 31 December 2016.

The Company had no employees in 2016 or 2017.

3. AUDIT FEES

The auditor's remuneration was borne by another group company and not recharged.

Audit fees in respect of the audit of these financial statements were £6,130 (2016: £4,000).

4. 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.

5. 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.

6. FINANCE INCOME

	Year ended 31 December 2017 £000	8 August 2015 to 31 December 2016 £000
Foreign exchange gains	4	13

7. FINANCE COSTS

	Year ended 31 December 2017 £000	8 August 2015 to 31 December 2016 £000
Interest payable on shareholder loan (note 16)	24,970	25,377
Interest payable on other loan (note 16)	1,591	-
Net loss on financial instruments designated as fair value through profit or loss	284	-
Fees payable on the loans	91	-
Total finance costs	**26,936**	**25,377**

8. INCOME TAX

a) Amounts recognised in the Statement of Comprehensive Income

	Year ended 31 December 2017 £000	8 August 2015 to 31 December 2016 £000
Tax		
Tax per Statement of Comprehensive Income	-	-

b) Reconciliation of effective tax rate

	Year ended 31 December 2017 £000	8 August 2015 to 31 December 2016 £000
Loss on ordinary activities before taxation	**(25,817)**	**(25,364)**
Tax on loss on ordinary activities at standard UK corporation tax rate of 19.25% (2016: 20.00%)	(4,969)	(5,072)
Effects of:		
Expenses not deductible	1,452	5,075
Income not taxable	(218)	-
Effects of group relief/other reliefs	3,735	(3)
Tax charge for the period	-	-

9. INVESTMENTS

	£000
Subsidiary undertakings	
At 31 December 2016	466,606
Acquisition of shares in subsidiary	155,225
Foreign exchange on retranslation	16,898
At 31 December 2017	**638,729**

Name	Country of incorporation	Principal activity	Ordinary share holding %
Simon Bidco Limited[3]	UK	Holding company	100*
Hansa Holdco Limited[1]	UK	Holding company	100
Pofidax Oy[2]	Finland	Holding company	100
Metis Bidco Limited	UK	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.

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

[2]On 1 November 2017, Pofidax Oy was acquired.

[3]During the year, Simon Midco Limited received a dividend of £1,131,185 from Simon Bidco Limited.

10. OTHER RECEIVABLES

	31 December 2017 £000	31 December 2016 £000
Current		
Amounts owed from group undertakings (see note 16)	2,038	2,038
	2,038	**2,038**

11. CAPITAL AND RESERVES

Share Capital

	31 December £000
Allotted	
734,780,558 Ordinary shares of €0.01 each	5,482
627,111,763 Preference shares of €0.01 each	4,678
As at 31 December 2016 and 31 December 2017	**10,160**

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 per share.

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

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

On 23 October 2015, the Company issued 734,779,658 ordinary shares with a nominal value of €0.01 per share. On this date the Company also issued 627,110,763 preference shares at €0.01 per share.

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

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.

11. CAPITAL AND RESERVES (continued)

Voting (continued)

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.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements to presentational currency.

SIMON MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2017

12. BORROWINGS

	31 December 2017 £000	31 December 2016 £000
Non-current borrowings		
Shareholder loan owed to Garfunkelux Holdco 3 S.A. (note 16)	284,382	250,038
Other loan (note 16)	156,138	-
Prepaid costs on borrowings	(2,062)	-
Total non-current borrowings	**438,458**	**250,038**
Current borrowings		
Interest accrued on other loans (note 16)	466	-
Total current borrowings	**466**	**-**
Total borrowings	**438,924**	**250,038**

The Company entered into a loan facility in October 2015 for €260.4m with Group undertaking Garfunkelux Holdco 3 S.A.. The loan has an interest rate of 9.7614% (2016: 9.829%) and has a maturity date that falls six months following the maturity of the £230m Senior Notes issued by Garfunkelux Holdco 3 S.A., a related group undertaking, or the date of the last maturing of any outstanding senior debt of the Group.

The Company entered into a loan facility in September 2017 for €176.0m with Group undertaking Garfunkelux Holdco 3 S.A.. The loan has an interest rate of 3.56% and has a maturity date of 1 September 2023.

13. OTHER PAYABLES

	31 December 2017 £000	31 December 2016 £000
Current		
Amounts owed to group undertakings (note 16)	3,154	2,038
Other payables	126	-
	3,280	**2,038**

14. 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	2	-
Assets classified as loans & receivables:		
Other receivables	2,038	2,038
Financial liabilities		
Liabilities held at amortised cost:		
Borrowings	438,924	250,038
Other payables	3,280	2,038
Liabilities held at fair value:		
Derivatives	286	-

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**

14. FINANCIAL INSTRUMENTS (continued)

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

As at 31 December 2017

	Weighted average interest rate	Carrying amount	Contractual cash flows	0-6 months	6-12 months	1-5 years	Over 5 years
	%	£000	£000	£000	£000	£000	£000
Shareholder loan	9.7614	284,382	284,382	-	-	-	284,382
Other loan	3.56	156,604	188,550	2,797	2,826	22,558	160,369
Other payables	-	3,280	3,280	3,280	-	-	-
Total liabilities		**444,266**	**476,212**	**6,077**	**2,826**	**22,558**	**444,751**

As at 31 December 2016

	Weighted average interest rate	Carrying amount	Contractual cash flows	0-6 months	6-12 months	1-5 years	Over 5 years
	%	£000	£000	£000	£000	£000	£000
Shareholder loan	9.8290	250,038	250,038	-	-	-	250,038
Other payables	-	2,038	2,038	2,038	-	-	-
Total liabilities		**252,076**	**252,076**	**2,038**	-	-	**250,038**

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 MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2017

15. NOTE TO THE STATEMENT OF CASHFLOWS

	Note	Shareholder loan £000	Other loan £000	Prepaid costs £000	Total £000
Balance at 31 December 2016	12	**250,038**	**-**	**-**	**250,038**
Changes from financing cash flows					
Interest paid		-	(1,114)	-	(1,114)
Total changes from financing cash flows		**-**	**(1,114)**	**-**	**(1,114)**
The effect of changes in foreign exchange rates		**9,374**	**1,045**	**-**	**10,419**
Changes from liabilities					
Interest expense	7	24,970	1,591	-	26,561
Capitalised borrowing costs		-	-	(2,153)	(2,153)
Prepaid cost release	7	-	-	91	91
Increase in loans and borrowings		-	155,082	-	155,082
Total liability related changes		**24,970**	**156,673**	**(2,062)**	**179,581**
Balance at 31 December 2017	12	**284,382**	**156,604**	**(2,062)**	**438,294**

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 2017 £000**	**31 December 2016 £000**
Balances with immediate parent		
Simon Holdco Limited (Note A) (note 10)	2,038	2,038
Balances with an intermediate parent		
Shareholder loan principal with Garfunkelux Holdco 3 S.A. (see note 12)	(278,492)	(244,824)
Shareholder loan interest with Garfunkelux Holdco 3 S.A. (see note 12)	(5,890)	(5,214)
Other loan principal with Garfunkelux Holdco 3 S.A. (see note 12)	(156,138)	-
Other loan interest with Garfunkelux Holdco 3 S.A. (see note 12)	(466)	-
Balances with subsidiary undertaking		
Simon Bidco Limited (Note A) (note 13)	(3,154)	(2,038)
Expenses recharged from Metis Bidco Limited (trading) (Note A)	(2)	-

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

Transactions with related parties	**Year ended 31 December 2017 £000**	**8 August 2015 to 31 December 2016 £000**
Transactions with an intermediate parent		
Shareholder loan interest charge on loan with Garfunkelux Holdco 3 S.A. (note 7)	(24,970)	(25,377)
Other loan interest charge on loan with Garfunkelux Holdco 3 S.A. (note 7)	(1,591)	-
Transactions with subsidiary undertaking		
Dividend received from Simon Bidco Limited (note 9)	1,131	-

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.

18. 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 €749 million. 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.