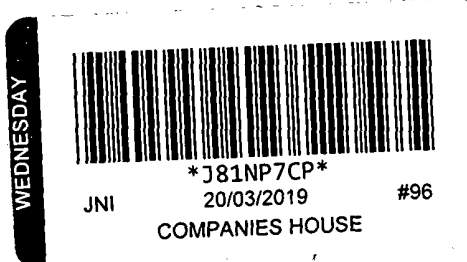


**Strategic Report, Directors' Report and
Financial Statements for the Period 1 January 2017 to 31 March 2018**
for
Kondor Bidco Limited



**Contents of the Financial Statements
for the Period 1 January 2017 to 31 March 2018**

	Page
Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

**Company Information
for the Period 1 January 2017 to 31 March 2018**

DIRECTORS:

G P O'Keeffe
P W Bryan
R Hinds
S Casey
T D Griffin

REGISTERED OFFICE:

Technology House
Magnesium Way
Hapton
Burnley
BB12 7BF

REGISTERED NUMBER:

08881850 (England and Wales)

AUDITORS:

KPMG, Chartered Accountants
1 Stokes Place
St Stephens Green
Dublin 2

**Strategic Report
for the Period 1 January 2017 to 31 March 2018**

The directors present their strategic report for the period 1 January 2017 to 31 March 2018.

STRATEGIC MANAGEMENT

The principal activity of the Company throughout the period was to act as an investment holding company and to hold the external debt of the Kondor Holdco Limited group of companies. The Company does not trade and employs no staff.

BUSINESS ENVIRONMENT

Since the Company has no operating activities, the directors perceive the only material business risks to be the recoverability of amounts invested in and advanced to subsidiaries within the Kondor Holdco Group together with holding of the Group's term debt and the associated interest rate and financial covenants. The Company manages its exposure to interest rate fluctuations on its variable rate by monitoring LIBOR/EURIBOR fluctuations and taking out derivatives contracts to manage risk.

As an investment holding and financing company, the Company's principal risks and uncertainties are directly related to the Kondor Holdco Group and these risks are discussed within the accounts of Kondor Holdco Limited and details of how to obtain these accounts can be found in note 13.

BUSINESS PERFORMANCE

The directors have determined that loss before tax and net liabilities are the most appropriate key performance indicators (KPI's) for an understanding of the development, performance and position of the Company. The results for the Company show a loss of £8,445,000 for the period (2016: £8,469,000) and net liabilities of £27,427,000 as at 31 March 2018 (2016: £18,982,000). This is in line with expectations and the directors are satisfied with the performance and position of the Company.

POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, on 14 May 2018, ultimate control of the business was passed from HIG Europe Partners LLP to Exertis (UK) Limited, a wholly owned subsidiary of DCC plc, by virtue of its acquisition of 100% of the share capital of Kondor Holdco Limited, the parent company of Kondor Bidco Limited. On acquisition, obligations related to shareholder and third party loan notes were settled resulting in the removal of financial covenants.

ON BEHALF OF THE BOARD:



R Hinds - Director

20 March 2019

**Directors' Report
for the Period 1 January 2017 to 31 March 2018**

The directors present their report with the financial statements of the Company for the period 1 January 2017 to 31 March 2018.

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2018 (2016: £Nil).

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors who have held office during the period from 1 January 2017 to the date of this report are as follows:

Dr B M V Lafon - appointed 7 March 2017

R Haycock - resigned 7 March 2017

C M S Harring - appointed 7 August 2017

G P O'Keeffe, P W Bryan, R Hinds, S Casey and T D Griffin were appointed as directors after 31 March 2018 but prior to the date of this report.

A S Mills, Dr B M V Lafon, C M S Harring, C Moher and Dr J G Mitchell ceased to be directors after 31 March 2018 but prior to the date of this report.

GOING CONCERN

In adopting the going concern basis for preparing the financial statements, the directors have considered the principal activities as well as the business risks as set out on page 2.

The Company made a loss of £8,445,000 in the period to 31 March 2018 (2016: loss of £8,469,000) and at the balance sheet date had net current liabilities of £41,823,000 (2016: £13,926,000).

As disclosed in the Post Balance Sheet Event note, in May 2018 ultimate control of the business was passed from HIG to Exertis, a subsidiary of the DCC Group of companies. On acquisition, obligations related to shareholder loan notes, third party loans and the revolving credit facility were settled resulting in the removal of financial covenants over business performance (as set out in note 15).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

KPMG LLP resigned as auditors subsequent to the period end and, pursuant to Section 485 of the Companies Act 2006, KPMG Chartered Accountants were appointed.

The auditors, KPMG, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



R Hinds - Director

20 March 2019

**Statement of Directors' Responsibilities
for the Period 1 January 2017 to 31 March 2018**

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 either 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls 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 Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ON BEHALF OF THE BOARD:



R Hinds - Director

20 March 2019



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KONDOR BIDCO LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kondor Bidco Limited ('the Company') for the period ended 31 March 2018 set out on pages 7 to 17, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.



Other information

The directors are responsible for the other information presented in the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. 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.

Based solely on our work on the other information;

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page X, 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 for the audit of the financial statements

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 error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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

Our 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.

A handwritten signature in black ink, appearing to be 'Colm O'Sé', written over a large, stylized 'Q' or 'O'.

**Colm O'Sé (Senior Statutory Auditor)
for and on behalf of
KPMG**

20 March 2019

**Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephens Green
Dublin 2**

**Statement of Comprehensive Income
for the Period 1 January 2017 to 31 March 2018**

	Notes	Period 1/1/17 to 31/3/18 £'000	Year Ended 31/12/16 £'000
Administrative expenses		<u>935</u>	<u>788</u>
OPERATING LOSS	3	(935)	(788)
Interest payable and similar charges	4	<u>(7,510)</u>	<u>(7,681)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,445)	(8,469)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD OTHER COMPREHENSIVE INCOME		(8,445)	(8,469)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(8,445)</u>	<u>(8,469)</u>

The notes form part of these financial statements

**Statement of Comprehensive Income
for the Period 1 January 2017 to 31 March 2018**

	Notes	Period 1/1/17 to 31/3/18 £'000	Year Ended 31/12/16 £'000
Administrative expenses		<u>935</u>	<u>788</u>
OPERATING LOSS	3	(935)	(788)
Interest payable and similar charges	4	<u>(7,510)</u>	<u>(7,681)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,445)	(8,469)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD OTHER COMPREHENSIVE INCOME		(8,445)	(8,469)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(8,445)</u>	<u>(8,469)</u>

The notes form part of these financial statements

Kondor Bidco Limited (Registered number: 08881850)

Balance Sheet
As at 31 March 2018

		31 March 2018		31 December 2016	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	6		51,832		51,832
CURRENT ASSETS					
Debtors	7	19		5,047	
CREDITORS					
Amounts falling due within one year	8	<u>41,842</u>		<u>18,973</u>	
NET CURRENT LIABILITIES			<u>(41,823)</u>		<u>(13,926)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,009		37,906
CREDITORS					
Amounts falling due after more than one year	9		<u>(37,436)</u>		<u>(56,888)</u>
NET LIABILITIES			<u>(27,427)</u>		<u>(18,982)</u>
CAPITAL AND RESERVES					
Called up share capital	11				
Retained earnings	12		<u>(27,427)</u>		<u>(18,982)</u>
SHAREHOLDERS' FUNDS			<u>(27,427)</u>		<u>(18,982)</u>

The financial statements were approved by the Board of Directors on 19 March 2019 and were signed on its behalf by:



R Hinds - Director

The notes form part of these financial statements

Kondor Bidco Limited**Statement of Changes in Equity
for the Period 1 January 2017 to 31 March 2018**

	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016	(10,513)	(10,513)
Changes in equity		
Total comprehensive income	<u>(8,469)</u>	<u>(8,469)</u>
Balance at 31 December 2016	<u>(18,982)</u>	<u>(18,982)</u>
Changes in equity		
Total comprehensive income	<u>(8,445)</u>	<u>(8,445)</u>
Balance at 31 March 2018	<u><u>(27,427)</u></u>	<u><u>(27,427)</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Period 1 January 2017 to 31 March 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Kondor Bidco Limited is a private company incorporated, domiciled and registered in the UK. The registered number is 08881850 and the registered address is:

Technology House
Magnesium Way
Hapton
Burnley
BB12 7BF

These financial statements were prepared in accordance with Financial Reporting Standard 102 (The Financial Reporting Standard) applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Preparation of consolidated financial statements

The Company's ultimate parent undertaking, Kondor Holdco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Kondor Holdco Limited are available to the public and may be obtained from the address specified in note 14 of these financial statements. In these financial statements, the company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes
- Key management personnel compensation; and
- Reconciliation of the number of shares outstanding from the beginning to the end of the period.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

In adopting the going concern basis for preparing the financial statements, the directors have considered the principal activities as well as the business risks as set out on pages 2 to 4.

The Company made a loss of £8,445,000 in the period to 31 March 2018 (2016: loss of £8,469,000) and at the balance sheet date had net current liabilities of £41,823,000 (2016: £13,926,000).

As disclosed in the Post Balance Sheet Event note, in May 2018 ultimate control of the business was passed from IIG to Exertis (UK) Limited, a subsidiary of DCC plc. On acquisition, obligations related to shareholder loan notes, third party loans and the revolving credit facility were settled in exchange for a loan advanced by Exertis (UK) Limited resulting in the removal of financial covenants over business performance. DCC plc has confirmed that it will not seek repayment of the loans advanced for a period of at least 12 months from the date of signing of these financial statements.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**Notes to the Financial Statements - continued
for the Period 1 January 2017 to 31 March 2018**

1. ACCOUNTING POLICIES - continued

Receivables

Receivables represent assets for goods and services provided by the Company prior to the end of financial year which are outstanding. They are classified as current assets if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets. Trade and other receivables are recognised at fair value.

Cash

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

2. STAFF COSTS

There were no staff costs for the period ended 31 March 2018 nor for the year ended 31 December 2016.

3. OPERATING LOSS

The operating loss is stated after charging:

	Period 1/1/17 to 31/3/18 £'000	Year Ended 31/12/16 £'000
Auditor's remuneration	<u>5</u>	<u>5</u>

	Period 1/1/17 to 31/3/18 £	Year Ended 31/12/16 £
Directors' remuneration	<u>-</u>	<u>-</u>

The auditor's remuneration for the current period of £5,000 (2016: £5,000) has been settled by Kondor Limited, another Group company in the year. Fees payable to Company's auditor for services other than the statutory audit of the Company are disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent.

No staff are employed by the Company apart from the directors. The directors received no remuneration from the Company during the period and are paid by other group undertakings. None of the directors received remuneration for their services to the Company as the services provided to the Company are incidental to their wider role in the Group.

Notes to the Financial Statements - continued
for the Period 1 January 2017 to 31 March 2018

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1/1/17 to 31/3/18 £'000	Year Ended 31/12/16 £'000
Other interest payable	3,132	2,303
Interest on bank borrowings	4,151	3,438
Unwinding of discount on deferred consideration	-	80
FX Loss on Loan Notes	227	1,860
	<u>7,510</u>	<u>7,681</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period ended 31 March 2018 nor for the year ended 31 December 2016.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/1/17 to 31/3/18 £'000	Year Ended 31/12/16 £'000
Loss on ordinary activities before tax	<u>(8,445)</u>	<u>(8,469)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	(1,626)	(1,694)
Effects of:		
Expenses not deductible for tax purposes	786	-
Group relief surrendered for no charge	<u>840</u>	<u>1,694</u>
Total tax charge	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Period 1 January 2017 to 31 March 2018

6. **FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £000
Cost	
At beginning of year	<u>51,832</u>
At end of year	<u>51,832</u>
Net book value	
At 31 March 2018	<u>51,832</u>
At 31 December 2016	<u>51,832</u>

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows for the current and prior years:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2018 2016		Principal activity	Registered Address
Kondor Limited	United Kingdom	Ordinary Shares	100%	100%	Sale of mobile phone accessories	Technology House, Magnesium Way, Hapton, Burnley, BB12 7BF
Kondor Asia Limited	Hong Kong	Ordinary Shares	100%*	100%*	Sale of mobile phone accessories	Kondor Asia Limited RM 2, 8/F Officeplus at Wan Chai, 303 Hennessy Road, Wanchai, Hong Kong
Middleseries Limited	United Kingdom	Ordinary Shares	100%*	100%	Dormant company	Technology House, Magnesium Way, Hapton, Burnley, BB12 7BF

* held via a subsidiary undertaking

On 14 March 2014, the Company acquired 100% of the ordinary share capital of Kondor Limited for consideration of £57,460,000.

The Directors have assessed the recoverable value of the investment in Kondor Limited and its subsidiaries and are satisfied that it is not less than the carrying amount above.

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £'000	2016 £'000
Amounts owed by group undertakings	-	5,047
VAT	<u>19</u>	<u>-</u>
	<u>19</u>	<u>5,047</u>

Notes to the Financial Statements - continued
for the Period 1 January 2017 to 31 March 2018

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2016
	£'000	£'000
Bank loans and overdrafts (see note 10)	41,842	17,005
Loan notes (note 10)	-	1,158
Accruals and deferred income	-	810
	<u>41,842</u>	<u>18,973</u>

Overdraft facility

Security was held at the reporting date by The Royal Bank of Scotland Plc in the following forms;

- a first fixed charge over the:
- Intellectual Property;
- Goodwill (both present and future);
- Book Debts;
- Book Balances;
- Insurance Policies;
- of Kondor Limited.
- a floating charge on all property assets of Kondor Limited and its undertakings.

All security was released following the repayment of all debt subsequent to the reporting date.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2016
	£'000	£'000
Amounts owed to group undertakings	37,436	29,923
Bank loans	-	26,965
	<u>37,436</u>	<u>56,888</u>

Notes to the Financial Statements - continued
for the Period 1 January 2017 to 31 March 2018

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

All amounts falling due after more than one year were settled in full on Exertis (UK) Limited's acquisition of the group. All liabilities have been classified as current liabilities at the Balance Sheet date.

Interest was payable with the following terms on the following tranches:

Tranche of Debt	Carrying Amount (GBP Equivalent)	Original Principal Amount (GBP Equivalent)	Year of final maturity	Nominal interest rate	Cash paid rate	Payment in kind rate
Series A1 Notes (GBP)	£11,468,000	£15,333,000	2020	LIBOR	5.25%	-
Series A2 Notes (EUR)	£6,351,000	£7,667,000	2020	EURIBOR	5.25%	-
Series B1 Notes (GBP)	£5,269,000	£4,667,000	2020	-	10%	3%
Series B2 Notes (EUR)	£2,765,000	£2,333,000	2020	-	10%	3%
	£25,853,000	£30,000,000				

a) On 14 March 2014, the Company entered into unsecured bank loans for the total principal value of £30,000,000. As at 31 March 2018, the balance reflects foreign exchange losses of £528,000 (2016: loss of £293,000), repayments of £5,572,000 have been deducted (2016: £2,572,000) and the accrued PIK note balance on the Series B1 and B2 Notes was £895,000 (2016: £600,000).

b) On 14 March 2014, the Company issued unsecured loan notes to Kondor Midco Limited. All loan notes accrue interest in the form of PIK notes to be paid as and when the principal is repaid. As at 31 March 2018, the accrued PIK note balance on the shareholder loan notes was £9,132,000 (2016: £6,000,000).

Debt in respect of bank loans can be analysed as falling due:

	2018 £000	2016 £000
In one year or less	25,853	1,158
Between two and five years	-	26,965
In more than five years	-	-
	<u>25,853</u>	<u>28,123</u>

Debt related arrangement fees of £666,000 were initially deducted from the liabilities on initial recognition, and these have been fully amortised (2016: amortised by £468,000).

10. LOANS

An analysis of the maturity of loans is given below:

	2018 £'000	2016 £'000
Amounts falling due within one year or on demand:		
Bank overdrafts	14,940	17,005
Other loans	<u>26,902</u>	-
	<u>41,842</u>	<u>17,005</u>

**Notes to the Financial Statements - continued
for the Period 1 January 2017 to 31 March 2018**

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018 £	2016 £
Number:	Class:			
1	Ordinary	£1	<u>1</u>	<u>1</u>

12. RESERVES

	Retained earnings £'000
At 1 January 2017	(18,982)
Deficit for the period	<u>(8,445)</u>
At 31 March 2018	<u>(27,427)</u>

13. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking as at the Balance Sheet date was Kondor Midco Limited (Registered address: Kondor Headquarters, Christchurch Business Park, Christchurch, Dorset, BH23 4FL, United Kingdom).

The ultimate parent undertaking was Kondor Holdco Limited, which was the parent undertaking of the largest group to consolidate these financial statements. Copies of Kondor Holdco Limited consolidated financial statements can be obtained from Technology House, Magnesium Way, Hapton, Burnley, BB12 7BF.

The ultimate controlling party was H.I.G. Luxembourg Holdings 39 S.A.R.L which held 70% of the ordinary share capital of Kondor Holdco Limited.

Note 15 refers to a change in ultimate control after the balance sheet date.

Notes to the Financial Statements - continued
for the Period 1 January 2017 to 31 March 2018

14. RELATED PARTY DISCLOSURES

Related party transactions in the period are detailed below:

Related Party	Connection	Interest and charges £000	Amounts owed to related party £000
At 31 March 2018:			
The Prudential Insurance Company of America and Pricoa Capital Group	Minority shareholders of the ultimate parent undertaking Shareholder of the ultimate parent undertaking	7,008	25,853
H.I.G Luxembourg Holdings 39 S.A.R.L.	Minority shareholders of the ultimate parent undertaking	875	525
		<u>7,883</u>	<u>26,378</u>
At 31 December 2016:			
The Prudential Insurance Company of America and Pricoa Capital Group	Minority shareholders of the ultimate parent undertaking Shareholder of the ultimate parent undertaking	6,010	27,760
H.I.G Luxembourg Holdings 39 S.A.R.L.	Minority shareholders of the ultimate parent undertaking	700	350
		<u>6,710</u>	<u>28,110</u>

During the period, the Company incurred £875,000 in management charges to H.I.G Luxembourg Holdings 39 S.A.R.L., on behalf of the Group (2016: £700,000).

During the period, the Company was charged interest of £3,953,000 on a balance owed to The Prudential Insurance Company of America and Pricoa Capital Group and made repayments totalling £2,999,000. This relates to the bank loans disclosed in Note 9.

15. POST BALANCE SHEET EVENTS

On 15 May 2018, ultimate control of Kondor Holdco Limited, and its subsidiaries, was passed from HIG Europe Partners LLP to Exertis (UK) Limited ("the Purchasers") by virtue of the DCC Group's acquisition of 100% of the share capital of Kondor Holdco Limited.