

Jupiter Midco 2 Limited

Annual report and financial statements

For the year ended 31 December 2017

Registered number: 10238800



Jupiter Midco 2 Limited

Contents

	Page
Strategic report	1
Directors' report	3
Income statement	4
Balance sheet	4
Statement of changes in equity	6
Notes to the financial statements	7
– Appendix 1 Related undertaking disclosure	22

Jupiter Midco 2 Limited

Company information

Company registration number:	10238800
Registered office:	Charta House 30-38 Church Street Staines-Upon-Thames Middlesex England TW18 4EP
Directors:	Ayal Zylberman Chris Wilmot
Auditors:	PricewaterhouseCoopers LLP 1 Embankment Place London England WC2N 6RH
Solicitors:	Travers Smith 10 Snow Hill London England EC1A 2AL
Bankers:	Silicon Valley Bank Alphabeta 14-18 Finsbury Square London England EC2A 1BR

Jupiter Midco 2 Limited

Strategic report

Review of the business

Jupiter Midco 2 Limited (the Company) was incorporated on 17 June 2016 as a holding company and forms part of the Jupiter Topco Limited Group. Since its incorporation the Company has held equity and debt in Jupiter Holdco Limited. The Company receives interest from Jupiter Holdco Limited and is charged interest by Jupiter Midco 1 Limited on preference shares as described in these financial statements.

Key performance indicators

The company was established to hold equity and debt instruments in Jupiter Holdco Limited. It is expected that over time debt will generate returns in the form of interest on preference shares. The Company also pays interest on preference shares which the Company issued to Jupiter Midco 1 Limited on 27 September 2016. The board therefore monitors interest received and paid by the Company.

	\$'000
Interest received	3,562
Interest paid	3,799

Principal risks and uncertainties

The Company's subsidiaries deliver software testing services across a variety of different market sectors and geographic locations including Europe, North America, Asia and the Middle East. This diversification cannot fully prevent the Company's subsidiaries from being affected by economic factors in each of the sectors or geographic regions. This could have a negative impact on the return to the Company's shareholders.

Financial risk management

The financial risks to the Company stem from the performance and management of the Company's subsidiaries. The Directors monitor the management, performance and risks facing the Company's subsidiaries.

The Group uses various financial instruments. These include loans, cash, overdraft facilities and various items such as accounts receivable and accounts payable that arise directly from its operations. The purpose of these financial instruments is to facilitate the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are market risk, currency risk, liquidity risk, interest rate risk and credit risk. The Group's policies for managing each of these risks are summarised below.

Jupiter Midco 2 Limited

Strategic report

Market risk

Market risk encompasses two types of risk: being fair value interest rate risk and currency risk. The Group's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled 'interest rate risk' below.

Currency risk

The Group trades mainly in US Dollars, Israeli New Shekels and British Pounds. Although there are no structural foreign exchanges instruments used to hedge the Group's exposure, the Group's operations have natural hedges due to revenues and costs generally being in the same currency.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitability.

Interest rate risk

The Group finances its operations through a mixture of retained profits, parent and third-party borrowings.

Credit risk

The Group's principal financial assets are cash and accounts receivable. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by the international credit rating agencies. The principal credit risk arises therefore from its accounts receivable. However, credit risk is minimal due to the nature of the clients and sectors in which the group companies operate and the services provided.

Future developments

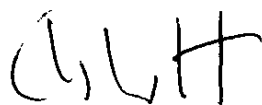
It is expected that the Company will continue to operate as a holding company with no operational activities for the foreseeable future.

Events after the balance sheet date

There have been no reportable events after the balance sheet date.

Approval

Approved by the Board and signed on its behalf by:



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Chris Wilmot

Director

September 2018

Charta House
30-38 Church Street
Staines-Upon-Thames
Middlesex
England
TW18 4EP

Jupiter Midco 2 Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statement, for the Period ended 31 December 2017.

Directors of the Company

The directors who served throughout the period, and to the date of this report, except as noted were as follows:

Ayal Zylberman

Sanjay Jawa (appointed January 24th, 2017, resigned on May 9th, 2018)

Chris Wilmot (appointed on May 8th, 2018)

Results and Dividends

The loss for the period after taxation amounted to \$238. The directors do not recommend the payment of a dividend.

Financial risk management objectives and policies

The Company's financial risk management objectives and policies of the company have been discussed in the Strategic Report.

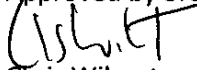
Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

During the period ended December 2017 the Company made a loss for the financial year of \$238k. As a result, the Company remains in a net asset position. The company is however in net current liability position of \$2k. This relates to amounts owed to Group entities. The directors have received a letter of support from the directors of the Jupiter Topco Limited, a parent undertaking, confirming that the Group will continue to provide the necessary resources to Jupiter Midco 2 Limited so that it can continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies in the financial statements.

Approved by order of the board and on its behalf by:


Chris Wilmot

Director

28 September 2018

Charta House
30-38 Church Street
Staines-Upon-Thames
Middlesex
England
TW18 4EP

Jupiter Midco 2 Limited

Balance sheet

As at 31 December 2017

	Note	Year Ended 2017 \$'000	Period Ended 2016 \$'000
Non-current assets			
Investments in subsidiaries	8	3,099	3,099
Other investments	9	29,679	29,679
Trade and other receivables	10	4,489	927
		<u>37,267</u>	<u>33,705</u>
Current assets			
Trade and other receivables	10	325	325
		<u>37,592</u>	<u>34,030</u>
Total assets			
		<u>37,592</u>	<u>34,030</u>
Current liabilities			
Trade and other payables	11	327	327
		<u>37,265</u>	<u>33,703</u>
Total assets less current liabilities			
		<u>37,265</u>	<u>33,703</u>
Non-current liabilities			
Trade and other payables	11	4,789	989
Borrowings	12	31,662	31,662
		<u>36,451</u>	<u>32,651</u>
Total liabilities		<u>36,778</u>	<u>32,978</u>
Net assets		<u>814</u>	<u>1,052</u>

Jupiter Midco 2 Limited

Balance sheet

As at 31 December 2017

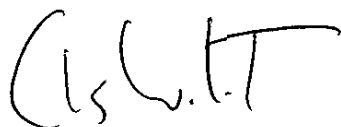
		Year Ended 2017 \$000's	Period Ended 2016 \$'000
Equity			
Called Up Share capital	13	1,116	1,116
Accumulated Losses		(302)	(64)
Equity attributable to owners of the Company		<u>814</u>	<u>(1,052)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The shareholders have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Jupiter Holdco Limited (registered number 10238811) were approved by the board of directors and authorised for issue on 28 September 2018. They were signed on its behalf by:



Director

Chris Wilmot

Jupiter Midco 2 Limited

Statement of changes in equity

For the year ended 31 December 2017

	Share capital \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 17 June 2016	-	-	-
Loss for the period	-	(64)	(64)
Total comprehensive loss for the period	-	(64)	(64)
Issue of share capital	1,116	-	1,116
Balance at 31 December 2016	<u>1,116</u>	<u>(64)</u>	<u>1,052</u>

	Share capital \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2017	1,116	(64)	1,052
Loss for the financial period	-	(238)	(238)
Total comprehensive loss for the period	-	(238)	(238)
Issue of share capital	-	-	-
Balance at 31 December 2017	<u>1,116</u>	<u>(302)</u>	<u>814</u>

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

1. General information

Jupiter Midco 2 Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on the Company information page.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

These financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt under s400 of the Companies Act 2006 from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Jupiter Topco Limited. The group accounts of Jupiter Topco Limited are available to the public and can be obtained as set out in note 17. The registered office address of the parent company preparing consolidated accounts is Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. The financial statements have therefore been prepared in accordance with FRS 101.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

Going concern

The financial statements have been prepared using the going concern basis of accounting. Further details can be found in the Directors Report on page 3.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Investment revenue

The Company receives Interest income in the form of interest on preference shares in Jupiter Midco 2 Limited and this is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the nominal value of the shares and the relevant interest rate.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

2. Significant accounting policies (continued)

Foreign currencies

The financial statements are presented in US Dollars, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

2. Significant accounting policies (continued)

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. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest 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.

Impairment of financial assets

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

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

3. Employees

During the period there were no employees (2016: no employees).

4. Auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP is zero.

Fees payable to PricewaterhouseCoopers LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

5. Tax on loss

	Year ended 2017 \$'000	Period ended 2016 \$'000
Current tax		
Current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax credit on loss on ordinary activities	-	-

UK corporation tax is calculated at 20.0% of the estimated assessable profit for the year. The tax credit for the year can be reconciled to the loss before tax in the Income Statement as follows:

	Year ended 2017 \$'000	Period ended 2016 \$'000
Loss before taxation	(238)	(64)
Loss before taxation multiplied by standard rate of tax – 19.25%	(46)	(13)
<i>Effects of:</i>		
Non-recognition of losses	46	13
Tax credit for the year	-	-

Reductions to the corporation tax rate to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were substantively enacted as at 31 December 2016. This will reduce future current tax charges accordingly.

There is a deferred tax asset of \$13k which has not been recognised due to the uncertainty of generating future taxable profits.

6. Investments

	\$'000
Cost	
At 18 June 2016	-
Additions	3,099
At 31 December 2016	3,099
Carrying amount	
At 31 December 2016	3,099

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

8. Subsidiaries (continued)

	\$'000
Cost	
At 1 January 2017	3,099
Additions	-
	<hr/>
At 31 December 2017	3,099
	<hr/>
Carrying amount	
At 31 December 2017	3,099
	<hr/>

Appendix 1 at page 27 includes details of all related undertakings and forms part of these financial statements.

7. Other investments

	Year Ended 2017 \$'000	Period Ended 2016 \$'000
Loans receivable carried at amortised cost		
Loans to related parties	29,679	29,679
	<hr/>	<hr/>
Total investments	29,679	29,679
	<hr/>	<hr/>

The above balance relates to preference shares held in Jupiter Holdco Limited, a wholly owned subsidiary of the Company. Interest is payable on these preference shares at a rate of 12% per annum. These shares do not carry voting rights. If Jupiter Holdco Limited was to be liquidated, repayment of the preference shares to the owners and the related accrued interest is prioritised over payments to equity shareholders. Jupiter Holdco Limited may redeem these shares at any time on not less than 25 business days' notice in writing to the holders of the Preference Shares. Jupiter Holdco Limited shall redeem all of the Preference Shares in issue immediately to an Exit or Default Event. On redemption, the holders will be paid 100% of the issue price and any accrued and/or unpaid preference dividends.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

10. Trade and other receivables

	Year Ended 2017 \$'000	Period Ended 2016 \$'000
Trade and other receivables due within 12 months:		
Amounts owed by group undertakings	325	325
Trade and other receivables due after more than one year:		
Amounts owed by group undertakings	4,489	927
	<u>4,814</u>	<u>1,252</u>

The above balance is owed by Jupiter Holdco Limited, a wholly owned subsidiary of the Company. Amounts due after more than 1 year relate to accrued interest on preference shares in Jupiter Holdco Limited as described in note 9.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

11. Trade and other payables

	Year Ended 2017 \$'000	Period Ended 2016 \$'000
Trade and other payables due within 12 months:		
Amounts owed to group undertakings	327	327
Trade and other payables due after more than one year:		
Amounts owed to group undertakings	4,789	989
	<u>5,116</u>	<u>1,316</u>

The above balance is owed to Jupiter Midco 1 Limited, the parent company of Jupiter Midco 2 Limited.

12. Borrowings

	Year Ended 2017 \$'000	Period Ended 2016 \$'000
Unsecured borrowing		
Amounts owed to group undertakings	<u>31,662</u>	<u>31,662</u>

The above balance is owed to Jupiter Midco 1 Limited, the parent of the Company, in the form of preference shares. Interest is payable on these preference shares at a rate of 12% per annum. If the company were to be liquidated, repayment of the preference shares to the owners and the related accrued interest is prioritised over payments to equity shareholders.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

13. Called Up Share capital

	Year Ended 2017 \$'000	Period Ended 2016 \$'000
Issued and fully paid:		
966,329 A ordinary shares (2016:966,329) of \$1 each	966	966
150,000 B ordinary shares (2016:150,000) of \$1 each	150	150
	<hr/>	<hr/>
	1,116	1,116
	<hr/>	<hr/>

A Ordinary Shares carry 1 voting right each whereas B Ordinary Shares do not entitle the owner to any voting rights.

Additionally, the Company has authorised, issued and fully paid \$31.7 million redeemable cumulative preference shares of \$1 each classified as liabilities. These shares do not carry voting rights. Further details are provided in note 12. The Company may redeem these shares at any time on not less than 25 business days' notice in writing to the holders of the Preference Shares. The Company shall redeem all of the Preference Shares in issue immediately to an Exit or Default Event. On redemption, the holders will be paid 100% of the issue price and any accrued and/or unpaid preference dividends.

14. Contingent Liabilities

A charge was placed on the company and its assets by two banks on 27th September 2016. This was as part of an agreement with Jupiter Midco 1 Limited, Jupiter Midco 2 Limited, Jupiter Holdco Limited and Jupiter Bidco Limited whom accepted borrowings from two banks to fund an acquisition. The charge is held as a security by the bank until all the above parties have settled their obligations to the bank.

15. Directors' remuneration

The directors of Jupiter Midco 2 Limited have been remunerated by Qualitest Limited for their services to the group as a whole with no recharge made. The charge has been deemed to be immaterial hence no recharge has been made.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

16. Related party transactions

Transactions

During the period, the Company entered into the following transactions with related parties:

	Interest received	Interest paid
	Period Ended 2016 \$'000	Period Ended 2016 \$'000
Jupiter Holdco Limited	927	-
Jupiter Midco 1 Limited	-	989
	<u> </u>	<u> </u>

	Interest received	Interest paid
	Year Ended 2017 \$'000	Year Ended 2017 \$'000
Jupiter Holdco Limited	3,561	-
Jupiter Midco 1 Limited	-	3,799
	<u> </u>	<u> </u>

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

16. Related party transactions (continued)

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties	Amounts owed to related parties
	Period Ended 2016 \$'000	Period Ended 2016 \$'000
Jupiter Midco 1 Limited	-	989
Jupiter Holdco Limited	1,252	327

	Amounts owed by related parties	Amounts owed to related parties
	Year Ended 2017 \$'000	Year Ended 2017 \$'000
Jupiter Midco 1 Limited	-	3,561
Jupiter Holdco Limited	3,799	-

Jupiter Midco 1 Limited is a related party of the Company as it is the Company's parent undertaking.

Jupiter Holdco Limited is a related party of the Company as it is a wholly owned subsidiary of the Company.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

17. Controlling party

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Marlin Heritage Cayman AIV, LP., a Company incorporated in the Cayman Islands. The parent undertaking of the smallest and largest group, which includes the Company and for which group accounts are prepared, is Jupiter Topco Limited, a Company incorporated in Great Britain Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP. Copies of the group financial statements of Jupiter Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Company's immediate controlling party is Jupiter Midco 1 Limited.

Jupiter Midco 2 Limited

Notes to the financial statements

For the year ended 31 December 2017

Appendix 1 Related undertakings disclosure

This forms part of these financial statements.

The parent company and the Company have investments in the following subsidiary undertakings:

Subsidiary undertaking name	Registered office address	Holding
Jupiter Holdco Limited	Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP	100%*
Exterior Group Limited	Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP	100%
Exterior Limited	Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP	100%
Qualitest Group UK Limited	Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP	100%
Jupiter Bidco Ltd	Deniv Park, 21d Yagia, Kapayim St, Petach-Tikva, 49130, Israel	100%
Ibase Operations Corp	Greentree Drive, Suite 101, Dover, Delaware 19904 USA	100%
QualiTest Ltd	Deniv Park, 21d Yagia, Kapayim St, Petach-Tikva, 49130, Israel	100%
Electronic Nation LLC	1 Post Rd. 3 rd floor, Fairfield, Connecticut, 06824, USA	100%
Ibase Dallas LLC	5068 W Plano Parkway, Plano, TX 75093, USA	100%
Ibase of Fairfield LLC	1 Post Rd. 3 rd floor, Fairfield, Connecticut, 06824, USA	100%
TCL Group Limited	Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP	100%
Qualitest Software Testing Limited	Charta House, 30-38 Church Street, Staines-Upon-Thames, Middlesex, England, TW18 4EP	100%
Qualitest Software Testing India Private Ltd	Level 15, Concorde Tower, UB City, 1 Vittal Mallya Road, Bengaluru, Karnataka, 560001, India.	100%
TCL US Corporation	1 Post Rd. 3 rd floor, Fairfield, Connecticut, 06824, USA	100%

*Held directly by the Company.