

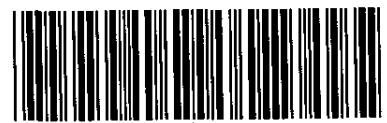
A/c 04058690

Sectigo Limited

Annual Report and Financial Statements

31 December 2018

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COMPANIES HOUSE

Sectigo Limited

Director

B Decker

Registered Office

3rd Floor Building 26
Office Village, Exchange Quay
Trafford Road
Salford
Manchester M5 3EQ

Company Registration Number

04058690

Strategic report

The director presents his strategic report and the financial statements for the year ended 31 December 2018. On 1st November 2018, the company changed its name to Sectigo Limited as part of a company rebrand.

Principal activity and review of the business

The principal activity of the company is that of acting as a Certification Authority ('CA') to secure customer transactions on the internet.

On the close of business on October 27, 2017, Condor Buyer Ltd acquired a majority of the stock of Sectigo Ltd, and Comodo Holdings (BVI) Limited a previous owner, acquired the remaining stock.

As of the date of the Acquisition, FP completed a series of transactions resulting in the creations of Condor Top Holdco Ltd (Holdco) whereby Holdco held 100% of the interests in Condor Intermediate Holdco Ltd (Intermediate), and Intermediate held 100% of the interests in Condor Buyer, the sole shareholder of Sectigo Ltd.

The key financial performance indicators during the year were as follows:

	<i>2018</i>	<i>2017</i>	<i>Change</i>
	<i>\$000</i>	<i>\$000</i>	<i>%</i>
Gross sales	<u>74,700</u>	<u>52,589</u>	<u>42.04%</u>

Sales and market share continued to grow in 2018 with Sectigo remaining the largest certificate authority in terms of market share in the world.

Principal risks and uncertainties

The director is seeking to build an increasing profitable business by utilising its resources and relationships and at the same time carefully managing the risks to the operation. Such risks include competitor, business execution and technology risks (such as new encryption protocols and methods).

Foreign currency risk

As of January 1, 2017, the company changed its reporting & functional currency to USD.

Monetary assets and liabilities denominated in foreign currencies are re-measured using the rate of exchange at the balance sheet date, and revenue and expenses are translated at the average exchange rates during the year. The resulting gains and losses on re-measurement are included on the statement of operations.

This is monitored by management in order to ensure any necessary actions are taken. The company does not make use of forward foreign currency contracts.

Credit risk

The company's objective is to reduce the risk of financial loss due to a counter party's failure to honour its obligations. The majority of the company's customers pay in advance for purchases. Where sales are made without advance payment, a credit review of the customer is undertaken and exposures are monitored with customers to ensure that the company's exposure to bad debts is not significant. The company's maximum exposure to credit risk is the carrying value as at the balance sheet date (note 11).

Strategic report

Principal risks and uncertainties (continued)

Legislative risk

The potential impact of legislative changes to both UK and Overseas operations are constantly monitored by management.

On behalf of the Board



Brian Decker

Director

Date 12 September 2019

Registered No. 04058690

Directors' report

The director presents his report and financial statements for the year ended 31 December 2018.

Results and dividends

The loss for the year after taxation amounted to \$6,831,000.00 (2017 – loss of \$14.3m). The director does not recommend a final dividend (2017 – \$nil).

The loss in 2017 included the write-off of an existing inter-company loan in the amount of \$8.6m and other exceptional items

Future developments

The markets we operate in offer significant scope for growth and we will continue to invest in the infrastructure and people required to launch new and innovative products during the year as the business develops.

Financial instruments

The Company's financial instruments comprise cash and liquid resources, balances with group undertakings and various items such as trade debtors, trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are foreign currency risk and credit risk which are described in the strategic report. Exposure to interest risk and liquidity risk are not considered to be material to the results of the company. The policies described for managing each of these risks have remained unchanged during the period.

Directors

The director who served the company during the year was:

B Decker

Political and charitable contributions

The company made no political or charitable donations in the current or prior year.

Going concern

At 31 December 2018 the company's liabilities exceeded its assets by \$3,795,000.00 . The company is also party to group borrowing facilities under which it and other subsidiaries have provided cross guarantees secured over the assets of the Company. The director has reviewed the group's budgets and financial forecasts, including cash flow forecasts, and have considered appropriate sensitivities. He believes that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

Directors' report

Disclosure of information

Having made enquiries of the company's auditor, the director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Brian Decker

Director

Date 12 September 2019

Statement of directors' responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has selected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of total comprehensive income

for the year ended 31 December 2018

	<i>Notes</i>	<i>2018</i> <i>\$000</i>	<i>2017</i> <i>\$000</i>
Gross sales		74,700	52,589
Turnover	2	50,804	39,205
Cost of sales		(2,478)	(5,363)
Gross profit		48,326	33,842
Administrative expenses		(55,144)	(33,008)
<i>Exceptional administrative expenses:</i>			
Profession fees in relation to sale of the company		-	(1,991)
Intercompany loan written off		-	(8,653)
Share based payments		-	(4,442)
Operating loss	3	(6,818)	(14,252)
Interest payable and similar charges	6	(13)	(27)
Loss on ordinary activities before taxation		(6,831)	(14,279)
Tax	7	-	-
Loss and total comprehensive income for the financial year		(6,831)	(14,279)

All amounts relate to continuing activities.

Statement of changes in equity

for the year ended 31 December 2018

	<i>Called up share capital</i> <i>\$000</i>	<i>Share Premium account</i> <i>\$000</i>	<i>Own share reserve</i> <i>\$000</i>	<i>Profit and loss account</i> <i>\$000</i>	<i>and Total equity</i> <i>\$000</i>
At 1 January 2017	14,524	1,364	(1,449)	(8,913)	5,526
Share reserve	-	-	1,449	(1,449)	-
Capital contribution	-	-	-	4,442	4,442
Loss and total comprehensive income for the year	-	-	-	(14,279)	(14,279)
At 1 January 2018	14,524	1,364	-	(20,199)	(4,311)
Share reserve	-	-	-	-	-
Capital contributions	-	-	-	7,347	7,347
Loss and total comprehensive income for the year	-	-	-	(6,831)	(6,831)
At 31 December 2018	14,524	1,364	-	(19,683)	(3,795)

Statement of financial position

at 31 December 2018

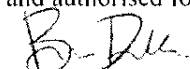
	Notes	2018 \$000	2017 \$000
Fixed assets			
Intangible assets	8	390	505
Tangible assets	9	3,461	2,746
Investments	10	7,180	32
		<u>11,031</u>	<u>3,283</u>
Current assets			
Debtors	11	67,489	44,731
Cash at bank and in hand		6,663	7,867
		<u>74,152</u>	<u>52,598</u>
Creditors: amounts falling due within one year	12	<u>(69,258)</u>	<u>(43,652)</u>
Net current assets		<u>4,894</u>	<u>8,946</u>
Total assets less current liabilities		15,925	12,229
Creditors: amounts falling due after one year	13	(19,720)	(16,540)
Deferred Tax		-	-
		<u>(3,795)</u>	<u>(4,311)</u>
Net liabilities		<u>(3,795)</u>	<u>(4,311)</u>
Capital and reserves			
Called up share capital		14,524	14,524
Share premium account		1,364	1,364
Capital contribution		7,347	
Profit and loss account		<u>(27,030)</u>	<u>(20,199)</u>
Shareholders' deficit		<u>(3,795)</u>	<u>(4,311)</u>

For the year ended 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members 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 director acknowledges his responsibilities for:

1. Ensuring that the company keeps adequate accounting records which comply with section 368 of the Act
2. Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements so far as applicable to the company.

The financial statements of Sectigo Limited, registered number 4058690, on pages 7 & 8 were approved and authorised for issue by the board on 12 September 2019 and signed on its behalf by:



Brian Decker

Director

Date 12 September 2019

Statement of financial position

at 31 December 2018

1. Accounting policies

Statement of compliance

Sectigo Limited is a private company limited by shares incorporated in England registration number 04058690. The registered office is 3rd Floor, Building 26, Office Village, Exchange Quay, Salford, Manchester M5 3EQ.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2018.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are presented in USD, being the functional currency of the company, and to the nearest thousand.

At 31 December 2018 the company's liabilities exceeded its assets by \$3,795,000.00. The company is also party to group borrowing facilities under which it and other subsidiaries have provided cross guarantees secured over the assets of the Company. The directors have reviewed the group's budgets and financial forecasts, including cash flow forecasts, and have considered appropriate sensitivities. They believe that the company has adequate resources to continue in operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 33 Related Party Disclosures paragraph 33.7;
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

Summary of disclosure exemptions

In accordance with s405(2) of the Companies Act 2006 the company does not prepare group financial statements as its subsidiaries are not material for the purposes of giving a true and fair view. These financial statements present to results of the company and not of the group.

Intangible fixed assets

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Trademarks purchased by the company are amortised to \$nil by equal instalments over their useful economic lives which have been estimated at 5 years. Patents are amortised over ten years.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Software that is not integral to the related hardware is treated as an intangible asset and amortised over its useful life of 10 years.

Statement of financial position

at 31 December 2018

Tangible fixed assets

Tangible fixed assets are recognised at net book value, that is cost less accumulated depreciation and amortisation. Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic life, as follows:

Leasehold improvements	–	life of lease
Fixtures, fittings, tools and equipment	–	4 years
Computer equip. root keys/software management systems.	–	8 to 20 years 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Entities in which the company holds an interest and which are jointly controlled by the company and one or more joint ventures under a contractual arrangement are treated as joint ventures. Investments in subsidiaries/joint ventures are carried at cost less impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Turnover

Turnover represents sales of goods exclusive of VAT.

Turnover primarily relates to the sale of digital certificates which are valid for between one and five years. Our authentication services are provided over time and the associated revenues from these services are generally recognised over the contractual term or product lifetime as appropriate.

Turnover includes amounts recognised in respect of transactions involving the swapping or exchanging of dissimilar goods and services where the transaction has commercial substance. The transaction is measured at the fair value of the goods or services received, adjusted for any cash transferred.

Cash

Cash in the balance sheet comprise cash at banks and in hand. For the purpose of the statement of cash flows, cash consists of cash as defined above.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements except that;

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Statement of financial position

at 31 December 2018

Lease commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease rentals are charged to income on a straight-line basis over the period of the lease.

Pensions

Since April 2016 the company has implemented the statutory workplace pension rules and contribution requirements. Contributions are charged to the profit and loss account as incurred.

Judgements and key sources of estimation uncertainty

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

Judgement is required in determining the period over which turnover from the sale of digital certificates is recognised.

2. Turnover

Gross sales represent the value, excluding VAT, of certificates issued to customers during the period for which non-refundable payments have been received.

Turnover is recognised evenly over the life of the certificate. The difference between the value of the certificate sold to the customer and the amounts recognised as revenue in the financial statements is shown as deferred revenue (note 12 and 13).

3. Operating loss

This is stated after charging/(crediting):

	2018	2017
	\$000	\$000
Auditors' remuneration – audit of group financial statements	276	50
– webtrust audit	212	207
– tax compliance	20	23
– corp finance services	-	204
Depreciation and other amounts written off tangible fixed assets – owned	856	850
Amortisation	115	62
Foreign exchange differences	194	1,604
Operating lease rentals – land and buildings	68	72
– plant and machinery	92	167
Exceptional items included in administrative expenses		
Professional fees in relation to the sale of the company	-	1,991
Intercompany loan written off (note 10)	-	8,653
Share based payments (note 6)	-	4,442

Statement of financial position

at 31 December 2018

4. Director's remuneration

	<i>2018</i>	<i>2017</i>
	<i>\$000</i>	<i>\$000</i>
Remuneration	<u>-</u>	<u>163</u>

The director is non-UK based and is paid by Francisco Partners in respect of his services to that company and its related undertakings, including Sectigo Limited. It is not practical to identify the element of his remuneration that relates to Sectigo Limited.

5. Staff costs

	<i>2018</i>	<i>2017</i>
	<i>\$000</i>	<i>\$000</i>
Wages and salaries	2,821	6,338
Social security costs	<u>357</u>	<u>835</u>
	<u>3,178</u>	<u>7,173</u>

In 2017 wages and salaries included a charge of \$4,442,000 in respect of share options awards that vested and were exercised by employees upon the change in ownership.

The average monthly number of employees during the year was made up as follows:

	<i>2018</i>	<i>2017</i>
	<i>No.</i>	<i>No.</i>
Directors	-	2
Sales and marketing	6	6
Operations and administration	<u>14</u>	<u>15</u>
	<u>20</u>	<u>23</u>

During the year the company contributed \$30,811 to the Standard Life Workplace pension scheme.

6. Interest payable and similar charges

	<i>2018</i>	<i>2017</i>
	<i>\$000</i>	<i>\$000</i>
Finance lease interest	<u>13</u>	<u>27</u>

Statement of financial position

at 31 December 2018

7. Tax

Tax on ordinary activities is made up as follows:

	2018 \$000	2017 \$000
Current tax:		
UK corporation tax for the year	-	-
Total current tax	-	-

A reconciliation of the total tax charge compared to the standard rate of corporation tax in the UK 19% applied to the loss on ordinary activities before tax is as follows:

	2018 \$000	2017 \$000
Loss on ordinary activities before tax	(6,831)	(14,279)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 – 19.25%)	(1,298)	(2,749)
<i>Effects of:</i>		
Deferred tax asset unrecognised	1,298	-
Expenses not deductible for tax purpose	-	1,768
Losses carried forward not recognised in deferred tax	-	981
Total tax for the year	-	-

The standard rate of corporation tax in the United Kingdom for the year is 19%. On 15 September 2016, the Finance Act 2016 received Royal Assent and enacted a reduction in the main rate of corporation tax to 17% with effect from 1 April 2020. This supersedes the previously enacted rate change which would have reduced the corporation tax rate to 18% on this date.

The company has tax losses arising in the UK of \$3,795,000.00 that are available indefinitely for offset against future taxable profits of those company. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits

Statement of financial position

at 31 December 2018

8. Intangible fixed assets

	<i>Trademarks and patents \$000</i>	<i>Computer software \$000</i>	<i>Total \$000</i>
Cost:			
At 1 January 2018	368	3,515	3,883
Additions			
At 31 December 2018	368	3,515	3,883
Amortisation:			
At 1 January 2018	(185)	(3,193)	(3,378)
Charge for the year	(23)	(92)	(115)
At 31 December 2018	(208)	(3,285)	(3,493)
Net book value:			
At 31 December 2018	160	230	390
At 1 January 2018	183	322	505

9. Tangible fixed assets

	<i>Leasehold improvements \$000</i>	<i>Fixtures, fittings, tools and equipment \$000</i>	<i>Computer equipment, root keys and related software \$000</i>	<i>Software management systems \$000</i>	<i>Total \$000</i>
Cost:	17	64	15,443	56	15,580
At 1 January 2018	9	113	1,424	25	1,571
Additions					
At 31 December 2018	26	177	16,867	81	17,151
Depreciation:					
At 1 January 2018	(17)	(64)	(12,697)	(56)	(12,834)
Charge for the year	(1)	(1)	(849)	(5)	(856)
At 31 December 2018	(18)	(65)	(13,546)	(61)	(13,690)
Net book value:					
At 31 December 2018	8	112	3,321	20	3,461
At 1 January 2018	–	–	2,746	–	2,746

Included in the amounts for computer equipment, root keys and related software above are assets held under finance leases with a net book value of \$nil (2017 – \$26,000).

Statement of financial position

at 31 December 2018

10. Investments

	<i>Shares in and loans to group undertakings \$000</i>
Cost:	
At 1 January 2018	32
Investment in Sectigo Inc	7,147
Investment in India	1
At 31 December 2018	<u>7,180</u>
Net book value:	
At 31 December 2018	<u>7,180</u>
At 1 January 2018	<u>32</u>

Investments include the cost of shares held in Comodo Japan Inc., \$32,000. Comodo Japan Inc. is a joint venture with Prox System Design Inc, a Japanese corporation, to market, sell and distribute Sectigo's products in Japan. Sectigo Limited holds 510 shares or 51% of the company. The nominal value of the total share capital is \$100,000.

During the year the company acquired 100% shareholding in Comodo Certauth India Services Pvt Ltd, an Indian corporation which provides support and validation services.

During the year capital contributions of \$7,147,000 were received from the shareholder in order to fund the acquisition of Codeguard Inc in July 2018 by a subsidiary company.

Subsidiary undertakings

* Held by Sectigo Inc

Company	Nature of business	Class of shares	% holding
Sectigo Inc	Operating	Ordinary shares	100%
Codeguard Inc*	Operating	Ordinary shares	100%
Sectigo UK Ltd	Dormant	Ordinary shares	100%
Sectigo Canada Ltd	Operating	Ordinary shares	100%
Comodo Cert Auth India	Operating	Ordinary shares	100%
Kabushiki Kaisha Comodo Japan	Operating	Ordinary shares	51%

Statement of financial position

at 31 December 2018

11. Debtors

	2018	2017
	<i>\$000</i>	<i>\$000</i>
Trade debtors	15,815	9,529
Amounts owed by fellow group undertakings	29,005	207
Amounts owed by related parties	923	-
Prepayments	21,746	34,995
	<u>67,489</u>	<u>44,731</u>

Amounts due from group undertakings are payable on demand. Prepayments includes an amount of \$19,110,292 which are commissions that were paid to Comodo Security Solutions (CSS) for contracts with customers entered into as at the time of the purchase which would otherwise have been attributed to CSS. The commission will be recognised in cost of sales over the remaining term of the related contracts – up to 4 years.

12. Creditors: amounts falling due within one year

	2018	2017
	<i>\$000</i>	<i>\$000</i>
Trade creditors	1,054	1,826
Obligations under finance leases	31	101
Other creditors, including tax and social security costs	622	830
Amounts owed to fellow group undertakings	9,117	1,747
Amounts owed to related parties	218	-
Accruals and deferred income	58,216	39,148
	<u>69,258</u>	<u>43,652</u>

Amounts owed by fellow group undertakings are unsecured and are payable on demand.

13. Creditors: amounts falling due after more than one year

	2018	2017
	<i>\$000</i>	<i>\$000</i>
Obligations under finance leases	-	28
Accruals and deferred income	19,720	16,512
	<u>19,720</u>	<u>16,540</u>

Deferred income represents the difference between the value of certificates sold to customers for non-refundable payment and the amount recognised as revenue in the financial statements. Revenue is recognised evenly over the life of the product which primarily ranges from one to five years.

Statement of financial position

at 31 December 2018

14. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2018</i>		<i>2017</i>	
		<i>\$000</i>	<i>No.</i>	<i>\$000</i>	<i>\$000</i>
Ordinary shares of \$1 each \$1.8892	7,500,000	14,169	7,500,000	14,169	
Ordinary 'A' shares of \$1 each \$1.4801	1,000	1	1,000	1	
Ordinary 'B' shares of \$0.001 each	186,499,000	354	186,499,000	354	
		<u>14,524</u>		<u>14,524</u>	

15. Financial instruments

	<i>2018</i>	<i>2017</i>
	<i>\$000</i>	<i>\$000</i>
Financial assets that are debt instruments measured at amortised cost		
Trade and other debtors	<u>45,743</u>	<u>9,736</u>
Financial liabilities measured at amortised cost		
Trade creditors	<u>1,054</u>	<u>1,826</u>

16. Leasing commitments

The company uses finance leases to acquire plant and equipment. Future minimum payments due under finance leases:

	<i>2018</i>	<i>2017</i>
	<i>\$000</i>	<i>\$000</i>
Amounts payable:		
Within one year	30	114
In two to five years	-	30
	<u>30</u>	<u>144</u>
Less: finance charges allocated to future period	<u>(2)</u>	<u>(15)</u>
	<u>28</u>	<u>129</u>

At 31 December 2018 the company had minimum lease payments under non-cancellable operating leases as set out below:

	<i>2018</i>		<i>2017</i>	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Operating leases which expire:				
Within one year	-	29	-	63
In two to five years	135	-	215	66
	<u>135</u>	<u>29</u>	<u>215</u>	<u>129</u>

Statement of financial position

at 31 December 2018

17. Contingent liabilities

The company is party to cross guarantees in respect of:

- A First Credit Lien Agreement between Condor Borrower LLC US, a fellow group undertaking of Condor Intermediate Holdco Limited, and Societe Generale Bank, as a lender and as an agent for the first lenders.
- A Second Credit Lien Agreement between Condor Borrower LLC US and Pennant Park Loan Agency Servicing LLC, as a lender and as an agent for the second lenders.
- A revolver facility between Condor Borrower LLC US and Societe Generale Bank.

The facilities are secured over the assets of the company. At 31 December 2018, the amounts outstanding under the facilities was \$281,555

18. Related party transactions

On September 11, 2017 the company entered into a Transition Services Agreement with two related parties: Comodo Group Inc and Comodo Security Solutions. The agreement includes services related to facilities, information technology, human resources, finance and tax, and legal at varying rates. Terms of these services range from 3 to 12 months with an option for a 6-month extension.

During the year the company purchased services amounting to \$2.0m from Comodo Group Inc and \$0.25m from Comodo Security Solutions Inc. The amount owing to Comodo Group at the year end was \$0.1m and the amount owing to Comodo Security Solutions Inc at the year-end was \$0.06m.

The company billed Comodo Security Solutions \$1.2m during the year and the balance owing from Comodo Security Solutions at year end was \$0.3m.

The company billed Comodo Security Solutions Pvt India \$0.7m during the year and the balance owing from Comodo Security Solutions Pvt India at year end was \$0.6m.

19. Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of Condor Buyer Limited. The ultimate parent undertaking is Condor Top Holdco Limited. In the opinion of the director the ultimate controlling party is Francisco Partners LLP