

Financial Statements

Ensco 1089 Limited

For the Year Ended 31 March 2016

Registered number: 09227031

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Ensco 1089 Limited
Registered number:09227031

Company Information

Directors	D E Schweiger M Schweiger J Winterbottom A Lees
Company secretary	M Schweiger
Registered number	09227031
Registered office	c/o UHY Hacker Young St James Building 79 Oxford Street Manchester M1 6HT
Business address	Character House 1 Oak Green Stanley Green Business Park Cheadle Hulme Cheshire SK8 6QL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	National Westminster Bank Plc 23 Stamford New Road Altrincham Cheshire WA14 1DB

Ensco 1089 Limited
Registered number:09227031

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Directors' Report

For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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.

Principal activity

The principal activity of the company is that of an intermediate holding company.

Results and dividends

The loss for the year, after taxation, amounted to £2,454,256 (2015 - loss £765,911).

Directors

The directors who served during the year were:

D E Schweiger
M Schweiger
J Winterbottom
A Lees

Future developments

There have not been any significant matters affecting the company since the year end.

Directors' Report

For the Year Ended 31 March 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18 August 2016 and signed on its behalf.



D E Schweiger
Director



Independent Auditor's Report to the Members of Ensco 1089 Limited

We have audited the financial statements of Ensco 1089 Limited for the year ended 31 March 2016, which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, The Financial Reporting Standard Applicable in the UK and The Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Grant Thornton

Independent Auditor's Report to the Members of Ensco 1089 Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report

Grant Thornton UK LLP

Stuart Muskett (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Manchester
Date: 22.8.16

Income Statement

For the Year Ended 31 March 2016

		Year ended 31 March 2016 £	Period ended 31 March 2015 £
Note			
Administrative expenses		(46,029)	-
		<u>(46,029)</u>	<u>-</u>
Operating loss		(46,029)	-
Interest payable and similar charges	6	(2,408,227)	(765,911)
		<u>(2,408,227)</u>	<u>(765,911)</u>
Loss on ordinary activities before taxation		(2,454,256)	(765,911)
		<u>(2,454,256)</u>	<u>(765,911)</u>
Loss for the year/period		(2,454,256)	(765,911)
		<u><u>(2,454,256)</u></u>	<u><u>(765,911)</u></u>

The notes on pages 10 to 19 form part of these financial statements.

Statement of Comprehensive Income

For the Year Ended 31 March 2016

	Year ended 31 March 2016 £	Period ended 31 March 2015 £
Loss for the financial year/period	<u>(2,454,256)</u>	<u>(765,911)</u>
Other comprehensive income	<u></u>	<u></u>
Total comprehensive loss for the year/period	<u><u>(2,454,256)</u></u>	<u><u>(765,911)</u></u>

Statement of Financial Position

As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	7	17,469,435	17,469,435
		<u>17,469,435</u>	<u>17,469,435</u>
Current assets			
Debtors: amounts falling due within one year	8	18,869,237	11,930,884
Cash at bank and in hand	9	7,350	-
		<u>18,876,587</u>	<u>11,930,884</u>
Creditors: amounts falling due within one year	10	(11,002,495)	(1,147,183)
Net current assets		<u>7,874,092</u>	<u>10,783,701</u>
Total assets less current liabilities		<u>25,343,527</u>	<u>28,253,136</u>
Creditors: amounts falling due after more than one year	11	(28,479,194)	(28,934,547)
Net liabilities		<u>(3,135,667)</u>	<u>(681,411)</u>
Capital and reserves			
Called up share capital		84,500	84,500
Profit and loss account	14	(3,220,167)	(765,911)
		<u>(3,135,667)</u>	<u>(681,411)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

18 August 2016



D E Schweiger
Director

The notes on pages 10 to 19 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2016

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	84,500	(765,911)	(681,411)
Comprehensive income for the year			
Loss for the year	-	(2,454,256)	(2,454,256)
Total comprehensive loss for the year	-	(2,454,256)	(2,454,256)
At 31 March 2016	84,500	(3,220,167)	(3,135,667)

Statement of Changes in Equity

For the Period Ended 31 March 2015

	Share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(765,911)	(765,911)
Total comprehensive loss for the period	-	(765,911)	(765,911)
Shares issued during the period	84,500	-	84,500
At 31 March 2015	84,500	(765,911)	(681,411)

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The financial statements are presented in Sterling (£).

The individual accounts of Ensco 1089 Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes

The following principal accounting policies have been consistently applied:

1.2 Company information

Ensco 1089 Limited is a limited company incorporated in the UK and its registered office is Character World, c/o UHY Hacker Young, St James Building, 79 Oxford Street, Manchester, M1 6HT.

1.3 Going concern

The directors consider it appropriate to prepare the financial statements on a going concern basis. After making enquiries, the directors have a reasonable expectation that the company has adequate support from its parent undertaking to continue in existence for the foreseeable future.

Accordingly, they adopt the going concern basis in preparing the financial statements.

Given the current net liabilities position, in their consideration of the going concern assumption, the directors of the entity have obtained confirmation from the parent company that group support will be provided in order to support the company in repaying any liabilities as and when they fall due.

1.4 Investments

Investments are held as fixed assets are shown at cost less provision for impairment.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.8 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Ensco 1090 Limited, a company registered in England and Wales, and is included in the consolidated accounts of that company.

1.10 Interest-bearing loans and borrowings

All interest bearing loans are initially recorded at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate in the carrying amount.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Management have not been required to make significant judgements and estimates in the preparation of the financial statements.

3. Operating loss

During the year, no director received any emoluments (2015: £Nil).

Notes to the Financial Statements

For the Year Ended 31 March 2016

4. Auditor's remuneration

The audit fee for both 2016 and 2015 has been borne by another group entity.

5. Employees

The company has no employees other than the directors.

6. Interest payable and similar charges

	Year ended 31 March 2015 £	Period ended 31 March 2015 £
Bank interest payable	563,580	191,886
Interest on loans from group undertakings	1,634,783	512,360
Deal fees amortisation	209,864	61,665
	<u>2,408,227</u>	<u>765,911</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2015	17,469,435
At 31 March 2016	<u>17,469,435</u>
Net book value	
At 31 March 2016	<u>17,469,435</u>
At 31 March 2015	<u>17,469,435</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Character World Holdco Limited	England and Wales	Ordinary	100 %	Holding company
Character World Bidco Limited	England and Wales	Ordinary	100 %	Holding company
Character World Limited	England and Wales	Ordinary	100 %	Marketing and sales of licensed products
Character World China Holdings	England and Wales	Ordinary	100 %	Holding company
Character World Trading (Shanghai) Limited	China	Ordinary	100 %	Quality control and sourcing product

Notes to the Financial Statements

For the Year Ended 31 March 2016

8. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	18,869,237	11,930,884
	<u>18,869,237</u>	<u>11,930,884</u>

9. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	7,350	-
	<u>7,350</u>	<u>-</u>

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	1,394,262	1,147,165
Amounts owed to group undertakings	9,608,215	-
Accruals and deferred income	18	18
	<u>11,002,495</u>	<u>1,147,183</u>

Amounts owed to intercompany are repayable on demand.

Notes to the Financial Statements

For the Year Ended 31 March 2016

11. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	11,100,000	13,400,000
Other loans	18,261,918	16,627,135
Unamortised debt issue costs	(882,724)	(1,092,588)
	<u>28,479,194</u>	<u>28,934,547</u>

Other loans are made up of loan notes due to Palatine Private Equity, the ultimate controlling party. The loan notes are repayable in November 2020 and incur interest at a rate of 10% per annum which is rolled up annually.

Bank loans are repayable in monthly instalments until the loan facilities expire in 2019. There are two loan facilities being facility A of £7.5m and facility B of £7m. The interest rate for facility A is LIBOR plus 3.25% and for facility B is LIBOR plus 3.75%. Interest is payable quarterly on both loan facilities.

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Loans

Analysis of the maturity of loans is given below:

	31 March 2016 £	2015 £
Amounts falling due within one year		
Bank loans	1,394,262	1,147,165
	<u>1,394,262</u>	<u>1,147,165</u>
Amounts falling due 1-2 years		
Bank loans	1,300,000	1,300,000
	<u>1,300,000</u>	<u>1,300,000</u>
Amounts falling due 2-5 years		
Bank loans	9,800,000	5,100,000
Other loans	18,261,918	-
	<u>28,061,918</u>	<u>5,100,000</u>
Amounts falling due after more than 5 years		
Bank loans	-	7,000,000
Other loans	-	16,627,135
	<u>-</u>	<u>23,627,135</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	18,876,587	11,930,884
	<u>18,876,587</u>	<u>11,930,884</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(39,481,689)	(30,081,730)
	<u>(39,481,689)</u>	<u>(30,081,730)</u>

Financial assets measured at amortised cost comprise inter group debtors.

Financial liabilities measured at amortised cost comprise of bank loans and loan notes and amounts owed to group undertakings.

14. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

15. Share Capital

	2016 £	2015 £
84,500 Ordinary shares of £1 each	84,500	84,500
	<u>84,500</u>	<u>84,500</u>

16. Related party transactions

The company has taken advantage of the exemption in FRS 102 (section 33) "Related Party Disclosure" not to disclose transactions with other members of the group.

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Controlling party

Palatine Private Equity are considered to be the ultimate controlling party by virtue of their majority shareholding in the ultimate company. The immediate parent company and the ultimate parent company is Ensco 1090 Limited.

Ensco 1090 Limited prepares group financial statements and copies can be obtained from Character House, 1 Oak Green, Stanley Green Business Park, Cheadle Hulme, Cheshire, SK8 6QL.