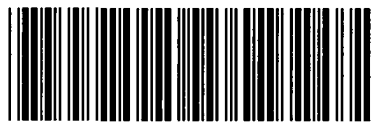


**ENSCO 1089 LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2017**

FRIDAY



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29/06/2018  
COMPANIES HOUSE

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**ENSCO 1089 LIMITED**

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**COMPANY INFORMATION**

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

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**ENSCO 1089 LIMITED**

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## ENSCO 1089 LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

---

The directors present their report and the financial statements for the period ended 30 September 2017. During the period, the accounting reference date was changed from 31 March to 30 September.

#### 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 period. 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 period, after taxation, amounted to £36,820,179 (*year ended 31 March 2016 - loss £2,454,256*).

The loss is stated after recording an impairment charge of £32,344,435 in respect of investments in subsidiaries and amounts due from group undertakings.

#### Directors

The directors who served during the period were:

D E Schweiger  
M A H Schweiger  
J Winterbottom  
A Lees

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**ENSCO 1089 LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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**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.

**Post balance sheet events**

On 8 June 2018, as part of a group capital restructuring, Loan Notes 2020 due to funds controlled by Palatine Private Equity LLP, with principal and accrued interest of £21,784,010 were novated to the ultimate parent undertaking at par and accordingly the company has generated an intercompany payable for that amount due to the ultimate parent undertaking.

**Auditors**

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

**Small companies note**

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

This report was approved by the board on

29.6.18

and signed on its behalf.



**M A H Schweiger**  
Director



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENSCO 1089 LIMITED

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We have audited the financial statements of Ensco 1089 Limited for the period ended 30 September 2017, 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 on page 1, 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](http://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 30 September 2017 and of its loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.



Grant Thornton

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENSCO 1089 LIMITED

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**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: *24 JUNE 2018*

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**ENSCO 1089 LIMITED**

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**INCOME STATEMENT  
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2017**

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		Period ended 30 September 2017 £	<i>Period ended 31 March 2015 £</i>
	Note		
Administrative expenses		(32,786,630)	(46,029)
<b>Operating loss</b>		<b>(32,786,630)</b>	<b>(46,029)</b>
Interest payable and similar charges	6	(4,033,549)	(2,408,227)
<b>Loss on ordinary activities before taxation</b>		<b>(36,820,179)</b>	<b>(2,454,256)</b>
Taxation on loss on ordinary activities	7	-	-
<b>Loss for the period/year</b>		<b>(36,820,179)</b>	<b>(2,454,256)</b>

The notes on pages 10 to 23 form part of these financial statements.



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ENSCO 1089 LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2017

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	Period ended 30 September 2017 £	Year ended 31 March 2016 £
Loss for the financial period/year	(36,820,179)	(2,454,256)
Other comprehensive income		
Total comprehensive income for the period/year	<u>(36,820,179)</u>	<u>(2,454,256)</u>

ENSCO 1089 LIMITED  
REGISTERED NUMBER:09227031

STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017

	Note	30 September 2017 £	31 March 2016 £
<b>Fixed assets</b>			
Investments	8	-	17,469,435
		<u>-</u>	<u>17,469,435</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	4,066,237	18,869,237
Cash at bank and in hand	10	70,047	7,350
		<u>4,136,284</u>	<u>18,876,587</u>
Creditors: amounts falling due within one year	11	(9,703,204)	(11,002,495)
<b>Net current (liabilities)/assets</b>		<u>(5,566,920)</u>	<u>7,874,092</u>
<b>Total assets less current liabilities</b>		<u>(5,566,920)</u>	<u>25,343,527</u>
Creditors: amounts falling due after more than one year	12	(34,388,926)	(28,479,194)
<b>Net liabilities</b>		<u><u>(39,955,846)</u></u>	<u><u>(3,135,667)</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	84,500	84,500
Profit and loss account	14	(40,040,346)	(3,220,167)
		<u><u>(39,955,846)</u></u>	<u><u>(3,135,667)</u></u>

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



29.6.18

**M A H Schweiger**  
Director

The notes on pages 10 to 23 form part of these financial statements.

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**ENSCO 1089 LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE 18 MONTHS ENDED 30 SEPTEMBER 2017**

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	Share capital £	Profit and loss account £	Total equity £
At 1 April 2016	84,500	(3,220,167)	(3,135,667)
Comprehensive income for the period			
Loss for the period	-	(36,820,179)	(36,820,179)
Total comprehensive loss for the year	-	(36,820,179)	(36,820,179)
At 30 September 2017	84,500	(40,040,346)	(39,955,846)

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ENSCO 1089 LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2016

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	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)

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## ENSCO 1089 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost 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 following principal accounting policies have been consistently applied:

##### 1.2 Company information

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

##### 1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Ensco 1090 Limited as at 30th September 2017 and these financial statements may be obtained from Companies House.

##### 1.4 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.

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.

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

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**ENSCO 1089 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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**1. Accounting policies (continued)**

**1.5 Investments**

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

**1.6 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.

**1.7 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.

**1.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**1.9 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.

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## ENSCO 1089 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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#### 1. Accounting policies (continued)

##### 1.10 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.

##### 1.11 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.

##### 1.12 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

**1. Impairment of investments (note 8)**

Where there are indicators of investment impairment, the company performs impairment tests based on net present value calculations. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit or loss.

**2. Impairment of intercompany debtors (note 9)**

At the end of each reporting period intercompany debtors are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised immediately in profit or loss.

**3. Operating loss**

The operating loss is stated after charging:

	<b>Period ended 30 September 2017</b>	<b>Year ended 31 March 2016</b>
		£
Refinancing fees and advisory fees	<b>354,724</b>	-
Impairment of fixed asset investments	<b>17,469,435</b>	-
Impairment of amounts due to group undertakings	<b>14,875,000</b>	-

During the period, no director received any emoluments (year ended 31 March 2016 - £nil)

Refinancing fees and advisory costs relate to the company's refinancing on 11 August 2017 as set out in full in note 13.

Management have performed an impairment review on the recoverability of intercompany receivables and investments in subsidiaries. Following this review, the carrying value of these assets have been reduced and an impairment charge recognised in the income statement.



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ENSCO 1089 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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4. Auditor's remuneration

The audit fee for both 2017 and 2016 has been borne by another group entity.

5. Employees

The company has no employees other than the directors.

6. Interest payable and similar charges

	Period ended 31 September 2017 £	Year ended 31 March 2016 £
Bank loans	689,285	516,483
Other loans	172,808	-
Loan notes 2022	48,905	-
Bank overdraft	546	-
Swap payments and similar charges	49,164	-
Loan notes 2020	2,413,620	1,681,880
Amortisation of debt issue costs	659,221	209,864
	<u>4,033,549</u>	<u>2,408,227</u>

7. Taxation

	2017 £	2016 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>-</u>	<u>-</u>

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**ENSCO 1089 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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**7. Taxation (continued)****Factors affecting tax charge for the period/year**

The tax credit assessed for the period/year is lower than (*year ended 31 March 2016 - lower than*) the standard rate of corporation tax in the UK of 19.67%% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	36,820,179	(2,454,256)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20%)	(7,241,303)	(490,851)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	6,430,835	9,206
Deferred taxation not recognised	810,468	481,645
<b>Total tax charge for the period/year</b>	-	-

Expenses not deductible for tax purposes in the current year above includes the tax effect of impairments of investments (£3,435,656) and intercompany debtors (£2,925,417).

**Factors that may affect future tax charges**

The Finance Act 2015 included changes which will affect future tax charges. The rate of Corporation tax will reduce to 18% from 1 April 2018 and will be further reduced to 17% from 1 April 2020.

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**ENSCO 1089 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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**8. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2016	17,469,435
At 30 September 2017	17,469,435
<b>Impairment</b>	
Charge for the period	17,469,435
At 30 September 2017	17,469,435
At 30 September 2017	-
At 31 March 2016	17,469,435

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

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

ENSCO 1089 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

9. Debtors

	30 September 2017 £	31 March 2016 £
Amounts due from group undertakings	4,066,237	18,869,237
	<u>4,066,237</u>	<u>18,869,237</u>

10. Cash and cash equivalents

	30 September 2017 £	31 March 2016 £
Cash at bank and in hand	70,047	7,350
	<u>70,047</u>	<u>7,350</u>

11. Creditors: Amounts falling due within one year

	30 September 2017 £	31 March 2016 £
Bank loans	-	1,394,262
Amounts due to group undertakings	9,581,800	9,608,215
Accruals and deferred income	121,404	18
	<u>9,703,204</u>	<u>11,002,495</u>

Amounts due to group undertakings are repayable on demand and are unsecured

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ENSCO 1089 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

	30 September 2016 £	31 March 2016 £
Loan Notes 2020	20,675,538	18,261,918
Bank loans	3,021,094	11,100,000
Other loans	7,366,891	-
Unamortised debt issue costs	(223,502)	(882,724)
Loan Notes 2022	3,548,905	-
	<u>34,388,926</u>	<u>28,479,194</u>

Further information on the loan balances has been included in note 13.

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ENSCO 1089 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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13. Loans

Analysis of the maturity of loans is given below:

	30 September 2017 £	31 March 2016 £
<b>Amounts falling due within one year</b>		
Bank loans	-	1,394,262
	<hr/>	<hr/>
	-	1,394,262
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	1,500,000
	<hr/>	<hr/>
	-	1,500,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	3,021,094	9,600,000
Other loans	7,366,891	-
Loan notes 2020	20,675,538	18,261,918
Loan notes 2022	3,548,905	-
	<hr/>	<hr/>
	34,612,428	27,861,918
	<hr/>	<hr/>

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## ENSCO 1089 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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#### 13. Loans (continued)

##### Other loans

On 11 August 2017 the company entered into a refinancing and took out a £7.5 million loan with a new lender. This other loan had an up-front fee payable of £300,000 deducted out of the loan advance and has quarterly interest paid at 6% per annum plus 3 month LIBOR and has further interest at 6% per annum which rolls into the loan balance on a quarterly basis. The principal plus rolled-up interest is payable in full at maturity along with a £300,000 exit fee. The total amount expected to be paid at maturity in August 2022, assuming stable LIBOR, is £10.6 million. The loan is accounted for using the effective interest rate method and due to the upfront fee the carrying value is less than the original loan principal. The loan is secured on certain of the company's and group's assets.

##### Bank loans

At 31 March 2016, the company's bank loans comprised:

- Tranche A £6,400,000 which was payable in quarterly instalments, increasing each year, over the period to April 2020 and bore interest at 3.25% plus 3-month LIBOR which interest was payable quarterly;
- Tranche B £6,000,000 which was due for repayment in April 2020 and bore interest at 3.75% plus 3-month LIBOR which interest was payable quarterly; and
- accrued interest of £94,262

At the time of the refinancing, the company's bank loans with accrued interest stood at £10,880,976. An amount of £7,880,976 including accrued interest was repaid from the proceeds of the other loan above such that the bank loan was reduced to £3 million. Under the terms of an intercreditor agreement between the bank and the other lender no repayments of interest or principal are permitted on the bank loan until the other lender has been repaid in full and as such that interest accrues quarterly at 4.75% plus 3-month LIBOR and rolls into the loan balance. Consequently the bank loan is shown as being due in full after two years but within five years. The bank loan is secured on certain of the company's and group's assets but the bank's security ranks behind that of the other lender.

##### Loan notes

A further element to the refinancing was that funds controlled by Palatine Private Equity LLP subscribed for £2,000,000 of new loan notes with DS Schweiger and MAH Schweiger similarly each subscribing for £500,000 of Loan Notes 2022. These loan notes are repayable in December 2022, are unsecured and bear interest at 10% per annum which rolls-up into the principal in each December. Other loan notes, known as Loan Notes 2020, are repayable in November 2020, are unsecured and bear interest at 10% per annum.

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ENSCO 1089 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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**14. Reserves**

**Profit & loss account**

includes all current and prior period retained profits and losses.

**15. Share Capital**

	30 September 2017 £	31 March 2016 £
84,500 Ordinary shares of £1 each	<u>84,500</u>	<u>84,500</u>

**16. Post balance sheet events**

On 8 June 2018, as part of a group capital restructuring, Loan Notes 2020 due to funds controlled by Palatine Private Equity LLP, with principal and accrued interest of £21,784,010 were novated to the ultimate parent undertaking at par and accordingly the company generated an intercompany payable for that amount due to the ultimate parent undertaking.



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**ENSCO 1089 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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**17. 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.

Loan note transactions with related parties are set out below:

	Period ended 30 September 2017 £	Year ended 31 March 2016 £
<b>Loan Notes 2022</b>		
<b>Funds controlled by Palatine Private Equity LLP</b>		
Opening balance	-	-
New loan	2,500,000	-
Interest accrued	34,932	-
	<hr/>	<hr/>
<b>Closing balance</b>	<b>2,534,932</b>	<b>-</b>
<b>MAH Schweiger</b>		
Opening balance	-	-
New loan	500,000	-
Interest accrued	6,987	-
	<hr/>	<hr/>
<b>Closing balance</b>	<b>506,987</b>	<b>-</b>
<b>DE Schweiger</b>		
Opening balance	-	-
New loan	500,000	-
Interest accrued	6,986	-
	<hr/>	<hr/>
<b>Closing balance</b>	<b>506,986</b>	<b>-</b>
<b>Loan Notes 2020</b>		
<b>Funds controlled by Palatine Private Equity LLP</b>		
Opening balance	18,261,918	16,627,135
Interest accrued	2,413,620	1,634,783
	<hr/>	<hr/>
<b>Closing balance</b>	<b>20,675,538</b>	<b>18,261,918</b>

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**ENSCO 1089 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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**17. Related party transactions (continued)**

No interest has been paid by the company in the period/year on Loan Notes 2020 or on Loan Notes 2022.

Amounts paid to Palatine Private Equity LLP for monitoring fees and travel expenses amounted to £80,349 in the period (year ended 31 March 2016: £85,306).

Unless otherwise stated above there were no amounts due to or from related parties at 30 September 2017 or 31 March 2016.

**18. Controlling party**

Palatine Private Equity LLP are considered to be the ultimate controlling party by virtue of the funds it controls having a 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.