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COMPANY NUMBER 02226335

EAGLEMOSS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

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EAGLEMOSS LIMITED

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EAGLEMOSS LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

JG Bensoussan
O Beressi
M Calmels
M Doboin
T Hinchliffe
A Neal
P Viala

COMPANY NUMBER

02226335

REGISTERED OFFICE

1st Floor
Beaumont House
Avonmore Road
London
W14 8TS

INDEPENDENT AUDITOR

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditors
25 Moorgate
London
EC2R 6AY

EAGLEMOSS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

The directors present the strategic report for Eaglemoss Limited for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Eaglemoss group, which includes Eaglemoss Limited, comprise of research, production and sale of collectibles. Core business includes partworks collections defined as high quality series of books or magazines and components (e.g. Figurines, Die-cast cars, Cooking or Craft items, Build-ups collectibles), linked to a brand, a character or a hobby and intended to be collected to form a complete work. The group sells its products across 27 countries with its major markets in the United Kingdom, France, Germany, USA, Australia, Brazil and Russia.

Eaglemoss is a well-established independent global publisher which has successfully initiated its digital transformation and become a multi-channel group, selling across:

- Retail (newsagents, other retailers selling newspapers and magazines directly to the public, stationery and convenience stores, mass market retailers, toy, books and comics stores).
- Subscriptions (through direct marketing to consumers or derived from retail customers converted to subscribers).
- Wholly-owned Eshops.

BUSINESS REVIEW

Since the creation of the Eaglemoss Capital group (dated June 30, 2015), the strategy is based on:

- International developments of Eshops and Direct Marketing.
- Consolidation of its leadership in European partworks markets and commercial partnerships with local players in Latin America, Japan and Brazil.

Eaglemoss Limited is a central operating entity for the group and plays a key role in the group business strategies. The company's key financial performance indicators during the period were as follows:

- Turnover decreased by 10% and Gross Profit decreased by 6% compared to previous year due to the reduced number of products released in traditional newsagents.
- The gross profit margin increased from 49% to 51% for the prior 12 months.
- The operating profit increased by 50% between 2017 and 2018 from £1,217,033 to £1,830,635 that is a positive difference of £613,602 due to (i) the positive evolution of the recurring items (i.e. the operating profit before exceptional items and (loss)/gains on financial assets) which account for a £2,606,737 positive difference and is partially offset by (ii) the negative evolution of the non-recurring items which account for £1,993,135 negative difference (exceptional items and gains on financial assets).
- The operating profit before exceptional items and gains on financial assets increased by 609% between 2017 and 2018 from £0.43M to £3.03M that is a positive difference of £2.60M.
- Between 2017 and 2018, the exceptional costs and gains on financial assets increased by £2.0M from positive £0.8M to negative £1.2M.

EAGLEMOSS LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties facing the publishing group and company include the following:

- Foreign exchange risk resulting from international trade, although the risk has considerably reduced with the decrease of activity in volatile countries such as Russia, Ukraine, Japan and Brazil. Where possible the risk is reduced through the use of natural hedging whereby revenue is used to settle expenditure in the same currency as well as through FX hedging financial instruments such as forward contracts and currency options.
- Significant investment in the development and promotion of new products, which will only be recovered when sales of new titles are established. In order to mitigate this risk, extensive research and testing is undertaken to gauge consumer responses to products prior to any launch.

FINANCIAL RISK MANAGEMENT

Financial risk is managed on a group wide basis. Group working capital requirements are met by use of bank loans and retained profits. The areas of financial risk management for the company are as follows:

Credit risk

Credit risk is the risk that a customer, subscriber or joint arrangement partner fails to meet an obligation resulting in financial loss. Credit risk arises primarily from trade and subscription receivables. Such losses are minimised by evaluating the payment history and credit worthiness of companies.

Liquidity

Liquidity risk is managed to ensure that the company is able to meet future payment obligations as they fall due. Cash flow forecasting is maintained to ensure that sufficient headroom is available to meet operational requirements. The company have in place access to a revolving credit facility.

Price risk

Price risk is managed by negotiating the price of materials to produce a new product prior to the project launch. These negotiations would cover all issues over the life of the series (which is on average 1 to 3 years).

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt or payment for purchases. The group manages this risk, where significant, by use of FX hedging financial instruments as explained above and close management of its cash flow forecasts.

Details of the company's financial instruments and its policies with regard to financial risk management are given in note 1 to the financial statements.

Approved by the board of directors and signed on behalf of the board

M Doboin
Director
Date:

17th April 2019

EAGLEMOSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements in accordance with applicable laws and regulations for the year ended 31 December 2018.

PRINCIPAL PLACE OF BUSINESS

Eagle Moss Limited is a company incorporated and domiciled in England and Wales and has its registered office and principal place of business at 1st Floor Beaumont House, Avonmore Road, London, W14 8TS.

RESULTS AND DIVIDENDS

The loss before taxation is shown on page 11 of these financial statements.

The directors do not recommend a dividend (2017: nil).

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

G Bensoussan
O Beressi
M Calmels
M Doboin
T Hinchliffe
A Neal
P Viala

GOING CONCERN

The company made an operating profit in the year ended 31 December 2018 of £1,830,635 (2017: £1,217,033). Included within debtors due within one year is £1,646,921 (2017: £5,711,609) that relates to amounts due from group undertakings that will be settled from future trading activity.

The company had net liabilities at 31 December 2018 of £13,305,750 (2017: £12,825,042). £28,719,524 (2017: £21,933,864) is included in liabilities in respect of amounts owed to group undertakings. The increase in inter-company creditor is due to re-financing. The directors have received assurances that these balances will not be called upon to be repaid within 12 months of approval of these financial statements and only when the company is in a position to start repayments.

Also included in liabilities is a revolving credit facility of £nil (2017: £6,220,163).

After making enquiries the directors have a reasonable expectation that the group and company will have adequate resources to continue in operational existence for the foreseeable future.

EAGLEMOSS LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

FUTURE DEVELOPMENTS

The directors will continue to develop new products and market them under a multi-channel strategy. The directors are not aware at the date of this report, of any likely changes in the company's activities in the forthcoming year.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each person who was a director at the time this report was approved:

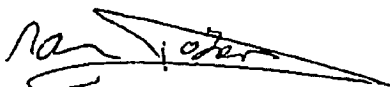
- so far as that director was aware there was no relevant available information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved and signed on behalf of the board of directors by



M Doboin

Director

Date: 17th April 2019

EAGLEMOSS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Strategic Report, 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 company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAGLEMOSS LIMITED

Opinion

We have audited the financial statements of Eaglemoss Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAGLEMOSS LIMITED (CONTINUED)

Other information (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

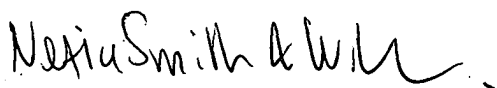
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAGLEMOSS
LIMITED (CONTINUED)**

Use of our report

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.



Stephen Drew
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 17/4/2019

EAGLEMOSS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	3	61,148,899	68,119,869
Cost of sales		(29,671,577)	(34,637,801)
Gross profit		31,477,322	33,482,068
Administrative expenses		(21,944,817)	(23,991,675)
Marketing expenses		(6,756,623)	(8,755,732)
Joint arrangement partners' share of profits / (losses)		259,020	(306,496)
Gain / (Loss) on financial assets at fair value through profit & loss account		37,525	(262,961)
Exceptional items	4	(1,241,792)	1,051,829
Operating profit		1,830,635	1,217,033
Interest receivable and similar income	5	18,171	18,196
Interest payable and similar charges	6	(2,328,615)	(3,811,607)
Loss before taxation	7	(479,809)	(2,576,378)
Taxation	11	(899)	(92,668)
Loss for the year		(480,708)	(2,669,046)
Other Comprehensive Income for the year		-	-
Total Comprehensive Loss for the year		(480,708)	(2,669,046)

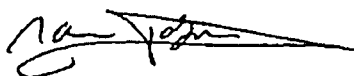
The notes on pages 14 to 33 form part of these financial statements.

EAGLEMOSS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2018

		2018	2017
	Note	£	£
Non-current assets			
Tangible assets	12	659,659	395,697
Intangible assets	13	35,030	57,306
Investments	14	3,755,330	138,232
Debtors: Amount falling due after one year	15	195,000	-
		<u>4,645,019</u>	<u>591,235</u>
Current assets			
Stocks	16	11,872,287	9,965,415
Debtors: Amounts falling due within one year	17	23,302,618	24,102,724
Cash at bank and in hand		2,895,853	5,256,366
		<u>38,070,758</u>	<u>39,324,505</u>
Creditors: Amounts falling due within one year	18	(54,667,456)	(50,811,690)
Net current liabilities		<u>(16,596,698)</u>	<u>(11,487,185)</u>
Total assets less current liabilities		<u>(11,951,679)</u>	<u>(10,895,950)</u>
Provisions for liabilities	19	(1,354,071)	(1,929,092)
Net liabilities		<u>(13,305,750)</u>	<u>(12,825,042)</u>
 Capital and reserves			
Called up share capital	21	685,033	685,033
Capital contribution reserve	22	9,960	9,960
Retained earnings	22	(14,000,743)	(13,520,035)
 Total shareholders' deficit		<u>(13,305,750)</u>	<u>(12,825,042)</u>

The notes on pages 14 to 33 form part of these financial statements.

These financial statements were authorised and approved by the board of directors on 17th April 2019 and are signed on their behalf by:



M Doboin
Director

Registered number 02226335

EAGLEMOSS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

	Share Capital £	Capital Contribution Reserve £	Retained Earnings £	Total Equity £
At 1 January 2017	685,033	9,960	(10,850,989)	(10,155,996)
Comprehensive income for the year				
Loss for the year	-	-	(2,669,046)	(2,669,046)
At 31 December 2017	685,033	9,960	(13,520,035)	(12,825,042)
Comprehensive income for the year				
Loss for the year	-	-	(480,708)	(480,708)
At 31 December 2018	685,033	9,960	(14,000,743)	(13,305,750)

The notes on pages 14 to 33 form part of these financial statements.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

Basis of preparation

Eagle Moss Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 3.

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the company's accounting policies.

Going concern

The company made an operating profit in the year ended 31 December 2018 of £1,830,635 (2017: £1,217,033). Included within debtors due within one year is £1,646,921 (2017: £5,711,609) that relates to amounts due from group undertakings that will be settled from future trading activity.

The company had net liabilities at 31 December 2018 of £13,305,750 (2017: £12,825,042). £28,719,524 (2017: £21,933,864) is included in liabilities in respect of amounts owed to group undertakings. The directors have received assurances that these balances will not be called upon to be repaid within 12 months of approval of these financial statements and only when the company is in a position to start repayments.

Also included in liabilities is a revolving credit facility of £nil (2017: £6,220,163).

After making enquiries the directors have a reasonable expectation that the group and company will have adequate resources to continue in operational existence for the foreseeable future.

Exemptions

Eagle Moss Limited is a qualifying entity as defined by FRS 102 and has taken advantage of the following disclosure exemptions that are available in accordance with para 1.12:

- The requirement to prepare a statement of cash flows (Section 7 of FRS 102 and para 3.17 (d))
- The non-disclosure of key management personnel compensation (FRS 102 para 33.7)
- Certain financial instruments disclosures, providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated (FRS 102 paras 11.39 – 11.48A, 12.26 – 12.29)
- Certain disclosure requirements of Section 26 in respect of share based payments, providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated (FRS 102 paras 26.18(b), 26.19 – 26.21, 26.23)

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Exemptions (continued)

Details regarding the consolidated financial statements of the group in which the entity is consolidated are provided within the preparation of group financial statements note (below).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these financial statements are set out below.

Preparation of group financial statements

The financial statements contain information about Eaglemoss Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Eaglemoss Capital Limited. The consolidated accounts can be found at Companies House.

Related party transactions

The company is a wholly owned subsidiary company of Eaglemoss Capital Limited and is included in its consolidated financial statements. Consequently, it does not disclose transactions with related parties which are 100% subsidiaries of Eaglemoss Capital Limited and only discloses transactions with related parties which are not wholly owned by the group.

Revenue recognition

Revenue is derived from the company's principal activity being the research, production and sale of partworks. Revenue is measured at the fair value of consideration received or receivable and represents the amount receivable for goods supplied and services rendered, net of returns, discounts, rebates, value added tax and other sales taxes.

The company bases its estimate of returns on historical results, taking into consideration the specifics of each customer, transaction and arrangement.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- The company has transferred the significant risks and rewards of ownership to the buyer
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably
- It is probable that the Company will receive the consideration due under the transaction, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which services are rendered.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses on foreign currency borrowings and deposits are reported within interest receivable and similar income or interest payable and similar charges. Differences on all other transactions are taken to the profit and loss account within administrative expenses. The company's functional and presentational currency is British pound sterling.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Joint arrangements

Joint arrangements are arrangements with partner companies for the production of a particular partworks series, with each partner's contribution and share of profits agreed at the outset. The operations are fully managed by Eaglemoss Limited, including all assets and liabilities. Cash advances may be received from the partner company to help fund the initial operations and are included within creditors until repaid. The income statement reflects 100% of the turnover and cost of goods sold in relation to these arrangements that are operated by Eaglemoss Limited. The partner companies' share of net profit/loss is then shown in the statement of comprehensive income. Amounts owed by joint arrangement partners is presented as part of debtors and amounts owed to joint arrangement partners is presented as part of creditors.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Exceptional Items

The company is disclosing significant transaction so as to separate normal business operations from unusual ones. 2018 has been a year of transformation for the Eaglemoss group, and Eaglemoss Limited incurred exceptional items in relation to restructuring of its debt, staff redundancies, overheads costs, intercompany provisions and alignment to the parent company with its own accounting policy. Further details on exceptional items refer to note 4.

Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in profit or loss.

Pension costs

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Intangible assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

Amortisation is charged over the expected life of the intangible assets as follows:

Intellectual property	Over 3 years
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Tangible fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Costs include the original purchase price of the assets and the costs attributable to bringing the asset to working condition for its intended use.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Fixtures and fittings	Over 3 – 5 years
Computer equipment	Over 3 years
Leasehold improvements	Over 10 years or the remaining life of the lease

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Fixed asset investments: Subsidiary and associated undertakings

Investments in subsidiary and associated undertakings are disclosed at cost less any provisions for permanent diminution in value. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on the purchase price. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account. Current or deferred taxation assets and liabilities are not discounted. Withholding tax on royalty income is expensed to the profit and loss account.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Financial assets (continued)

At the end of each reporting period financial assets measured at amortised cost 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 in profit and loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derivatives, including options on forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the group's cash management.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

Interest payable and similar charges

Finance costs are charged to the Profit and Loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Group reconstructions

During the prior year, the Company has been party to a group reconstruction aimed to reorganise the group and reduce the number of legal entities where multiple companies exist performing the same operations. The assets and liabilities of the entities being closed were sold to the Company under a legal sale agreement and have been accounted for using the acquisition accounting method. The fair value of acquired assets and assumed liabilities is deemed to be equal to the net book value, due to there being no additional value created as a result of the sale.

2. Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Financial Instruments

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions for classification as basic are met. This requires consideration of the form of the instrument and its return.

Tax provisions

The accruals amount recorded in the company's balance sheet includes a provision for a potential tax liability of £1,354,071 (2017: £1,929,092) which might arise in the future as a result of a foreign tax audit. Whilst every attempt is made to ensure that the tax provisions are as accurate as possible, there remains a risk that the provisions do not match the final payments which might be paid.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

2. Key sources of estimation uncertainty and judgements (continued)

Inventory provisions

The company inventory balance is net of provisions booked to write down the finished goods stock in relation to excess issues that have been returned. The company has estimated that the value of excess issues returned has either zero or nominal net realisable value to the business, depending on the collection involved, and is written down accordingly.

Bad debt provisions

For trade debtors balances of £11,314,896 (2017: £9,579,188) recorded in the balance sheet, a full line by line review of trade debtors is carried out at the end of the month. Whilst every attempt is made to ensure that the bad debt provision is as accurate as possible, there remains a risk that the provisions do not match the level of debts which may ultimately prove to be uncollectible.

Impairment of intercompany notes

The amounts owed by group undertakings of £1,646,921 (2017: £5,711,609) are net of provisions to write down the amounts receivable. The provisions booked are based on the future cash flow projections of the intercompany entities and management's assessment of the potential risk to the repayment of these balances in the future.

3 Turnover

An analysis of turnover is given by geographical market:

	2018 £	2017 £
Continental Europe	32,470,591	35,575,296
United Kingdom	17,213,206	22,522,257
Japan	109,373	88,156
Australia	4,040,181	5,717,633
Rest of world	7,315,548	4,216,527
	<hr/> 61,148,899	<hr/> 68,119,869

Turnover by activity is as follows:

	2018 £	2017 £
Sales of Goods	58,867,583	65,747,233
Services Rendered	2,281,316	2,372,636
	<hr/> 61,148,899	<hr/> 68,119,869

4 Exceptional items

Exceptional costs during the year includes reorganisation and restructuring costs of £462,000, prior period expenses of £415,000, costs related to change of overseas distribution of £189,000, as well as a commercial dispute of £176,000. Exceptional income in the prior year includes the partial release of historic intercompany debtor provisions giving rise to a credit of £1,473,000, reorganisation and restructuring costs of £240,000 as well as foreign tax provisions £181,000.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

5	Interest receivable and similar income	2018	2017
		£	£
	Bank interest	8,502	6,960
	Interest on loans to group undertakings	1,737	3,535
	Other interest	7,932	7,701
		<hr/>	<hr/>
		18,171	18,196
		<hr/>	<hr/>
6	Interest payable and similar charges	2018	2017
		£	£
	Interest on loans from group undertaking	1,705,473	1,708,367
	Bank interest	-	4,293
	Other charges	133,326	600,921
	Interest on drawdown facility	189,726	286,380
	Foreign exchange differences on monetary assets & liabilities	300,090	1,211,646
		<hr/>	<hr/>
		2,328,615	3,811,607
		<hr/>	<hr/>
7	Loss before taxation	2018	2017
		£	£
	Operating loss is stated after charging/(crediting):		
	Exceptional items	1,241,792	(1,051,829)
	Net foreign exchange losses	52,998	745,091
	Depreciation	319,002	260,793
	Amortisation of intangible assets	22,275	9,337
	Impairment of trade debtors	281,947	594,777
	Cost of stock recognised as an expense	29,671,577	34,637,801
	Operating lease rentals - land and buildings	823,911	677,660
	Operating lease rentals - equipment	77,198	31,390
		<hr/>	<hr/>

The auditor's remuneration has been paid by the parent, Eaglemoss Capital Limited and is disclosed in the group consolidated accounts.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Staff costs

The monthly average number of persons, including directors, employed by the company during the year was:

	2018 Number	2017 Number
Production	27	29
Editorial	20	21
Administration	57	51
	<hr/> 104	<hr/> 101

	2018 £	2017 £
The aggregate payroll costs of the above:		
Wages and salaries	5,052,374	4,991,777
Social security costs	617,589	609,221
Pension costs	193,776	164,337
	<hr/> 5,863,739	<hr/> 5,765,335

9 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2018 £	2017 £
Aggregate emoluments	1,544,566	1,614,112
Pension contributions	20,329	29,882
	<hr/> 1,564,895	<hr/> 1,643,994

The Directors emoluments disclosed above relate to seven directors.

No share based payments were made during the year ended 31 December 2018 (2017: £nil).

The number of directors with amounts accruing under a defined contribution pension arrangement is 3 (2017: 4).

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Directors' emoluments (continued)

	2018	2017
	£	£
Emoluments of highest paid director:		
Aggregate emoluments	418,848	481,083

No share options were exercised in the year by the highest paid director (2017: £nil).

Pension payments were made during the year ended 31 December 2018 of £nil (2017: £nil).

10 Share based payments

No share based payments were made during the year ended 31 December 2018 (2017: £nil).

11 Tax on loss on ordinary activities

	2018 £	2017 £
Corporation tax:		
Foreign Tax	899	7,231
Withholding tax on royalty income	-	85,437
Tax on loss on ordinary activities	899	92,668

The tax assessed for the period is equal (2017: higher) to the standard rate of corporation tax in the UK of 19% (2017: 19%).

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Tax on loss on ordinary activities (continued)

Tax reconciliation	2018 £	2017 £
Loss on ordinary activities before taxation	(479,809)	(2,576,378)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(91,164)	(495,865)
Effects of:		
Fixed asset differences	-	1,181
Income not taxable for tax purposes	(114,165)	(283,543)
Expenses not deductible for tax purposes	125,265	58,839
Other permanent differences	(66)	(1,392)
Group relief claimed	147,932	151,356
Foreign Tax	899	7,231
Adjustments to tax charge in respect of previous periods	69,070	
Effect of changes in tax rate	(14,408)	66,467
Deferred tax not recognised	(122,464)	502,957
Withholding tax on royalty income	-	85,437
Total tax charge	899	92,668

Subject to the UK tax authority's agreement, the company has tax trading losses of £20,307,548 (2017: £20,574,994) available for carry forward and offset against future trading profits. The company has a potential deferred tax asset on these losses of £3,542,283 (2017: £3,497,749), which has not been recognised. The company also has unrecognised deferred tax assets on other timing differences totalling 65,357 (2017: £83,739).

Factors that may affect future tax charges

The main rate of corporation tax was 19% (2017: 19%) from 1 April 2018. In March 2016 a further reduction in corporation tax rate to 17% from 1 April 2020 was substantively enacted. These changes are reflected in the financial statements.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

12	Tangible fixed assets	Computer equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
	Cost				
	At 1 January 2018	1,123,560	140,062	94,284	1,357,906
	Additions	582,964	-	-	582,964
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 2018	1,706,524	140,062	94,284	1,940,870
		<hr/>	<hr/>	<hr/>	<hr/>
	Accumulated depreciation				
	At 1 January 2018	779,022	100,382	82,805	962,209
	Charge for the period	285,250	27,915	5,837	319,002
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 2018	1,064,272	128,297	88,642	1,281,211
		<hr/>	<hr/>	<hr/>	<hr/>
	Net book value				
	At 31 December 2018	642,252	11,765	5,642	659,659
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 2017	344,538	39,680	11,479	395,697
		<hr/>	<hr/>	<hr/>	<hr/>
13	Intangible fixed assets				Intellectual property £
	Cost				
	At 1 January 2018				66,643
	Additions				-
					<hr/>
	At 31 December 2018				66,643
					<hr/>
	Accumulated amortisation				
	At 1 January 2018				9,337
	Amortisation				22,276
					<hr/>
	At 31 December 2018				31,613
					<hr/>
	Net book value				
	At 31 December 2018				35,030
					<hr/>
	At 31 December 2017				57,306
					<hr/>

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

14 Fixed asset investments	Subsidiary undertakings £
Cost	
At 1 January 2018	393,045
Additions	3,617,098
	<hr/>
At 31 December 2018	4,010,143
	<hr/>
Impairment	
At 1 January 2018	254,813
Charge	-
	<hr/>
At 31 December 2018	254,813
	<hr/>
Net book value	
At 31 December 2018	3,755,330
	<hr/>
At 31 December 2017	138,232
	<hr/>

There was no disposal of fixed asset investments during the year ended 31 December 2018 (2017: £nil).

Increase in fixed asset investment is directly related to the conversion of amounts owed by Eaglemoss Inc of £3,617,098 (\$4,619,006) into additional capital invested in Eaglemoss Inc, a wholly owned subsidiary of Eaglemoss Capital Limited.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

14 Fixed asset investments (continued)

Subsidiary undertakings

Name of company	Country of incorporation	Nature of business	Registered office	% voting rights and shares held	Capital and reserves £'000	Profit/ Loss for the year £'000
Eaglemoss Polska sp. z o.o	Poland	<i>Sale of partworks and central warehouse</i>	ul. Broniewskiego 3, 01-785 Warszawa Akacjowy Park lok. 3.2b	100% of ordinary shares	663	50
Eaglemoss Editions Russia LLC	Russia	<i>Sale of partworks</i>	26, Nikoloyamskaya str., b. 1-1a 109004 Moscow, Russia	100% of ordinary shares	1,381	(281)
Eaglemoss Editions Ukraine LLC	Ukraine	<i>Sale of partworks</i>	38 Turgenevskaya Str., Kyiv, 01054 Ukraine	100% of ordinary shares	(2,912)	64
Eaglemoss Japan Co Ltd	Japan	<i>Sale of partworks</i>	6 – 19 – 19 Shimbashi, Minato-ku, Tokyo 105-004 Japan	100% of ordinary shares	(303)	(4)
Eaglemoss do Brasil Publicações e Distribuição LTDA	Brazil	<i>Sale of partworks</i>	São Paulo, State of São Paulo São Gualter avenue, 1296, 1st floor, room 11 Zip code 05455-002, Brazil	100% of ordinary shares	(3,702)	(492)
Eaglemoss Inc	USA	<i>Sale of partworks</i>	1017 Putnam Blvd, Wallingford PA 19086-6754, USA	100% of ordinary shares	2,315	648

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
15 Debtors: Amount falling due after 1 year		
Rent deposit for the office recoverable 12 January 2028	195,000	-
	2018 £	2017 £
16 Stocks		
Raw materials	31,662	65,177
Work in progress	5,086,848	6,770,157
Finished goods	6,753,776	3,130,081
	11,872,287	9,965,415
17 Debtors: Amounts falling due within one year	2018 £	2017 £
Trade debtors	11,314,896	9,579,188
Amounts owed by group undertakings	1,646,921	5,711,609
Amounts owed by joint arrangement partners	2,729,019	680,924
Other debtors	3,858,586	3,588,410
Prepayments and accrued income	3,498,232	4,520,530
Financial asset – option contracts	254,964	22,063
	23,302,618	24,102,724

Included within amounts owed by group undertakings are intercompany loans of £nil (2017: £295,310), that attract interest at 3.8% p.a. is unsecured and repayable on demand.

The remainder of the amounts owed by group undertakings are interest free, unsecured and repayable on demand.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

18 Creditors: amounts falling due within one year	2018 £	2017 £
Trade creditors	15,075,292	12,416,184
Amount owed to group undertakings	28,719,524	21,933,864
Amounts owed to joint arrangement partners	2,483,090	1,208,721
Other creditors	4,881,914	5,615,333
Revolving credit facility – drawdown (Note 20)	-	6,220,163
Accruals and deferred income	3,507,636	3,410,194
Corporation tax	-	7,231
	<u>54,667,456</u>	<u>50,811,690</u>

Amounts owed to group undertakings are unsecured and repayable on demand and attract interest of EURIBOR + 3.75%

19 Provisions for liabilities and charges

	£
At 31 December 2017	1,929,092
Movement	<u>(575,021)</u>
At 31 December 2018	<u>1,354,071</u>

The company has booked a provision for a potential foreign tax liability following a tax audit assessment. The final payment is contingent on the final outcome of the audit, which is currently being challenged by the company. The directors expect the authorities to reach a conclusion within the next year.

20 Borrowings	2018 £	2017 £
Falling due within one year:		
Revolving credit facility	<u>-</u>	<u>6,220,163</u>

The company repaid the Revolving Credit Facility during the year.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

21	Called up share capital	2018	2017
		£	£
	Allotted and fully paid:		
	684,932 (2017: 684,932) ordinary shares of £1 each	684,932	684,932
	100 (2017: 100) 'A' preference shares of £1 each	100	100
	1 (2016:1) 'B' preference shares of £1 each	1	1
		<hr/>	<hr/>
		685,033	685,033
		<hr/>	<hr/>

The holders of the 'A' and 'B' preference shares have no voting rights.

On a winding-up of the company, the priority of payments of capital is firstly to pay the 'B' preference shareholder and secondly to pay the 'A' preference shareholder. This includes the subscription price per share together with any arrears of dividends. The balance of capital is payable to the ordinary shareholders.

22 Reserves

Capital contribution reserve

This reserve relates to the amounts contributed by the parent company, Eaglemoss Capital Limited, in the form of B shares in Eaglemoss Capital Limited, issued to the company to provide compensation to directors of Eaglemoss Limited.

The number and class of shares issued are as follows:

166,700 B2 Ordinary Shares

166,700 B3 Ordinary Shares

111,180 B4 Ordinary Shares

111,180 B5 Ordinary Shares

The shares rank equally in terms of voting rights.

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

23 Obligations under leases and hire purchase contracts

The company has one hire purchase contract for IT equipment. At the balance sheet date the company has operating lease agreements in respect of properties and equipment for an average of three years with fixed rentals over the lease.

The future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
For leases expiring:		
Within one year	875,329	246,706
After one year but within five years	2,417,363	220,323
After five years	2,346,518	-
	<hr/>	<hr/>

The future minimum lease payments under non-cancellable hire purchase agreements are as follows:

	2018	2017
For leases expiring:		
Within one year	18,204	16,783
After one year but within five years	-	18,204
	<hr/>	<hr/>

24 Related party transactions

The company paid royalty fees of £4,883 (2017: £13,542) to Calmels Design and Construction Ltd, a company controlled by the spouse of a director. As at 31 December 2018, there was £nil (2017: £ nil) owing to this company.

The company paid consulting fees of £nil (2017: £420) to Financière Mistletoe Sprl, a company controlled by a director. As at 31 December 2018, there was £nil (2017: £nil) owing to this company.

The company also has loans payable by three directors as a result of the acquisition of the assets of Eaglemoss Publications Limited. The loans have an interest rate of 3% p.a. and £272,346 (2017: £264,414) was outstanding at the end of 2018, included within other debtors.

The company is exempt from disclosing related parties transactions with other companies that are wholly owned within the group.

25 Ultimate parent and controlling party

The company's immediate parent is Eaglemoss Capital Limited a company incorporated in England & Wales.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial Statements is Eaglemoss Capital Limited. Copies of the Eaglemoss Capital Limited consolidated financial statements and the registered office can be obtained from the Companies House.

The ultimate controlling party of the group is Verdoso S.A., a company registered in Luxembourg, holding 27% of the issued share capital of the company. The remaining shares are owned by private shareholders and companies, none of whom own more than 20% of the issued share capital of the company.

EAGLEMOSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

26 Post balance sheet events

There are no post balance sheet events.

27 Contingent liabilities

Eaglemoss Capital Limited, parent company of Eaglemoss Limited, secured a €4,000,000 loan from Santander Bank plc on 2 October 2018 maturing on 2 October 2020. Under the bank revolving credit facility the drawdown is secured by way of a fixed and floating charge over the assets of the Eaglemoss Limited and the parent company. Interest is calculated from 2 October 2018 and is payable by Eaglemoss Capital Limited on the balance drawdown under the revolving bank credit facility at a variable rate of EURIBOR + 3.50% updated every 6 months.