# Ensco 648 Limited

Annual report and financial statements

Registered number 06474385

For the 52 weeks ended 02 February 2019

## Contents

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## Directors and professional advisers

| | |
|---|---|
| **Directors** | Mr J Calandra<br>Mr A Rhodes |
| **Company Secretary** | Mr A Rhodes |
| **Registered office** | c/o Freeths LLP<br>Routeco Office Park<br>Davy Avenue<br>Knowlhill<br>Milton Keynes<br>MK5 8HJ |
| **Bankers** | The Royal Bank of Scotland<br>1 Exchange Flags<br>Liverpool<br>L2 3XN |
| **Registered auditor** | Deloitte LLP<br>Statutory Auditor<br>Birmingham<br>United Kingdom |

## Strategic report

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006, for the 52 week period ended 02 February 2019 (FY 2018). The previous financial period comprised of 53 weeks and ended on 03 February 2018 (FY 2017). The 52 week period for FY 2018 is deemed to be a year throughout the report.

**Review of the business**
The principal activity of Ensco 648 Limited (the "Company") is that of a holding company for Ensco 645 Limited. Ensco 645 Limited acts as a holding company for MWUK Limited, a subsidiary undertaking which trades under a number of leading brands, including Dimensions, Alexandra, Boyd Cooper and Yaffy, providing corporate clothing uniforms and workwear to public and private sector customers in the United Kingdom and Europe. MWUK Limited is a private company, limited by shares and is registered in England. As noted on page 4 in the post balance sheet event discussion, MWUK Limited was sold on 16 August 2019 for total proceeds of approximately £40,000,000. As such, the Company will no longer be a holding company for MWUK Limited.

As a result of the sale of MWUK Limited on 16 August 2019, the estimated future cash flows of MWUK Limited were reduced to the total sale price of approximately £40,000,000 resulting in an impairment loss of £45,744,000.

At 1 February 2015 the Company held 13,865,264 preference shares of MWUK Limited of £1 each. The preference shares are cumulative redeemable preference shares with an entitlement to receive a cumulative dividend of 4% per annum.

On 27 January 2016 MWUK Limited made a partial redemption of the preference shares which consisted of the redeeming of 7,712,519 shares at par. Included in the redemption was the remittance to the Company of a portion of the accrued dividend of £1,386,985. Immediately thereafter an interim dividend of £9,099,504 was declared to be paid to MWUK Holding Company Limited. Both transactions were settled via intercompany transfers.

At 28 January 2017 the Company therefore had 6,152,745 preference shares from MWUK Limited which will generate up to £246,000 of dividend annually. The dividend is not taxable under UK tax rules.

The Directors submit the audited financial statements for FY 2018. The loss after taxation for the year amounted to £45,498,000 compared to a profit of £246,000 in FY 2017.

On 23 July 2018, the Company received an interim dividend of £22,296,185 from Ensco 645 Limited, a subsidiary undertaking. On the same date, the Company received an interim dividend of £1,703,215 from MWUK Limited, second-tier subsidiary undertaking, settling the accrued unpaid preferred dividend obligation as at 30 June 2018. Immediately thereafter an interim dividend of £23,999,400 was declared to be paid to MWUK Holding Company Limited.

On 25 July 2018 the Company made a capital contribution of £6,000,000 to Ensco 645 Limited, a subsidiary undertaking. The company has no right to call for or demand repayment of any part of the contributed sum. The capital contribution is made to the capital reserves of Ensco 645 Limited.

**Key performance indicators**
As the principal activity of Ensco 648 Limited is that of a holding company, the Directors consider there are no KPIs to report.

**Principal risks and uncertainties**

*Carrying amount of investment*
Determining whether the carrying amount of the Company's investments should be impaired requires an estimation of the value in use of the investment, based on estimated future cash flows of the underlying trading operations of MWUK Limited.

**Future developments**
After the sale of MWUK Limited, the Company's primary activity will be to comply with the terms of the share purchase agreement related to the sale of MWUK Limited.

Approved by the Board and signed on its behalf by:

J Calandra

**Mr J Calandra**
*Director*
17 October 2019

# Directors' report

The Directors present their annual report and audited financial statements for the 52 weeks ended 02 February 2019 (FY 2018). The previous financial period comprised of 53 weeks and ended on 03 February 2018 (FY 2017).

The Company has taken advantage of s390 of the Companies Act 2006 to prepare financial statements within 7 days of the Company's financial year end date, being 31 January 2019.

Future developments of the Company and its subsidiaries can be found in the Strategic Report on page 2.

**Dividends**

The Directors have paid a dividend during the period, as discussed above, of £23,999,400 (FY 2017: £nil).

**Post balance sheet events**

On 16 August 2019, the Company completed the sale of MWUK Limited pursuant to a share purchase agreement entered into on 16 August 2019.

**Going Concern**

UK company law requires directors to consider whether it is appropriate to prepare the financial statements on the basis that the Company is a going concern.

The Company is dependent upon financial support from its parent company, which has provided a letter of support confirming its ability and intention to continue to provide such support for at least twelve months from the date of this report. As a result of the sale of MWUK Limited, the Company expects its operations will be minimal but the Directors intend for them to remain active throughout the next twelve months.

As a result of this review, the Directors are of the opinion that the Company has adequate resources to continue in operational existence for at least the next twelve months. Therefore the Company has adopted the going concern basis in preparing the financial statements.

**Directors**

The Directors of the Company, who have served during the period and to the date of this report, are:

Mr S Graham - resigned 16 August 2019
Mr D Ewert - resigned 30 September 2018
Mr A Rhodes
Mr B Thorn - resigned 31 August 2018
Mr J Calandra - appointed 17 September 2018

**Directors' indemnities**

The Company has maintained qualifying third party indemnity insurance for the benefit of its Directors and Directors of its subsidiaries during the year and the cover remains in force at the date of this report.

## Directors' report *(continued)*

**Auditor**

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Deloitte LLP has expressed its willingness to continue in office and will be deemed to be re-appointed under Section 487 of the Companies Act 2006.

The Directors' report has been prepared in accordance with the special provision applicable to companies entitled to the small company's exemption under Companies Act 2006.

Authorised for issue the Board

J Calandra

**Mr J Calandra**
*Director*
17 October 2019

## Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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.

# Independent Auditor's Report to the Members of Ensco 648 Limited

**Report on the audit of the financial statements**

**Opinion**
In our opinion the financial statements of Ensco 648 Limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 02 February 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the income statement and statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework".

**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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:
- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

**Other information**
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 that fact.

We have nothing to report in respect of these matters.

# Independent Auditor's Report to the Members of Ensco 648 Limited (continued)

**Responsibilities of directors**
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**Opinions 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.

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 any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**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.

Peter Gallimore FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
17 October 2019

## Income statement and statement of comprehensive income

*For the 52 weeks ended 02 February 2019*

| | Note | 52 weeks ended 02 February 2019 £000 | 53 weeks ended 03 February 2018 £000 |
|---|---|---|---|
| Investment income | 5 | 246 | 246 |
| Impairment loss | 7 | (45,744) | - |
| **(Loss)/Profit before taxation** | | (45,498) | 246 |
| Taxation | 6 | - | - |
| **(Loss)/Profit for the period** | | (45,498) | 246 |

All results are derived from continuing operations. There is no other comprehensive income/expense during the period.

## Balance sheet
*As at 02 February 2019*

| | Note | 02 February 2019 £000 | 03 February 2018 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Investment in subsidiary undertakings | *7* | 40,000 | 79,744 |
| Fair value through profit and loss financial asset | *8* | 6,152 | 6,152 |
| Other receivables | *9* | 1,532 | 1,532 |
| | | 47,684 | 87,428 |
| **Current assets** | | | |
| Other receivables | *9* | 145 | 1,602 |
| **Total assets** | | 47,829 | 89,030 |
| **Net assets** | | 47,829 | 89,030 |
| **Equity attributable to owners of the Company** | | | |
| Called up share capital | *10* | 2,675 | 2,675 |
| Share premium account | | 58,669 | 58,669 |
| Capital contribution reserve | | 29,417 | 23,417 |
| Retained earnings | | (42,932) | 4,269 |
| **Total equity attributable to owners of the Company** | | 47,829 | 89,030 |

The financial statements were approved and authorised for issue by the Board of Directors on 17 October 2019 and signed on its behalf by:

JCalandra

**Mr J Calandra**
*Director*

Company number: 06474385

## Statement of changes in equity

***For the 52 weeks ended 02 February 2019***

| | Share capital £000 | Share premium £000 | Capital Contribution Reserve £000 | Retained earnings £000 | Total equity £000 |
|---|---|---|---|---|---|
| Balance at 28 January 2017 | 2,675 | 58,669 | 23,417 | 4,023 | 88,784 |
| Total comprehensive income for the period | | | | | |
| Profit for the year | - | - | - | 246 | 246 |
| Balance at 03 February 2018 | 2,675 | 58,669 | 23,417 | 4,269 | 89,030 |
| Total comprehensive income for the period | | | | | |
| Loss for the year | - | - | - | (45,498) | (45,498) |
| Capital Contribution | | | 6,000 | - | 6,000 |
| Distribution to Parent Company | - | - | - | (23,999) | (23,999) |
| Distribution from Subsidiary Undertaking | - | - | - | 22,296 | 22,296 |
| Balance at 02 February 2019 | 2,675 | 58,669 | 29,417 | (42,932) | 47,829 |

Share capital details can be found in note 10 on page 18.

# Notes to the financial statements

## 1 Accounting policies

Ensco 648 Limited (the "Company") is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report.

***Basis of preparation***

The Company meets the definition of a qualifying entity under Financial Reporting Standard ("FRS") 100 "Application of Financial Reporting Requirements" issued by the Financial Reporting Council. Accordingly, in the year ended 28 January 2017 the Company underwent transition from reporting under International Financial Reporting Standards ("IFRS") adopted by the European Union to FRS 101 "Reduced Disclosure Framework". This transition is not considered to have had material effect on the financial statements.

These financial statements were prepared in accordance with FRS 101 "Reduced Disclosure Framework".

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party.

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

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

The financial statements contain information about Ensco 648 Limited as an individual company and do not contain consolidated financial information as a 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 in the consolidated financial statements of its ultimate parent company, Tailored Brands, Inc.

Where relevant, equivalent disclosures have been given in the Annual Report on Form 10-K of Tailored Brands, Inc.

***Going concern***

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least the next twelve months. Therefore the Company has adopted the going concern basis in preparing the financial statements. Further detail is contained in the Directors report on page 3.

# Notes to the financial statements (continued)

## 1 Accounting policies (continued)

***Critical accounting judgements***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

*Investment impairment*
The carrying amounts of the Company's investments are reviewed for impairment using commercial judgement and a number of assumptions and estimates have been made to support their carrying amounts.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key sources of estimation uncertainty.

***Investments***

Investments in subsidiaries are carried at cost less any provision following an impairment review.

***Taxation***

The Company is considered to be tax domiciled in the United Kingdom for Corporation Tax purposes.

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement and statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting, nor taxable, profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

***Dividend distribution***

Under IAS 10 (Events after the Balance Sheet Date) dividends to holders of equity instruments declared after the Balance Sheet date are not recognised as a liability as at the Balance Sheet date. Dividend distribution to the Company's shareholders is recognised in the financial statements in the period in which the dividends are declared to the Company's shareholders. Interim dividends are recognised when paid.

# Notes to the financial statements (continued)

## 1 Accounting policies (continued)

***Dividend income***

Dividend income relating to cumulative preference shares are recognised at cost and this is determined to be their fair value as the Company has no rights to future dividend income.

***Financial Instruments***

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

From 1 January 2018 IFRS 9 has replaced the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The introduction of IFRS 9 is considered to be non-material as the Company holds financial assets only with the objective of collecting contractual cash flows, being solely principal and interest on the principle outstanding. As such financial assets are carried at amortised cost.

*Share Capital*
Ordinary shares are classified as equity. The difference between consideration for share capital and the value of the called-up share capital has been recorded in the share premium account.

*Cumulative Redeemable Preference Shares*
The cumulative redeemable preference shares held by the Company are classified as a fair value through profit and loss financial asset and are stated at fair value with fair value gains or losses being recognised in other comprehensive income. Dividends on these assets are recognised in the income statement and statement of comprehensive income when the Company's right to receive the dividends has been established.

*Non-derivative Financial Instruments*
Non-derivative financial instruments comprise other receivables.

*Other Receivables*
Other receivables are not interest bearing and are stated at their fair value.

## 2 Segmental analysis

The Company had only one class of business in the United Kingdom in the current and prior period which is to act as a holding company to Ensco 645 Limited. Ensco 645 Limited acts as a holding company to MWUK Limited, a company incorporated in England and Wales engaged in the provision of clothing to people at work. The analysis of revenue and profit before taxation by class of business and geographical location has therefore not been given.

## 3 Directors and Employees

The Company has no employees. The Directors receive no remuneration from the Company for their services to the Company but received remuneration from other Group companies. It is not practicable to allocate or split the Directors' remuneration for qualifying services.

## 4 Auditor's remuneration

Fees payable to the Company's auditor of £10,000 (FY 2017: £4,000) for the audit of the Company's financial statements were borne by MWUK Limited, a second-tier subsidiary undertaking. Fees payable to the Company's auditor for non audit services was £nil (FY 2017: £nil).

## Notes to the financial statements (continued)

### 5 Investment income

Investment income can be analysed as follows:

| | 52 weeks ended 02 February 2019 £000 | 53 weeks ended 03 February 2018 £000 |
|---|---|---|
| Fair value through profit and loss financial asset: | | |
| - dividend on cumulative redeemable preference shares | 246 | 246 |

The Company is entitled to receive a cumulative dividend of 4% per annum on the cumulative redeemable preference shares.

### 6 Taxation

The current tax charge in the period is £nil (FY 2017: £nil).

The tax for the period is lower (FY 2017: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

| | 52 weeks ended 02 February 2019 £000 | 53 weeks ended 03 February 2018 £000 |
|---|---|---|
| (Loss)/Profit before taxation per the income statement and statement of comprehensive income | (45,498) | 246 |
| (Loss)/Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (FY 2017: 19.2%) | (8,645) | 47 |
| Tax effect of permanent differences | 8,659 | (47) |
| Group relief received for no consideration | (14) | - |
| Total charge for taxation in the income statement and statement of comprehensive income | - | - |

The reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The current tax rate used in the period ended 2 February 2019 is therefore 19.0%.

# Notes to the financial statements (continued)

**7 Investment in subsidiary undertakings**

| | 02 February 2019 £000 | 03 February 2018 £000 |
|---|---|---|
| *Cost:* | | |
| At start of period | 79,744 | 79,744 |
| Capital contribution to Ensco 645 | 6,000 | - |
| Impairment loss | (45,744) | |
| At end of period | 40,000 | 79,744 |

On 25 July 2018 the Company made a capital contribution of £6,000,000 to Ensco 645 Limited, a subsidiary undertaking. The company has no right to call for or demand repayment of any part of the contributed sum. The capital contribution is made to the capital reserves of Ensco 645 Limited.

An annual test is carried out to determine if the investment in subsidiary undertakings has suffered any impairment. The recoverable amount is determined based on value in use calculations, requiring the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. As a result of the sale of MWUK Limited on 16 August 2019, the estimated future cash flows of MWUK Limited were reduced to the total sale price of approximately £40,000,000 resulting in an impairment loss of £45,744,000.

The principal subsidiaries all of which are wholly owned by the Company or its subsidiary undertaking are as follows:

| Subsidiary Undertaking | Country of Incorporation | Registered Office | Nature of Business | Holding | % |
|---|---|---|---|---|---|
| Ensco 645 Limited | England and Wales | 3 Long Acres, Willow Farm Business Park, Castle Donington, Derbyshire, DE74 2UG, England | Holding Company | Ord. shares | 100 |
| MWUK Limited (shareholding held by Ensco 645 Limited) | England and Wales | 3 Long Acres, Willow Farm Business Park, Castle Donington, Derbyshire, DE74 2UG, England | Provision of clothing to people at work | Ord. shares | 100 |
| Alexandra Corporate Fashion BV (shareholding held by MWUK Limited) | Netherlands | Postbus 223, 4940 AE, Raamsdonksveer, The Netherlands | Provision of clothing to people at work | Ord. shares | 100 |
| Alexandra Vetements Professionnel SARL (shareholding held by MWUK Limited) | France | 42 rue de Maubeuge, 75009, Paris, France | Provision of clothing to people at work | Ord. shares | 100 |
| Work Uniforms Direct Limited (shareholding held by MWUK Limited) | Ireland | 12A Balloo Avenue, Bangor, County Down, Belfast BT19 7QT | Provision of clothing to people at work | Ord. shares | 100 |

# Notes to the financial statements (continued)

## 8 Fair value through profit and loss financial asset

| | 02 February 2019 £000 | 03 February 2018 £000 |
|---|---|---|
| *Cost:* | | |
| Cumulative preference shares – Investment in MWUK Limited | 6,152 | 6,152 |
| At end of period | 6,152 | 6,152 |

On 1 August 2011 the Company subscribed 21,636,409 preference shares for £21,636,409 in MWUK Limited. The preference shares are cumulative redeemable preference shares of £1 each with an entitlement to receive a cumulative dividend of 4% per annum payable on redemption. They have no right to vote or participate in distribution. They have no fixed repayment date. These cumulative redeemable preference shares are not held for trading and accordingly have been classified as an fair value through profit and loss financial asset in accordance with IFRS 9.

On 18 December 2013 MWUK Limited made a partial redemption of the preference shares which consisted of the redeeming of 7,771,145 shares at par.

Furthermore, on 27 January 2016 MWUK Limited made a partial redemption of the preference shares which consisted of the redeeming of 7,712,519 shares at par.

These cumulative preference shares have been recognised at cost as this is determined to be their fair value as the Company has no rights to future dividend income.

## 9 Other receivables

| | 02 February 2019 £000 | 03 February 2018 £000 |
|---|---|---|
| *Amounts falling due within one year:* | | |
| Amounts receivable from subsidiary undertakings | 145 | 1,602 |

At the period end the Company was owed £145,000 (FY 2017: £1,602,000) by MWUK Limited, a second-tier subsidiary undertaking, in preference share dividends. The preference shares are cumulative redeemable preference shares of £1 each with an entitlement to receive a cumulative dividend of 4% per annum payable on redemption.

| | | |
|---|---|---|
| *Amounts falling due after one year:* | | |
| Amounts receivable from subsidiary undertakings | 1,532 | 1,532 |

At the period end the Company was owed £1,532,000 (FY 2017: £1,532,000) by Ensco 645 Limited, a subsidiary undertaking. The loan is interest free and has no fixed repayment date.

# Notes to the financial statements (continued)

## 10 Called-up share capital

| | 02 February 2019 £000 | 03 February 2018 £000 |
|---|---|---|
| *Allotted, authorised, called up and fully paid* | | |
| 156,403,681 A Ordinary shares of 1p each | 1,564 | 1,564 |
| 75,200,000 B Ordinary shares of 1p each | 752 | 752 |
| 35,900,000 C Ordinary shares of 1p each | 359 | 359 |
| | 2,675 | 2,675 |

The A and B Ordinary shares rank pari passu in respect of voting rights and dividends; however the A Ordinary shares have superior rights in relation to a distribution on a winding up.

The C Ordinary shares have no dividend rights but have preferential rights in comparison to the A and B ordinary shares in relation to the first £35,900,000 of any proceeds on the disposal of the business.

## 11 Related party transactions

The Company has taken the exemption under FRS 101.8(k) from disclosing transactions with fellow subsidiaries of Tailored Brands, Inc., the ultimate parent undertaking. The table below sets out the amounts receivable and payable from related parties at the balance sheet date.

The following amounts were outstanding with fellow subsidiaries of Tailored Brands, Inc. at the balance sheet date:

| Related Party | Nature of Transaction | Amounts owed by related parties | | Amounts owed to related parties | |
|---|---|---|---|---|---|
| | | FY 2018 £000 | FY 2017 £000 | FY 2018 £000 | FY 2017 £000 |
| MWUK Limited | Loan | 145 | 1,602 | - | - |
| Ensco 645 Limited | Loan | 1,532 | 1,532 | - | - |

All intercompany loans are unsecured with no associated guarantees.

## 12 Financial instruments – Categories

| | 02 February 2019 £000 | 03 February 2018 £000 |
|---|---|---|
| *Financial Assets:* | | |
| Loans and receivables | 1,677 | 3,134 |
| Fair value through profit and loss financial asset | 6,152 | 6,152 |
| | 7,829 | 9,286 |

# Notes to the financial statements (continued)

## 13 Ultimate parent company

The Company is a wholly owned subsidiary of MWUK Holding Company Limited. Tailored Brands, Inc. is incorporated in the United States of America (USA) and is regarded as the ultimate parent undertaking and controlling party at the period end. Tailored Brands, Inc. is the largest and smallest group of which the Company is a member and for which group financial statements are drawn up; the registered office address is 6380 Rogerdale Road, Houston, TX 77072 USA. Copies of the parent's consolidated financial statements are available through the investor relations section of its website at www.tailoredbrands.com, from the United States Securities and Exchange Commission website at www.sec.gov or from Tailored Brands, Inc. c/o Assistant Secretary, at the registered office address.