

## **Ensco 648 Limited**

**Annual report and financial statements**

**Registered number 06474385**

**For the 52 weeks ended 01 February 2020**



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## **Company Information**

### **Directors**

Mr M Federer  
Mr J Bragg II

### **Company Secretary**

Mr M Federer

### **Registered office**

c/o Freeths LLP  
Routeo Office Park  
Davy Avenue  
Knowlhill  
Milton Keynes  
MK5 8HJ

### **Bankers**

The Royal Bank of Scotland  
1 Exchange Flags  
Liverpool  
L2 3XN

### **Registered auditor**

Moore Kingston Smith LLP  
6<sup>th</sup> Floor  
Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

## **Directors' report**

The Directors present their annual report and audited financial statements for the 52 weeks ended 01 February 2020 (FY 2019). The previous financial period comprised of 52 weeks and ended on 02 February 2019 (FY 2018).

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 2020.

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

### **Dividends**

The Directors have paid a dividend during the period of £46,518,265 (FY 2018: £23,999,400).

### **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.

As a result of the sale of the subsidiary company MI Hub Limited in the year, the intent is to liquidate Ensco 648 Limited within 12 months of signing the financial statements. As a result these financial statements are prepared on a basis other than going concern.

### **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 A Rhodes – resigned 5 February 2021  
Mr J Calandra – resigned 31 July 2020  
Mr J Bragg II – appointed 31 July 2020  
Ms C Ask – appointed 31 July 2020; resigned 26 March 2021  
Mr M Federer – appointed 31 March 2021

### **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' 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;

**Directors' report (continued)**

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

**Events after the balance sheet date**

On March 11, 2020, the World Health Organization classified the global coronavirus outbreak (COVID-19) as a pandemic, triggering volatility in financial markets and significant economic uncertainties.

On August 2, 2020, the Company and certain of its subsidiaries (together with the Company, the "Debtors") commenced voluntary cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"). The Chapter 11 Cases are being jointly administered under the caption In re: Tailored Brands, Inc., et al., Case No. 20-33900 (MI).

On November 13, 2020, the Bankruptcy Court held a hearing to consider confirmation of the Fifth Amended Joint Plan of Reorganization for the Debtors under Chapter 11 of the Bankruptcy Code (as it may be amended, supplemented or otherwise modified, the "Plan"). On November 13, 2020, the Bankruptcy Court entered an order confirming the Plan (the "Confirmation Order"). The effective date of the Plan officially occurred on December 1, 2020.

The above have not had a material impact on the business or its subsidiaries. Additionally, the intent is to wind up the Company within the next 12 months.

Authorised for issue on behalf of the Board



**Mr M Federer**  
*Director*

26/05/2021

**Independent auditors report to the members of Ensco 648 Ltd**  
*For the 52 weeks ended 01 February 2020*

**Opinion**

We have audited the financial statements of Ensco 648 Ltd (the 'company') for the year ended 01 February 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and 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 Financial reporting standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1<sup>st</sup> February 2020 and of its profit 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.

**Emphasis of matter – basis of preparation**

We draw attention to Note 1 to the financial statements which explains that the company has ceased trading and therefore the directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in this respect of this matter.

**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 this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 and 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, 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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

**Francesca Robe (Senior Statutory Auditor)**  
**for and on behalf of Moore Kingston Smith LLP**

**27/05/2021**  
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**Chartered Accountants**  
**Statutory Auditor**

6<sup>th</sup> Floor  
Charlotte Building  
17 Gresse Street  
London W1T 1QL



**Income statement and statement of comprehensive income**  
*For the 52 weeks ended 01 February 2020*

|                                     |      | 52 weeks<br>ended<br>01 February<br>2020<br>£000 | 52 weeks<br>ended<br>02 February<br>2019<br>£000 |
|-------------------------------------|------|--|--|
|                                     | Note |  |  |
| Investment income                   | 5    | 133  | 246  |
| Impairment loss                     | 7    | (40,000)   | (45,744)   |
| <b>Loss before taxation</b>         |      | (39,867)   | (45,498)   |
| Taxation                            | 6    | -  | -  |
| <b>(Loss)/Profit for the period</b> |      | (39,867)   | (45,498)   |

The profit and loss account has been prepared on the basis that all operations are discontinuing. There is no other comprehensive income/expense during the period.

## Balance sheet

*As at 01 February 2020*

|   |      | 01 February<br>2020<br>£000 | 02 February<br>2019<br>£000 |
|---|------|-----------------------------|-----------------------------|
|   | Note |                             |                             |
| <b>Non-current assets</b>                                 |      |                             |                             |
| Investment in subsidiary undertakings                     | 7    | -                           | 40,000                      |
| Fair value through profit and loss financial asset        | 8    | -                           | 6,152                       |
| Other receivables   | 9    | -                           | 1,532                       |
|   |      | <hr/>                       | <hr/>                       |
|   |      | -                           | 47,684                      |
|   |      | <hr/>                       | <hr/>                       |
| <b>Current assets</b>                                     |      |                             |                             |
| Other receivables   | 9    | -                           | -                           |
|   |      | <hr/>                       | <hr/>                       |
| <b>Total assets</b>                                       |      | -                           | -                           |
|   |      | <hr/>                       | <hr/>                       |
| <b>Net assets</b>   |      | -                           | 47,829                      |
|   |      | <hr/>                       | <hr/>                       |
| <b>Equity attributable to owners of the Company</b>       |      |                             |                             |
| Called up share capital                                   | 10   | -                           | 2,675                       |
| Share premium account                                     |      | -                           | 58,669                      |
| Capital contribution reserve                              |      | -                           | 29,417                      |
| Retained earnings   |      | -                           | (42,932)                    |
|   |      | <hr/>                       | <hr/>                       |
| <b>Total equity attributable to owners of the Company</b> |      | -                           | 47,829                      |
|   |      | <hr/>                       | <hr/>                       |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Directors on 26/05/2021 and signed on its behalf by:



**Mr M Federer**  
*Director*

Company number: 06474385

**Statement of changes in equity**  
**For the 52 weeks ended 01 February 2020**

|   | Share<br>capital<br>£000 | Share<br>premium<br>£000 | Capital<br>Contribution<br>Reserve<br>£000 | Retained<br>earnings<br>£000 | Total<br>equity<br>£000 |
|---|--------------------------|--------------------------|--|------------------------------|-------------------------|
| 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                  |
| Total comprehensive income for the period                     |                          |                          |  |                              |                         |
| Loss for the year   | -                        | -                        | -  | (39,867)                     | (39,867)                |
| Reduction in share capital transfer to distributable reserves | (2,675)                  | (58,669)                 | (29,417)                                   | 90,761                       | -                       |
| Distribution to Parent Company                                | -                        | -                        | -  | (46,518)                     | (46,518)                |
| Distribution from Subsidiary Undertaking                      | -                        | -                        | -  | 38,556                       | 38,556                  |
| Balance at 01 February 2020                                   | -                        | -                        | -  | -                            | -                       |

Share capital details can be found in note 10 on page 15.

## Notes to the financial statements

### 1 Accounting policies

Ensko 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 Ensko 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***

On 16 August 2019 the Company completed the sale of MI Hub Limited (formerly MWUK Limited) pursuant to a share purchase agreement entered into on 16 August 2019. As such the company is no longer a holding company for MI Hub Limited. As a result of the sale of the subsidiary company MI Hub Limited, the intent is to liquidate Ensko 645 Limited within 12 months of signing the financial statements. As a result these financial statements are prepared on a basis other than going concern.

## **Notes to the financial statements (continued)**

### **1 Accounting policies (continued)**

#### ***Critical accounting judgements***

In application of the company's accounting policies, the Directors are required to make judgements about the carrying amounts of assets and liabilities. Judgements are continually evaluated and are based on historical experience and other factors including expectations of future events. There are no areas of critical judgement.

#### ***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 until 16 August 2019. Ensco 645 Limited acted 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 for the year of £6,500 are borne by Tailored Shared Services, LLC. Fees payable to the Company's auditor in FY 2018 of £10,000 for the audit of the Company's financial statements were borne by MWUK Limited, a subsidiary undertaking. Fees payable to the Company's auditor for non-audit services was £3,500 (FY 2018: £nil).

## Notes to the financial statements (continued)

### 5 Investment income

Investment income can be analysed as follows:

|   | 52 weeks<br>ended<br>01 February<br>2020<br>£000 | 52 weeks<br>ended<br>02 February<br>2019<br>£000 |
|---|--|--|
| Fair value through profit and loss financial asset:   |  |  |
| - dividend on cumulative redeemable preference shares | 133  | 246  |
|   | <hr/>  | <hr/>  |

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 2018: £nil).

The tax for the period is lower (FY 2018: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

|   | 52 weeks<br>ended<br>01 February<br>2020<br>£000 | 52 weeks<br>ended<br>02 February<br>2019<br>£000 |
|---|--|--|
| Loss before taxation per the income statement and statement of comprehensive income                     | (46,298)   | (45,498)   |
|   | <hr/>  | <hr/>  |
| Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (FY 2018: 19%) | (8,797)  | (8,645)  |
| Tax effect of permanent differences   | 8,797  | 8,659  |
| Group relief received for no consideration  | -  | (14)   |
|   | <hr/>  | <hr/>  |
| Total charge for taxation in the income statement and statement of comprehensive income                 | -  | -  |
|   | <hr/>  | <hr/>  |

## Notes to the financial statements (continued)

### 7 Investment in subsidiary undertakings

|                                   | 01 February<br>2020<br>£000 | 02 February<br>2019<br>£000 |
|-----------------------------------|-----------------------------|-----------------------------|
| <i>Cost:</i>                      |                             |                             |
| At start of period                | 40,000                      | 79,744                      |
| Capital contribution to Ensco 645 | -                           | 6,000                       |
| Impairment loss                   | (40,000)                    | (45,744)                    |
| At end of period                  | <u>-</u>                    | <u>40,000</u>               |

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 in FY 2018 financial statements. Following the sale Ensco 645 Limited had distributed all of its reserves and therefore a further impairment loss of £40,000,000 is recognised in FY 2019.

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

| <b>Subsidiary Undertaking</b> | <b>Country of Incorporation</b> | <b>Registered Office</b>  | <b>Nature of Business</b> | <b>Holding</b> | <b>%</b> |
|-------------------------------|---------------------------------|---|---------------------------|----------------|----------|
| Ensco 645 Limited             | England and Wales               | c/o Freeths LLP<br>Routeco Office Park<br>Davy Avenue<br>Knowhill<br>Milton Keynes<br>MK5 8HJ | Holding Company           | Ord. shares    | 100      |

### 8 Fair value through profit and loss financial asset

|   | 01 February<br>2020<br>£000 | 02 February<br>2019<br>£000 |
|---|-----------------------------|-----------------------------|
| <i>Cost:</i>  |                             |                             |
| Cumulative preference shares – Investment in MWUK Limited | -                           | 6,152                       |
| At end of period  | <u>-</u>                    | <u>6,152</u>                |

These cumulative preference shares were recognised at cost in FY 2018 as this was determined to be their fair value because the Company had no rights to future dividend income. On 16 August 2019, the company disposed of the preference shares in MWUK Limited. This resulted in a loss on disposal of £6,431,000.



## Notes to the financial statements (continued)

### 9 Other receivables

|   | 01 February<br>2020<br>£000 | 02 February<br>2019<br>£000 |
|---|-----------------------------|-----------------------------|
| <i>Amounts falling due within one year:</i>     |                             |                             |
| Amounts receivable from subsidiary undertakings | -                           | 145                         |
|   | <u>          </u>           | <u>          </u>           |

On the 16 August 2019 the Company disposed of its preference shares in MWUK Limited, a second-tier subsidiary undertaking. The preference shares were cumulative redeemable preference shares of £1 each with an entitlement to receive a cumulative dividend of 4% per annum.

|   |                   |                   |
|---|-------------------|-------------------|
| <i>Amounts falling due after one year:</i>      |                   |                   |
| Amounts receivable from subsidiary undertakings | -                 | 1,532             |
|   | <u>          </u> | <u>          </u> |

At the period end the Company was owed £nil (FY 2018: £1,532,000) by Ensco 645 Limited, a subsidiary undertaking. The loan is interest free and has no fixed repayment date.

### 10 Called-up share capital

|   | 01 February<br>2020<br>£000 | 02 February<br>2019<br>£000 |
|---|-----------------------------|-----------------------------|
| <i>Allotted, authorised, called up and fully paid</i> |                             |                             |
| 100 A Ordinary shares of 1p each                      | -                           | 1,564                       |
| 100 B Ordinary shares of 1p each                      | -                           | 752                         |
| 100 C Ordinary shares of 1p each                      | -                           | 359                         |
|   | <u>          </u>           | <u>          </u>           |
|   | -                           | 2,675                       |
|   | <u>          </u>           | <u>          </u>           |

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.

On 26 August 2019 the sole member of the company effected a reduction of the Company's capital under sections 641 (1) (a) and 641 (1A) of Companies Act 2006.

## Notes to the financial statements (continued)

### 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 Brand Inc. at the balance sheet date:

| Related Party     | Nature of Transaction | Amounts owed by related parties |                 | Amounts owed to related parties |                 |
|-------------------|-----------------------|---------------------------------|-----------------|---------------------------------|-----------------|
|                   |                       | FY 2020<br>£000                 | FY 2019<br>£000 | FY 2020<br>£000                 | FY 2019<br>£000 |
| MWUK Limited      | Loan                  | -                               | 145             | -                               | -               |
| Ensco 645 Limited | Loan                  | -                               | 1,532           | -                               | -               |

All intercompany loans are unsecured with no associated guarantees.

### 12 Financial instruments – Categories

|  | 01 February<br>2020<br>£000 | 02 February<br>2019<br>£000 |
|--|-----------------------------|-----------------------------|
| <i>Financial Assets:</i>                           |                             |                             |
| Loans and receivables                              | -                           | 1,677                       |
| Fair value through profit and loss financial asset | -                           | 6,152                       |
|  | -                           | 7,829                       |

### 14 Events after the balance sheet date

On March 11, 2020, the World Health Organization classified the global coronavirus outbreak (COVID-19) as a pandemic, triggering volatility in financial markets and significant economic uncertainties.

On August 2, 2020, the Company and certain of its subsidiaries (together with the Company, the “Debtors”) commenced voluntary cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Chapter 11 Cases are being jointly administered under the caption In re: Tailored Brands, Inc., et al., Case No. 20-33900 (MI).

On November 13, 2020, the Bankruptcy Court held a hearing to consider confirmation of the Fifth Amended Joint Plan of Reorganization for the Debtors under Chapter 11 of the Bankruptcy Code (as it may be amended, supplemented or otherwise modified, the “Plan”). On November 13, 2020, the Bankruptcy Court entered an order confirming the Plan (the “Confirmation Order”). The effective date of the Plan officially occurred on December 1, 2020.

The above have not had a material impact on the business or its subsidiaries. Additionally, the intent is to wind up the Company within the next 12 months.

### 13 Ultimate parent company

The Company is a wholly owned subsidiary of MWUK Holding Company Limited. Tailored Brand 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

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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](http://www.tailoredbrands.com), from the United States Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov) or from Tailored Brands, Inc. c/o Assistant Secretary, at the registered office address.