

## **Ensco 1240 Limited**

Report and Financial Statements

Year Ended

30 September 2019

Company Number 10807097

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# Ensco 1240 Limited

## Report and financial statements for the year ended 30 September 2019

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### Directors

J Bowie  
B D Conly  
J A MacDonald

### Registered office

12 St James's Square, London, SW1Y 4LB

### Company number

10807097

### Auditor

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

# Ensco 1240 Limited

## Strategic report for the year ended 30 September 2019

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### Review of the business

The trading outcome for the Company's subsidiary undertakings in the year under review was broadly in line with forecast expectations across North America, but fell short in Europe. This was however deemed satisfactory in light of the market conditions and restructuring of the team over the year. The European markets remain robust in terms of transaction volumes within the core client base however delays in transactions occurred due to the uncertainty around Brexit. In North America, the development of the Private Equity markets has been strong in the year which has been the predominant change year-on-year. The directors consider the overall performance of the Group as a whole to be strong.

The Group's principal operating company in the UK, J. C. Rathbone Associates Limited, experienced a decrease in turnover of 15.4% year-on-year. The directors consider this result to be satisfactory in light of the market conditions and restructuring of the team over the year. Recognition of the company's value added expertise in our core sectors of Property, Private Equity, Infrastructure and Social Housing continued to be evident in the number of requests from new prospective clients for proposals received and we have also established a strong reputation in the broader debt capital markets. The company saw a decrease in the overall level of financial transactions undertaken in the market over the year, particularly in the domestic (UK) real estate sector. The ongoing uncertainty around Brexit meant that nervousness around new investments and debt financing continued. On the other side however, the continued risk inherent in the FX markets led to a marked increase in clients seeking independent assistance in the consideration of these risks and hedging strategies to mitigate them.

JCRA Financial LLC, the North American operation reported a profit in the year, with the development of the Private Equity sector and the reduced cost based achieved through the implemented restructuring plan. The Canadian subsidiary, JCRA Canada Inc. was loss making in the year, due to the delay and timing of two large projects which had been anticipated to close in the year, but continued to develop its position in the local market and the directors still believe there is a large market opportunity for the service offerings.

After the balance sheet date, on 11 November 2019, the total share capital of the Company, and all of its subsidiaries was acquired by Chatham Financial Europe Limited. Since then the trade of the Group has been transferred to Chatham Financial Europe Limited. It is therefore the intention of the directors for the Company to cease trading in the foreseeable future.

### Principal risks and uncertainties

#### *Market place*

Demand for the principal advisory services provided by the Group continues to be robust albeit the outlook for the UK and Europe's political landscape remains uncertain. However, following the aforementioned transfer of trade to Chatham Financial Europe Limited market risks are no longer relevant to the Group.

# Ensco 1240 Limited

## Strategic report for the year ended 30 September 2019 (*continued*)

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### Principal risks and uncertainties (*continued*)

#### *Financial risk management policies and objectives*

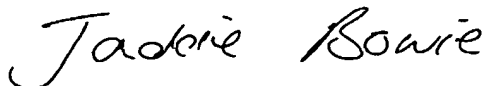
The Group holds or issues financial instruments to finance its operations. Operations are mainly financed by a mixture of retained profits and a fixed rate revolving credit facility. In addition, various financial instruments such as trade debtors and trade creditors arise directly from the Group's operations. The Group does not enter into hedging agreements.

The Group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The directors consider that the financing arrangements are appropriate for the size and complexity of the Group, and remain confident that the level of funding of its working capital is consistent with the type of business undertaken.

The directors monitor the liquidity and cash flow risk of the Group carefully. Cash flow is monitored by the directors on a regular basis and appropriate action is taken where additional funds are required.

#### On behalf of the board



J Bowie  
Director

Date: 14 September 2020

# Ensco 1240 Limited

## Directors' report for the year ended 30 September 2019

The directors present their report together with the audited financial statements for the year ended 30 September 2019. The comparative information presented in this report and within these financial statements is for the period from 7 June 2017 to 30 September 2018.

### Results and dividends

The consolidated profit and loss account is set out on page 8 and shows the loss for the year. The directors do not recommend the payment of a dividend (2018 - £Nil).

### Principal activities and future developments

The principal activity of the Group during the year under review was the provision of financial risk management and debt-advisory consultancy services to financial institutions and professional clients. The principal activity of the Company was to act as a holding company. The Company's principal subsidiary undertaking, J. C. Rathbone Associates Limited, is authorised and regulated by the Financial Conduct Authority.

Subsequent to year end the trade of the Group was transferred to Chatham Financial Europe Limited and the Group and Company are in the process of being wound down following which it is the directors' intention that the Company will be liquidated. Accordingly, the directors do not consider the Group or Company to be a going concern and the financial statements have been prepared on a basis other than going concern. No adjustments have been made to the financial statements as a result of the financial statements being prepared on a basis other than that of a going concern.

COVID-19 has not and is not expected to have any material impact on the winding down process or the value of the assets reported at year end.

### Charitable and political contributions

During the year the Group made charitable contributions of £590 (2018 - £1,327). There were no political contributions.

### Other disclosures

Disclosures of financial risk management policies and objectives, exposure to financial risks and further information on future developments are included in the strategic report on pages 1 and 2.

### Directors

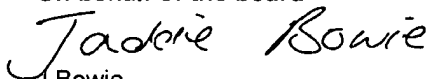
The directors of the Company during the year and to the date of this report were as follows:

I MacFarlane (resigned 8 November 2019)  
J Bowie  
M T Waterman (resigned 8 November 2019)  
B D Conly (appointed 8 November 2019)  
J A MacDonald (appointed 8 November 2019)

### Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

### On behalf of the board

  
J Bowie  
Director

Date: 14 September 2020

# **Ensco 1240 Limited**

## **Directors' responsibilities statement for the year ended 30 September 2019**

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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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and Company and of the profit or loss of the Group for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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. As stated in Note 1 to the financial statements, the directors do not consider the Company to be a going concern and in consequence, these financial statements have not been prepared on the going concern basis.

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.

# Ensco 1240 Limited

## Independent auditor's report

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### TO MEMBERS OF ENSCO 1240 LIMITED

#### Opinion

We have audited the financial statements of Ensco 1240 Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 September 2019 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated statement of cash flows 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2019 and of the Group's 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 Group and the Parent 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 – financial statements prepared on a basis other than a going concern

We draw attention to Note 1 to the financial statements which explains that following the trade of the Group and Parent Company being transferred to Chatham Financial Europe Limited post year end, the Group and Parent Company are in the process of being wound down following which it is the directors' intention that the Parent Company will be liquidated. They therefore do not consider the Group or Parent Company to be a going concern. Accordingly the financial statements have been prepared on a basis other than that of a going concern as described in Note 1. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, 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.

# Ensco 1240 Limited

## Independent auditor's report (*continued*)

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### 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Group's and the Parent 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 Group or the Parent 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

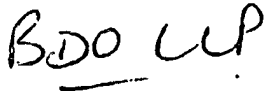
## Ensco 1240 Limited

### Independent auditor's report (*continued*)

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#### Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Christopher Wingrave (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: 22 September 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Ensco 1240 Limited

## Consolidated profit and loss account for the year ended 30 September 2019

|  | Note | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|--|------|---|--|
| <b>Turnover</b>                                    | 3    | 12,248,421                              | 15,394,547   |
| Administrative expenses                            |      | (13,276,162)                            | (14,555,799)   |
| <b>Operating (loss) / profit</b>                   | 4    | (1,027,741)                             | 838,748  |
| Interest receivable and similar income             |      | 1,193                                   | 3,248  |
| Interest payable and similar charges               | 7    | (1,311,861)                             | (1,384,582)  |
| <b>Loss on ordinary activities before taxation</b> |      | (2,338,409)                             | (542,586)  |
| Taxation on loss on ordinary activities            | 8    | 170,126                                 | (403,822)  |
| <b>Loss for the financial year</b>                 |      | (2,168,283)                             | (946,408)  |

All amounts relate to activities which are being discontinued after the balance sheet date.

The notes on pages 15 to 28 form part of these financial statements.

# Ensco 1240 Limited

## Consolidated statement of comprehensive income for the year ended 30 September 2019

|   | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|---|---|--|
| <b>Loss for the financial year</b>                  | (2,168,283)                             | (946,408)  |
| <b>Other comprehensive income for the year:</b>     |   |  |
| Exchange translation differences on consolidation   | (61,516)                                | 26,580   |
| <b>Total comprehensive income for the year</b>      | <u>(2,229,799)</u>                      | <u>(919,828)</u>   |
| <b>Loss for the financial year attributable to:</b> |   |  |
| Owners of the parent company                        | <u>(2,168,283)</u>                      | <u>(946,408)</u>   |
| <b>Total comprehensive income attributable to:</b>  |   |  |
| Owners of the parent company                        | <u>(2,229,799)</u>                      | <u>(919,828)</u>   |

The notes on pages 15 to 28 form part of these financial statements.

# Ensco 1240 Limited

## Consolidated balance sheet at 30 September 2019

| <b>Company number 10807097</b>                                 | <b>Note</b> | <b>2019<br/>£</b> | <b>2019<br/>£</b>  | <b>2018<br/>£</b> | <b>2018<br/>£</b> |
|--|-------------|-------------------|--------------------|-------------------|-------------------|
| <b>Fixed assets</b>  |             |                   |                    |                   |                   |
| Tangible assets  | 9           |                   | 1,448,435          |                   | 1,168,393         |
| Intangible assets  | 10          |                   | 8,951,304          |                   | 10,464,200        |
|  |             |                   | <u>10,399,739</u>  |                   | <u>11,632,593</u> |
| <b>Current assets</b>  |             |                   |                    |                   |                   |
| Debtors  | 12          | 4,499,739         |                    | 4,470,249         |                   |
| Cash at bank and in hand                                       |             | 2,291,340         |                    | 1,595,697         |                   |
|  |             | <u>6,791,079</u>  |                    | <u>6,065,946</u>  |                   |
| <b>Creditors: amounts falling due within one year</b>          | 13          | (8,519,895)       |                    | (6,623,164)       |                   |
| <b>Net current liabilities</b>                                 |             |                   | <u>(1,728,816)</u> |                   | <u>(557,218)</u>  |
| <b>Total assets less current liabilities</b>                   |             |                   | <u>8,670,923</u>   |                   | <u>11,075,375</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 14          |                   | (11,721,292)       |                   | (11,895,945)      |
| <b>Net liabilities</b>   |             |                   | <u>(3,050,369)</u> |                   | <u>(820,570)</u>  |
| <b>Capital and reserves</b>                                    |             |                   |                    |                   |                   |
| Called up share capital  | 16          |                   | 99,258             |                   | 99,258            |
| Profit and loss account  |             |                   | (3,149,627)        |                   | (919,828)         |
| <b>Shareholders' deficit</b>                                   |             |                   | <u>(3,050,369)</u> |                   | <u>(820,570)</u>  |

The financial statements were approved by the board of directors and authorised for issue on 14 September 2020.

*Jadore Bowie*  
J Bowie  
Director

The notes on pages 15 to 28 form part of these financial statements.

# Ensco 1240 Limited

## Company balance sheet at 30 September 2019

| <b>Company number 10807097</b>                                 | <b>Note</b> | <b>2019<br/>£</b> | <b>2019<br/>£</b>  | <b>2018<br/>£</b> | <b>2018<br/>£</b>  |
|--|-------------|-------------------|--------------------|-------------------|--------------------|
| <b>Fixed assets</b>  |             |                   |                    |                   |                    |
| Fixed asset investments  | 11          |                   | 1                  |                   | 1                  |
| <b>Current assets</b>  |             |                   |                    |                   |                    |
| Debtors  | 12          | 4,888,669         |                    | 4,894,925         |                    |
| Cash at bank and in hand                                       |             | 13,687            |                    | 31,275            |                    |
|  |             | <u>4,902,356</u>  |                    | <u>4,926,200</u>  |                    |
| <b>Creditors: amounts falling due within one year</b>          | 13          | <u>(598,567)</u>  |                    | <u>(253,483)</u>  |                    |
| <b>Net current assets</b>                                      |             |                   | <u>4,303,789</u>   |                   | <u>4,672,717</u>   |
| <b>Total assets less current liabilities</b>                   |             |                   | <u>4,303,790</u>   |                   | <u>4,672,718</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 14          |                   | <u>(4,599,000)</u> |                   | <u>(4,599,000)</u> |
| <b>Net (liabilities) / assets</b>                              |             |                   | <u>(295,210)</u>   |                   | <u>73,718</u>      |
| <b>Capital and reserves</b>                                    |             |                   |                    |                   |                    |
| Called up share capital  | 16          |                   | 99,258             |                   | 99,258             |
| Profit and loss account  |             |                   | <u>(394,468)</u>   |                   | <u>(25,540)</u>    |
| <b>Shareholders' (deficit) / funds</b>                         |             |                   | <u>(295,210)</u>   |                   | <u>73,718</u>      |

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The Group loss for the year includes a loss after tax of £368,928 which is dealt with in the financial statements of the Company.

The financial statements were approved by the board of directors and authorised for issue on 14 September 2020.

*Jadrië Bowie*

J Bowie  
Director

The notes on pages 15 to 28 form part of these financial statements.

# Ensco 1240 Limited

## Consolidated statement of changes in equity for the year ended 30 September 2019

|  | Called up<br>share<br>capital<br>£ | Profit<br>and loss<br>account<br>£ | Total<br>equity<br>£ |
|--|------------------------------------|------------------------------------|----------------------|
| <b>Year ended 30 September 2019</b>            |                                    |                                    |                      |
| <b>1 October 2018</b>                          | 99,258                             | (919,828)                          | (820,570)            |
| <b>Comprehensive income for the year:</b>      |                                    |                                    |                      |
| Loss for the year                              | -                                  | (2,168,283)                        | (2,168,283)          |
| Exchange translation differences               | -                                  | (61,516)                           | (61,516)             |
|  |                                    |                                    |                      |
| <b>Total comprehensive income for the year</b> | -                                  | (2,229,799)                        | (2,229,799)          |
|  |                                    |                                    |                      |
| <b>30 September 2019</b>                       | 99,258                             | (3,149,627)                        | (3,050,369)          |
|  |                                    |                                    |                      |
| <b>Period ended 30 September 2018</b>          |                                    |                                    |                      |
| <b>7 June 2017</b>                             | -                                  | -                                  | -                    |
| <b>Comprehensive income for the period:</b>    |                                    |                                    |                      |
| Loss for the period                            | -                                  | (946,408)                          | (946,408)            |
| Exchange translation differences               | -                                  | 26,580                             | 26,580               |
|  |                                    |                                    |                      |
| <b>Total comprehensive income for the year</b> | -                                  | (919,828)                          | (919,828)            |
| <b>Transactions with owners:</b>               |                                    |                                    |                      |
| Share issue                                    | 99,258                             | -                                  | 99,258               |
|  |                                    |                                    |                      |
| <b>30 September 2019</b>                       | 99,258                             | (919,828)                          | (820,570)            |

The notes on pages from 15 to 28 form part of these financial statements.

# Ensco 1240 Limited

## Company statement of changes in equity for the year ended 30 September 2019

|   | Called up<br>share<br>capital<br>£ | Profit<br>and loss<br>account<br>£ | Total<br>equity<br>£ |
|---|------------------------------------|------------------------------------|----------------------|
| <b>Year ended 30 September 2019</b>         |                                    |                                    |                      |
| <b>1 October 2018</b>                       | 99,258                             | (25,540)                           | 73,718               |
| <b>Comprehensive income for the period:</b> |                                    |                                    |                      |
| Loss for the year                           | -                                  | (368,928)                          | (368,928)            |
|   |                                    |                                    |                      |
| <b>30 September 2019</b>                    | 99,258                             | (394,468)                          | (295,210)            |
| <b>Period ended 30 September 2018</b>       |                                    |                                    |                      |
| <b>7 June 2017</b>                          | -                                  | -                                  | -                    |
| <b>Comprehensive income for the period:</b> |                                    |                                    |                      |
| Loss for the period                         | -                                  | (25,540)                           | (25,540)             |
| <b>Transactions with owners:</b>            |                                    |                                    |                      |
| Share issue                                 | 99,258                             | -                                  | 99,258               |
|   |                                    |                                    |                      |
| <b>30 September 2018</b>                    | 99,258                             | (25,540)                           | 73,718               |

The notes on pages from 15 to 28 form part of these financial statements.

# Ensco 1240 Limited

## Consolidated cash flow statement for the year ended 30 September 2019

|   | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|---|---|--|
| <b>Cash flows from operating activities</b>       |   |  |
| Loss for the year                                 | (2,168,283)                             | (946,408)  |
| Loss on disposal of fixed assets                  | 41,907                                  | 38,428   |
| Depreciation of tangible fixed assets             | 336,602                                 | 168,390  |
| Amortisation of goodwill                          | 1,512,896                               | 1,638,971  |
| Interest receivable                               | (1,193)                                 | (3,248)  |
| Interest payable                                  | 1,311,861                               | 1,384,582  |
| Tax expense                                       | (170,126)                               | 403,822  |
| Decrease in debtors                               | 83,502                                  | 149,495  |
| Increase / (decrease) in creditors                | 23,417                                  | (630,803)  |
| <b>Cash flows from operations</b>                 | <b>970,583</b>                          | <b>2,203,229</b>   |
| Corporation tax paid                              | (33,361)                                | (245,832)  |
| <b>Net cash flows from operating activities</b>   | <b>937,222</b>                          | <b>1,957,397</b>   |
| <b>Cash flows from investing activities</b>       |   |  |
| Interest received                                 | 1,193                                   | 3,248  |
| Payments to acquire tangible fixed assets         | (660,652)                               | (938,774)  |
| Purchase of subsidiary undertaking                | -                                       | (16,994,346)   |
| Cash acquired with subsidiary undertaking         | -                                       | 3,549,852  |
| <b>Net cash flows from investing activities</b>   | <b>(659,459)</b>                        | <b>(14,380,020)</b>                                      |
| <b>Cash flows from financing activities</b>       |   |  |
| Interest paid                                     | (731,131)                               | (984,735)  |
| Share issue                                       | -                                       | 99,258   |
| New bank loans                                    | 1,100,000                               | 3,900,000  |
| Debt issue costs incurred                         | -                                       | (284,351)  |
| New loan notes issued                             | -                                       | 11,287,400   |
| <b>Net cash flows from financing activities</b>   | <b>368,869</b>                          | <b>14,017,572</b>  |
| <b>Increase in cash and cash equivalents</b>      | <b>646,632</b>                          | <b>1,594,949</b>   |
| Cash and cash equivalents at beginning of period  | 1,595,697                               | -  |
| Foreign exchange gains                            | 49,011                                  | 748  |
| <b>Cash and cash equivalents at end of period</b> | <b>2,291,340</b>                        | <b>1,595,697</b>   |

The notes on pages 15 to 28 form part of these financial statements.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019

### 1 Accounting policies

Ensco 1240 Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the strategic and directors' reports.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Further details are given in note 2.

#### *Parent company disclosure exemptions*

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of Ensco 1240 Limited and all of its subsidiary undertakings as at 30 September 2019 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

#### *Going concern*

Subsequent to year end the trade of the Group was transferred to Chatham Financial Europe Limited and the Group and Company are in the process of being wound down following which it is the directors' intention that the Company will be liquidated. Accordingly, the directors do not consider the Group or Company to be a going concern and the financial statements have been prepared on a basis other than going concern. No adjustments have been made to the financial statements as a result of the financial statements being prepared on a basis other than that of a going concern.

The following principal accounting policies have been applied consistently during the current and prior period:

#### *Turnover*

Turnover represents amounts receivable for services provided during the year less value added tax and includes the directors' estimate of the recoverable value of work-in-progress on projects in progress but not completed, at the balance sheet date.

#### *Goodwill*

On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration paid for a business exceeds the value of such net assets. Goodwill arising on acquisitions, on consolidation, is capitalised and subject to impairment review, at the end of the first full financial year following acquisition and in other periods if there are indications that the carrying value may not be recoverable. Goodwill is amortised over its estimated useful life, which has been assessed as being 8 years.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 1 Accounting policies (continued)

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

|                        |   |               |
|------------------------|---|---------------|
| Leasehold improvements | - | 10% per annum |
| Office equipment       | - | 20% per annum |
| Computer equipment     | - | 25% per annum |

#### *Investments*

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

#### *Financial assets*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Current and deferred taxation*

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 *(continued)*

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### 1 Accounting policies *(continued)*

#### *Employee benefit trust ('EBT')*

The cost of the Company's shares held by the EBT is deducted from shareholders' funds in the Group balance sheet. Any cash received by the EBT on disposal of the shares it holds is also recognised directly in shareholders' funds. Other assets and liabilities of the EBT (including borrowings) are recognised as assets and liabilities of the Group.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### *Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to profit and loss.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets are translated at rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to other comprehensive income.

#### *Operating leases*

Annual rentals applicable to operating leases are charged to profit and loss on a straight-line basis over the term of the lease.

#### *Pension costs*

Contributions to the Group's defined contribution pension scheme are charged to profit and loss in the year in which they become payable. The assets of the scheme are held separately from those of the Group.

#### *Holiday pay accrual*

A liability is recognised in respect of any unused holiday pay entitlement which has accrued at the balance sheet date and is available to be carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Group as a lessee are operating or finance leases. This decision depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible fixed assets and goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine whether there are indicators of impairment of the Group's trade debtors and work-in-progress. Factors taken into consideration include client credit worthiness and history of default.

#### Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 9)*

Tangible fixed assets are depreciated over their estimated useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Goodwill (see note 10)*

Goodwill is amortised over its estimated useful economic life. The actual life of goodwill may vary depending on a number of factors and is reassessed annually. In reassessing asset lives, factors such as technological innovation are taken into account.

- *Impairment of trade receivables (see note 12)*

At the end of each reporting year, the Group assesses whether there is objective evidence of impairment and estimates the level of required provision accordingly.

### 3 Turnover

|                                  | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|----------------------------------|---|--|
| Analysis by geographical market: |   |  |
| United Kingdom                   | 10,715,133                              | 13,588,865   |
| United States of America         | 1,162,070                               | 1,332,605  |
| Canada                           | 371,218                                 | 473,077  |
|                                  | <hr/>                                   | <hr/>  |
|                                  | 12,248,421                              | 15,394,547   |
|                                  | <hr/>                                   | <hr/>  |

Turnover is wholly attributable to the principal activity of the Group.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 4 Operating (loss) / profit

|  | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|--|---|--|
| This is arrived at after charging/(crediting):                                       |   |  |
| Depreciation of tangible fixed assets  | 336,602                                 | 168,390  |
| Loss on disposal of tangible fixed assets  | 41,907                                  | 38,428   |
| Amortisation of goodwill   | 1,512,896                               | 1,638,971  |
| Hire of other assets - operating leases  | 585,916                                 | 527,467  |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 10,650                                  | 15,250   |
| Fees payable to the Company's auditor for other services:                            |   |  |
| - the audit of the Company's subsidiaries  | 39,600                                  | 38,500   |
| - tax services   | 123,775                                 | 35,000   |
| - corporate finance services   | -                                       | 530,000  |
| - other services   | 5,850                                   | 3,450  |
| Exchange differences   | 37,965                                  | (44,638)   |

### 5 Employees

|   | Group<br>Year ended<br>30 September<br>2019<br>£ | Group<br>Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ | Company<br>Year ended<br>30 September<br>2019<br>£ | Company<br>Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|---|--|---|--|---|
| Staff costs (including directors) consist of: |  |   |  |   |
| Wages and salaries                            | 6,544,295  | 7,982,856   | 624,847  | 737,959   |
| Social security costs                         | 640,429  | 670,230   | 81,705   | 167,244   |
| Other pension costs                           | 64,140   | 54,015  | 4,374  | 236   |
|   | <u>7,248,864</u>                                 | <u>8,707,101</u>  | <u>710,926</u>                                     | <u>905,439</u>  |

Pension contributions amounting to £9,887 (2018 - £5,557) were payable at the year end and are included in creditors.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 5 Employees (continued)

The average number of employees (including executive directors) during the year was as follows:

|                | Group                                   | Group<br>Period<br>7 June<br>2017 to<br>30 September<br>2018 | Company                                 | Company<br>Period<br>7 June<br>2017 to<br>30 September<br>2018 |
|----------------|---|--|---|--|
|                | Year ended<br>30 September<br>2019<br>£ | £  | Year ended<br>30 September<br>2019<br>£ | £  |
| Management     | 3                                       | 4  | 3                                       | 4  |
| Operations     | 47                                      | 45   | -                                       | -  |
| Administrative | 18                                      | 17   | -                                       | -  |
|                | <u>68</u>                               | <u>66</u>  | <u>3</u>                                | <u>4</u>   |

### 6 Directors' remuneration

|   | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|---|---|--|
| Directors' emoluments                                   | 521,127                                 | 1,150,251  |
| Amounts receivable under long-term incentive schemes    | -                                       | -  |
| Company contributions to money purchase pension schemes | 3,644                                   | 3,553  |
|   | <u>524,771</u>                          | <u>1,153,804</u>   |

There were 3 (2018 – 4) directors in the company's defined pension scheme during the year.

The total amount payable to the highest paid director was £195,391 (2018 - £319,701), of which £1,538 (2018 - £695) related to pension contributions.

### 7 Interest payable and similar charges

|                                  | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|----------------------------------|---|--|
| Bank loans and overdrafts        | 233,400                                 | 225,461  |
| Investor loan notes              | 547,777                                 | 587,846  |
| Management loan notes            | 470,820                                 | 505,260  |
| Amortisation of loan issue costs | 59,864                                  | 66,015   |
|                                  | <u>1,311,861</u>                        | <u>1,384,582</u>   |

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (*continued*)

### 8 Taxation

|  | Year ended<br>30 September<br>2019<br>£ | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|--|---|---|--|--|
| <i>UK corporation tax</i>                      |   |   |  |  |
| Current tax on result for the year             |   | (9,114)                                 |  | 254,686  |
| <i>Deferred tax</i>                            |   |   |  |  |
| Origination and reversal of timing differences | (160,058)                               |   | 149,136  |  |
| Adjustment in respect of prior periods         | (954)                                   |   | -  |  |
| Total deferred tax                             |   | (161,012)                               |  | 149,136  |
| Taxation on loss on ordinary activities        |   | (170,126)                               |  | 403,822  |

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

|   | Year ended<br>30 September<br>2019<br>£ | Period<br>7 June<br>2017 to<br>30 September<br>2018<br>£ |
|---|---|--|
| Loss on ordinary activities before tax  | (2,338,409)                             | (542,586)  |
| Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%) | (444,298)                               | (103,091)  |
| Effects of:   |   |  |
| Expenses not deductible for tax purposes  | 258,063                                 | 537,990  |
| Changes in tax rates  | 15,276                                  | (10,108)   |
| Deferred tax not recognised   | 1,787                                   | 3,333  |
| Other adjustments   | -                                       | (24,302)   |
| Adjustments in respect of prior periods   | (954)                                   | -  |
| Total tax charge for the year   | (170,126)                               | 403,822  |

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 8 Taxation (continued)

At the year end there was a deferred tax asset consisting of:

|                                | 2019<br>£      | 2018<br>£      |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | (139,781)      | (84,448)       |
| Losses                         | 452,799        | 210,709        |
| Other timing differences       | 132,095        | 143,611        |
|                                | <u>445,113</u> | <u>269,872</u> |

The deferred tax asset is expected to be utilised over the next 1 to 10 years.

The movement on the deferred tax asset provided for during the year is as follows:

|                                | £              |
|--------------------------------|----------------|
| At 1 October 2018              | 269,872        |
| Exchange differences           | 14,229         |
| Credit to profit and loss      | 161,012        |
|                                | <u>455,113</u> |
| At 30 September 2019 (note 12) | <u>455,113</u> |

# Ensco 1240 Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 9 Tangible fixed assets

| Group                 | Leasehold<br>improvements<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|--------------------------------|--------------------------|----------------------------|------------|
| <i>Cost</i>           |                                |                          |                            |            |
| At 1 October 2018     | 223,609                        | 73,936                   | 1,039,238                  | 1,336,783  |
| Exchange differences  | 274                            | 155                      | 884                        | 1,313      |
| Additions             | 275,745                        | 78,692                   | 306,215                    | 660,652    |
| Disposals             | (14,006)                       | (51,067)                 | (4,095)                    | (69,168)   |
|                       |                                |                          |                            |            |
| At 30 September 2019  | 485,622                        | 101,716                  | 1,342,242                  | 1,929,580  |
|                       |                                |                          |                            |            |
| <i>Depreciation</i>   |                                |                          |                            |            |
| At 1 October 2018     | 14,509                         | 23,700                   | 130,181                    | 168,390    |
| Provided for the year | 89,174                         | 22,058                   | 228,201                    | 339,433    |
| Disposals             | (8,653)                        | (15,657)                 | (2,368)                    | (26,678)   |
|                       |                                |                          |                            |            |
| At 30 September 2019  | 95,030                         | 30,101                   | 356,014                    | 481,145    |
|                       |                                |                          |                            |            |
| <i>Net book value</i> |                                |                          |                            |            |
| At 30 September 2019  | 390,592                        | 71,615                   | 986,228                    | 1,448,435  |
|                       |                                |                          |                            |            |
| At 30 September 2018  | 209,100                        | 50,236                   | 909,057                    | 1,168,393  |

## 10 Intangible fixed assets

| Group                 | Goodwill<br>£ |
|-----------------------|---------------|
| <i>Cost</i>           |               |
| At 1 October 2018     | 12,103,171    |
|                       |               |
| <i>Amortisation</i>   |               |
| At 1 October 2018     | 1,638,971     |
| Provided for the year | 1,512,896     |
|                       |               |
| At 30 September 2019  | 3,151,867     |
|                       |               |
| <i>Net book value</i> |               |
| At 30 September 2019  | 8,951,304     |
|                       |               |
| At 30 September 2018  | 10,464,200    |

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 11 Fixed asset investments

| Company   | Subsidiary undertakings<br>£ |  |                      |                           |  |
|---|------------------------------|--|----------------------|---------------------------|--|
| Cost or valuation   |                              |  |                      |                           | 1  |
| At 1 October 2018 and 30 September 2019   |                              |  |                      |                           |  |
| <hr/>   |                              |  |                      |                           |  |
| Subsidiary undertakings   |                              |  |                      |                           |  |
| The undertakings in which the Company's interest at the year end is 20% or more are as follows: |                              |  |                      |                           |  |
| Name  | Country of incorporation     | Registered Address                               | Class of shares held | Percentage of shares held | Nature of business   |
| Ensco 1149 Limited  | England and Wales            | 12 St James' Square, London, SW1Y 4LB            | Ordinary             | 100% interest             | Intermediate holding company   |
| JCRA Group Limited  | England and Wales            | 12 St James' Square, London, SW1Y 4LB            | Ordinary             | 100% interest*            | Intermediate holding company   |
| J. C. Rathbone Holdings Limited   | England and Wales            | 12 St James' Square, London, SW1Y 4LB            | Ordinary             | 100% interest*            | Intermediate holding company   |
| J. C. Rathbone Associates Limited   | England and Wales            | 12 St James' Square, London, SW1Y 4LB            | Ordinary             | 100% interest*            | Provision of treasury consultancy services and property finance advice |
| J C Rathbone USA Holdings Inc.  | United States of America     | 47 Maple St, Suite L-12 Summit, NJ 07901         | Ordinary             | 100% interest*            | Intermediate holding company   |
| JCRA Financial LLC  | United States of America     | 47 Maple St, Suite L-12 Summit, NJ 07901         | Ordinary             | 100% interest*            | Provision of treasury consultancy services                             |
| JCRA Canada Inc.  | Canada                       | 35 A Hazelton Avenue, Unit 3 Toronto, ON M5R 2E3 | Ordinary             | 100% interest*            | Provision of treasury consultancy services                             |
| J. C. Rathbone Associates Structured Finance Limited  | England and Wales            | 12 St James' Square, London, SW1Y 4LB            | Ordinary             | 100% interest*            | Dormant  |
| J. C. Rathbone Associates Energy Limited  | England and Wales            | 12 St James' Square, London, SW1Y 4LB            | Ordinary             | 100% interest*            | Dormant  |
| J C Rathbone Trustees Limited   | England and Wales            | 12 St James' Square, London, SW1Y 4LB            | Ordinary             | 100% interest*            | Corporate trustee  |

\* Held indirectly.

J. C. Rathbone Associates Limited is authorised and regulated by the Financial Conduct Authority. JCRA Financial LLC is authorised and regulated by the Financial Industry Regulatory Authority.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 12 Debtors

|  | Group<br>2019<br>£ | Group<br>2018<br>£ | Company<br>2019<br>£ | Company<br>2018<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| <i>Amounts receivable within one year</i>          |                    |                    |                      |                      |
| Trade debtors                                      | 3,164,643          | 3,272,547          | -                    | -                    |
| Other taxation and social security                 | 44,497             | 139,162            | 6,699                | -                    |
| Corporation tax recoverable                        | 13,391             | 81,640             | -                    | -                    |
| Other debtors                                      | 80,671             | 64,430             | 2,800                | 2,010                |
| Prepayments and accrued income                     | 745,424            | 642,598            | -                    | -                    |
| Amounts owed by group undertakings                 | -                  | -                  | 4,879,170            | 4,892,915            |
|  | <u>4,054,626</u>   | <u>4,200,377</u>   | <u>4,888,669</u>     | <u>4,894,925</u>     |
| <i>Amounts receivable after more than one year</i> |                    |                    |                      |                      |
| Deferred tax asset (see note 8)                    | 445,113            | 269,872            | -                    | -                    |
|  | <u>4,499,739</u>   | <u>4,470,249</u>   | <u>4,888,669</u>     | <u>4,894,925</u>     |

### 13 Creditors: amounts falling due within one year

|                                    | Group<br>2019<br>£ | Group<br>2018<br>£ | Company<br>2019<br>£ | Company<br>2018<br>£ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans (secured)               | 5,000,000          | 3,900,000          | -                    | -                    |
| Unamortised loan issue costs       | (158,472)          | (218,336)          | -                    | -                    |
|                                    | <u>4,841,528</u>   | <u>3,681,664</u>   | <u>-</u>             | <u>-</u>             |
| Trade creditors                    | 406,588            | 240,330            | 96,532               | 26,337               |
| Amounts owed to group undertakings | -                  | -                  | -                    | 11,425               |
| Corporation tax                    | -                  | 90,494             | -                    | -                    |
| Other taxation and social security | 508,988            | 418,332            | 21,676               | 58,201               |
| Other creditors                    | 23,481             | 147,834            | 1,265                | 1                    |
| Accruals and deferred income       | 2,739,310          | 2,044,510          | 479,094              | 157,519              |
|                                    | <u>8,519,895</u>   | <u>6,623,164</u>   | <u>598,567</u>       | <u>253,483</u>       |

#### Bank loan

The bank loan represents amounts drawn under a £5,000,000 revolving credit facility which attracts interest at a rate of LIBOR plus 4% per annum. The facility is available to the Group until May 2022 although amounts drawn are repaid at the end of each interest period being either one, three or six months from the date of drawdown. The loan is secured by a fixed and floating charge over the assets of the Group.

Following the acquisition of the Group by Chatham Financial Europe Limited on 11 November 2019 (Note 19), the secured bank loans, together with any interest accruing thereon (which amounted to £2,383 as at 30 September 2019), were repaid in full and replaced with intra-group borrowings. All fixed and floating charges over the assets of the Group were released. The remaining unamortised finance costs were charged to profit and loss in full at the point of repayment.

# Ensco 1240 Limited

## Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

### 13 Creditors: amounts falling due within one year (continued)

#### Short term and long term incentive plans

The Group operates an incentive plan under which awards were made to employees which are payable in two parts, 50% three months after the balance sheet date, and 50% 15 months after the balance sheet date. £919,330 (2018 – £1,008,482) and £433,892 (2018 - £597,724) are included within accruals due in less than one year and more than one year respectively in respect of these awards.

### 14 Creditors: amounts falling due after one year

|                        | Group<br>2019<br>£ | Group<br>2018<br>£ | Company<br>2019<br>£ | Company<br>2018<br>£ |
|------------------------|--------------------|--------------------|----------------------|----------------------|
| Accruals (see note 13) | 433,892            | 608,545            | -                    | -                    |
| Loan notes             | 11,287,400         | 11,287,400         | 4,599,000            | 4,599,000            |
|                        | <u>11,721,292</u>  | <u>11,895,945</u>  | <u>4,599,000</u>     | <u>4,599,000</u>     |

Management and investor loan notes were issued on 25 August 2018 and are repayable on 25 August 2022. Management loan notes have a fixed coupon of 10% per annum payable semi-annually in arrears. Investor loan notes have a fixed coupon of 8% per annum payable semi-annually in arrears.

Following the acquisition of the Group by Chatham Financial Europe Limited on 11 November 2019 (Note 19), the secured management and investor loan notes, together with any interest accruing thereon (which amounted to £852,315 as at 30 September 2019), were repaid in full and replaced with intra-group borrowings. All charges over the assets of the Group were released.

### 15 Financial instruments

|                              | Group<br>2019<br>£ | Group<br>2018<br>£ | Company<br>2019<br>£ | Company<br>2018<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| <b>Financial assets</b>      |                    |                    |                      |                      |
| Measured at amortised cost   | 5,536,654          | 5,585,165          | 4,895,657            | 4,936,092            |
|                              | <u>5,536,654</u>   | <u>5,585,165</u>   | <u>4,895,657</u>     | <u>4,936,092</u>     |
| <b>Financial liabilities</b> |                    |                    |                      |                      |
| Measured at amortised cost   | 19,732,199         | 18,010,285         | 5,174,625            | 4,794,282            |
|                              | <u>19,732,199</u>  | <u>18,010,285</u>  | <u>5,174,625</u>     | <u>4,794,282</u>     |

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, accrued income and amounts owed from group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, loan notes, trade creditors, other creditors and accruals.

# Ensco 1240 Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (continued)

## 16 Share capital and reserves

|  | 2019<br>£ | 2018<br>£ |
|--|-----------|-----------|
| <i>Allotted, called up and fully paid</i>    |           |           |
| 3,666,014 Ordinary shares of £0.01 each      | 36,600    | 36,600    |
| 4,100,774 'A1' Ordinary shares of £0.01 each | 41,008    | 41,008    |
| 1,250,005 'A2' Ordinary shares of £0.01 each | 12,500    | 12,500    |
| 914,904 'B' Ordinary shares of £0.01 each    | 9,149     | 9,149     |
| 1 'B' Ordinary share of £1.00                | 1         | 1         |
|  | <hr/>     | <hr/>     |
|  | 99,258    | 99,258    |
|  | <hr/>     | <hr/>     |

There are a further 989,245 'A2' Ordinary shares of £0.01 each which are allotted but not called up.

All shares except 'B' Ordinary shares rank pari passu regarding voting rights and participation in dividends.

'B' Ordinary shares have no voting rights and do not participate in dividend distributions.

All shares will participate pari passu on return of surplus assets.

All shares are non-redeemable.

At 30 September 2019 the following share options were outstanding in respect of the ordinary shares:

| Date of grant    | Number of shares | Period of option               | Price per share |
|------------------|------------------|--------------------------------|-----------------|
| 5 April 2018     | 225,000          | 6 October 2018 – 5 April 2028  | £0.01           |
| 28 November 2018 | 770,647          | 29 May 2019 – 28 November 2028 | £0.01           |

## EBT

The Company's subsidiary undertaking, J. C. Rathbone Holdings Limited, controls the J C Rathbone Employee Benefit Trust ("EBT"), which was established in September 1998 to act as trustee in respect of share schemes for the purpose of encouraging the holding of shares for the benefit of employees and their dependents. The EBT did not hold any shares or loan notes in either the Company or other Group entities at either the current or prior year end date.

## 17 Commitments under operating leases

The Group had total future commitments under non-cancellable operating leases as set out below:

|                                | Land and<br>buildings<br>2019<br>£ | Land and<br>buildings<br>2018<br>£ |
|--------------------------------|------------------------------------|------------------------------------|
| Operating leases which expire: |                                    |                                    |
| - Within one year              | 637,674                            | 215,314                            |
| - In two to five years         | 1,695,110                          | 2,229,313                          |
| - After more than five years   | -                                  | 44,045                             |
|                                | <hr/>                              | <hr/>                              |
|                                | 2,332,784                          | 2,488,672                          |
|                                | <hr/>                              | <hr/>                              |

# Ensco 1240 Limited

Notes forming part of the financial statements  
for the year ended 30 September 2019 (*continued*)

## 18 Net debt reconciliation

|                          | 1 October<br>2018<br>£ | Cash<br>flows<br>£ | Non-cash<br>changes<br>£ | 30 September<br>2019<br>£ |
|--------------------------|------------------------|--------------------|--------------------------|---------------------------|
| Cash at bank and in hand | 1,595,697              | 646,632            | 49,011                   | 2,291,340                 |
| Bank loans               | (3,681,664)            | (1,100,000)        | (59,864)                 | (4,841,528)               |
| Loan notes               | (11,287,400)           | -                  | -                        | (11,287,400)              |
|                          | <u>(13,373,367)</u>    | <u>(453,368)</u>   | <u>(10,853)</u>          | <u>(13,837,588)</u>       |

Non-cash movements relate to:

- Foreign exchange gains on cash at bank and in hand
- Amortisation of debt issue costs

## 19 Related party disclosures

### *Controlling parties*

The Group was controlled by the directors then in office throughout the current year. Mr A J D Hardie was the Non Executive Chairman.

On 11 November 2019, Chatham Financial Europe Limited purchased the entire issued share capital of the Company and became the immediate parent company. The Company's ultimate parent company is now Chatham Financial Corp.

### *Related party transactions and balances*

Total compensation paid to key management personnel was £524,771 (2018 - £1,153,804).

During the year, the Group paid consultancy fees totalling £36,000 (2018 - £37,046) to Mr A J D Hardie, a director of the Company.

Transactions between the Company and its wholly owned subsidiary undertakings (as detailed in note 11), which are related parties, have been eliminated on consolidation and are not disclosed in this note, as permitted under FRS 102.