

Waddington Limited

FOR THE YEAR ENDED

31 DECEMBER 2011

Registered No. 173691

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COMPANIES HOUSE

Waddington Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and Accounts for the year ended 31 December 2011

ACTIVITY

The principal activity of the Company during the year was to act as a holding company

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 4

The loss before taxation was £7,000 (2010 £7,000)

Preference dividends of £7,000 (2010 £7,000) have been paid

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the results of the Company and the future prospects to be satisfactory

DIRECTORS

The following is a list of all persons who were directors of the Company at any time between 1 January 2011 and the date of this report

J R H Riddle

S L Morton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom Company law requires the directors to prepare accounts for each financial period which 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 those accounts, the directors are required to

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable United Kingdom law and accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

PRINCIPAL RISKS AND UNCERTAINTIES, AND KEY PERFORMANCE INDICATORS

The Company no longer trades. In addition, the only assets and liabilities are with group undertakings. As a result, the directors do not consider there to be any significant risks or uncertainties to disclose. Also there is no trading performance that requires monitoring and so no key performance indicators to disclose.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirmed that, so far as each is aware, there is no relevant audit information of which the auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of, and to establish that the auditors are aware of, any relevant audit information.

Waddington Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

AUDITORS

In accordance with section 485 of the Companies Act 2006 a resolution is to be proposed at the Annual General Meeting to re-appoint Ernst & Young LLP as auditors for the ensuing year

By order of the Board



S L Morton
Secretary
14 June 2012

REGISTERED OFFICE
Wakefield Road
Leeds
LS10 1DU

Registered number 173691

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WADDINGTON LIMITED

We have audited the Company's Financial Statements for the year ended 31 December 2011 which comprise the Profit and Loss Account, Reconciliation of Movement in Shareholders' Funds and Balance Sheet and the related Notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the Financial Statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and of the overall presentation of the Financial Statements.

Opinion on Financial Statements

In our opinion the company Financial Statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the company Financial Statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company Financial Statements are not in agreement with the accounting records or 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.



Stuart Watson
Senior statutory auditor

For and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

14 June 2012

Waddington Limited

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £000	2010 £000
INTEREST COSTS			
Preference dividends paid		(7)	(7)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			
		<u>(7)</u>	<u>(7)</u>
Taxation	6	<u>-</u>	<u>(2)</u>
LOSS FOR FINANCIAL YEAR			
		<u>(7)</u>	<u>(9)</u>

All results are derived from continuing operations

The accompanying notes are an integral part of this Profit and Loss Account

There are no recognised gains or losses in either year and as such no statement of total recognised gains and losses has been presented

Waddington Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	£000	£000
Loss attributable to shareholders	(7)	(9)
Movement in shareholders' funds in the year	(7)	(9)
Shareholders' funds at start of year	91,959	91,968
Shareholders' funds at end of year	91,952	91,959

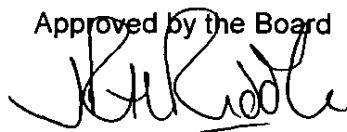
The accompanying notes are an integral part of this reconciliation of movements in shareholders' funds

Waddington Limited

BALANCE SHEET AT 31 DECEMBER 2011

	Notes	2011 £000	2010 £000
FIXED ASSETS			
Investments	3	124,456	124,456
CURRENT ASSETS			
Due from fellow group undertakings		3,579	3,586
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>128,042</u>	<u>128,042</u>
CREDITORS (due after one year)			
Loan from parent undertaking	4	(35,978)	(35,978)
Liability component of compound financial instruments	5	(105)	(105)
NET ASSETS		<u>91,952</u>	<u>91,959</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	26,580	26,580
Share premium account		4,584	4,584
Equity component of compound financial instruments	5	496	496
Profit and loss account		60,292	60,299
SHAREHOLDERS' FUNDS		<u>91,952</u>	<u>91,959</u>

Approved by the Board



J R H Riddle
Director

14 June 2012

The accompanying notes are an integral part of this Balance Sheet

STATEMENT OF ACCOUNTING POLICIES - 31 DECEMBER 2011

Basis of preparation

The Accounts are prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention and are made up to 31 December each year

The accounting policies of the Company have been consistently applied over both the current and preceding period except for the presentation of preference shares, upon the adoption of FRS25 "Financial Instruments disclosure and presentation" for which the liability component has been reclassified to liabilities. The Company has departed from consistent accounting policies with the Group as the Group Accounts are prepared under International Financial Reporting Standards and the Company directors have taken the decision to continue preparing Company Accounts in accordance with UK GAAP

Summary of significant accounting policies

Investments in subsidiaries

Investments in subsidiaries are shown at cost less provision for any impairment

Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Preference shares

The component of the preference shares that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in the profit and loss account

Waddington Limited

NOTES TO THE ACCOUNTS – 31 DECEMBER 2011

1. AUDITORS' REMUNERATION

Auditors' remuneration has been borne by the ultimate parent

2. EMPLOYEES' AND DIRECTORS' COSTS

The average number of employees for the year was 2 (2010 2)

No directors were paid for services to the Company (2010 £nil) The directors are the only employees

3. INVESTMENTS IN SUBSIDIARIES

	Shares £000	Loans £000	Provisions £000	Total £000
At 31 December 2010	115,418	43,596	(34,558)	124,456
Impairment of investments	-	-	-	-
31 December 2011	115,418	43,596	(34,558)	124,456

The subsidiary undertakings at 31 December 2011, which are all wholly owned, are

<u>Company</u>	<u>Activity</u>
Waddingtons House Limited	Holding company

Dormant companies

Communis Gateshead Ltd	Non-trading
House of Dubreq Limited	Non-trading
Johnsen & Jorgensen Plastics Limited	Non-trading
Jaypak Limited	Non-trading
Mono-web Limited	Non-trading
Waddington Business Forms Limited	Non-trading
Waddingtons Games Limited	Non-trading
Waddingtons Playing Card Company Limited	Non-trading
Subbuteo Sports Games Limited	Non-trading
Waddingtons Videomaster Limited	Non-trading
Communis Trustee Company Limited	Non-trading
Lebec Limited	Non-trading
Supervision Entertainment Limited	Non-trading

All the above companies are registered in England, except Waddingtons House Limited which is registered in Scotland

Group accounts have not been prepared since the Company is a subsidiary undertaking of a company established under the law of a member state of the European Union. These Accounts present information about the Company as an individual undertaking and not about its Group. Group accounts are filed by the ultimate parent undertaking, Communis plc. The directors are of the opinion that the aggregate value of the investments in subsidiary undertakings, which are stated at cost less amounts written off for permanent reductions in value, is not less than the balance sheet amount.

Waddington Limited

NOTES TO THE ACCOUNTS – 31 DECEMBER 2011

4. CREDITORS

	2011	2010
	£000	£000
Amounts falling due after one year		
Amounts due to parent company	<u>35,978</u>	<u>35,978</u>

The loan from the parent company is interest free and repayable on demand. However, the company has given an undertaking not to seek repayment of the loan within the next 12 months.

5. SHARE CAPITAL

	8% cumulative preference shares of £1 each		6% cumulative preference shares of £1 each		Ordinary shares of 25p each	
	2011 £000	2010 £000	2011 £000	2010 £000	2011 £000	2010 £000
Authorised	200	200	500	500	37,500	37,500
Allotted, called up and fully paid	200	200	401	401	26,580	26,580

	2011 £000	2010 £000
Ordinary share capital	26,580	26,580
Equity component of preference shares	496	496
Total equity	<u>27,076</u>	<u>27,076</u>

The preference shares carry no voting rights other than in certain circumstances affecting the rights of the preference shareholders, details of which are set out in the Company's Articles of Association. The 8% cumulative preference shares rank in priority to the 6% cumulative preference shares both as to dividends and on a winding up. Both classes of preference shares rank ahead of the ordinary shares in respect of dividends and on a winding up. Rights on a winding up are limited to repayment of capital and any arrears of dividends. The equity component of the preference shares is £496,000 and the liability component is £105,000.

Communis plc has waived its right to receive preference dividends.

NOTES TO THE ACCOUNTS - 31 DECEMBER 2011

6. TAXATION

Reconciliation of current tax charge

The UK standard rate of corporation tax for the year is 26.5% (2010 28%)

	2011	2010
	£000	£000
Loss before taxation	(7)	(7)
Tax on loss at UK standard Corporation tax rate	(2)	(2)
Factors affecting the charge for the year		
Non-deductible expenses	2	2
Non-taxable income	-	-
Charge in respect of prior year	-	(2)
Total current tax charge for the year	-	(2)

7. CONTINGENT LIABILITIES

The Company, together with its fellow group undertakings, has given guarantees in respect of certain bank borrowings of Communis plc, based on the business assets and liabilities of the group operating companies. At 31 December 2011 total borrowings subject to the guarantee amounted to £36,000,000 (2010 £19,000,000)

8. CASH FLOW STATEMENT AND TRANSACTIONS WITH RELATED PARTIES

The Company is a wholly owned subsidiary of Communis plc and is included in the Consolidated accounts of Communis plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a Cash Flow Statement under the terms of FRS1 (revised 1996)

The Company is exempt under the terms of FRS8 from disclosing related party transactions with entities that are wholly-owned subsidiaries of the Communis plc Group or investees of the Communis plc Group. During the year there were no other related party transactions that required disclosure under FRS8

9. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is Communis plc, a company registered in England which prepares Group accounts. The only group into which the results of the Company are consolidated is that headed by Communis plc. Copies of the Group accounts of Communis plc can be obtained by writing to

The Secretary
Communis plc
Wakefield Road
Leeds LS10 1DU