

**Waddington Limited**

**FOR THE YEAR ENDED**

**31 DECEMBER 2008**

**Registered No. 173691**

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## **Waddington Limited**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present their report and Accounts for the year ended 31 December 2008.

#### **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 5.

The loss before taxation was £7,000 (2007 loss £7,000).

Preference dividends of £7,000 (2007 £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 2008 and the date of this report:

J R H Riddle

M K Young

#### **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 1985. 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 2008 (Continued)**

**AUDITORS**

In accordance with section 385 of the Companies Act 1985 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.



M K Young  
Secretary  
23 September 2009

REGISTERED OFFICE  
Wakefield Road  
Leeds  
LS10 1DU

Registered number 173691

## **Waddington Limited**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WADDINGTON LIMITED**

We have audited the Company's Accounts for the year ended 31 December 2008 which comprise the Profit and Loss Account, Reconciliation of Movement in Shareholders' Funds, Balance Sheet and the related notes 1 to 7. These Accounts have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Accounts 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 Accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the Accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Accounts.

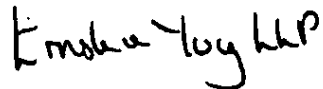
## **Waddington Limited**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WADDINGTON LIMITED**

#### **Opinion**

In our opinion:

- the Accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of the Company's loss for the year then ended;
- the Accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Accounts.



Ernst & Young LLP  
Registered auditor  
Leeds

23 September 2009

**Waddington Limited**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
<b>INTEREST COSTS</b>		
Preference dividends paid	(7)	(7)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>(7)</u>	<u>(7)</u>
<b>LOSS FOR FINANCIAL YEAR</b>	<u>(7)</u>	<u>(7)</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 2008**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Loss attributable to shareholders	<u>(7)</u>	<u>(7)</u>
Movement in shareholders' funds in the year	<u>(7)</u>	<u>(7)</u>
Shareholders' funds at start of year	<b>90,913</b>	90,920
Shareholders' funds at end of year	<u><b>90,906</b></u>	<u>90,913</u>

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

# Waddington Limited

## BALANCE SHEET AT 31 DECEMBER 2008

	Notes	2008 £000	2007 £000
<b>FIXED ASSETS</b>			
Investments	1	<u>126,989</u>	<u>126,989</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>126,989</u>	<u>126,989</u>
<b>CREDITORS (due after one year)</b>			
Loan from parent undertaking	2	(35,978)	(35,971)
Liability component of compound financial instruments	3	(105)	(105)
<b>NET ASSETS</b>		<u>90,906</u>	<u>90,913</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	3	26,580	26,580
Share premium account		4,584	4,584
Equity component of compound financial instruments	3	496	496
Profit and loss account		59,246	59,253
<b>SHAREHOLDERS' FUNDS</b>	4	<u>90,906</u>	<u>90,913</u>

Approved by the Board



M K Young  
Director

23 September 2009

The accompanying notes are an integral part of this Balance Sheet.



## **Waddington Limited**

### **STATEMENT OF ACCOUNTING POLICIES - 31 DECEMBER 2008**

#### **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.

## Waddington Limited

### NOTES TO THE ACCOUNTS – 31 DECEMBER 2008

#### 1. INVESTMENTS IN SUBSIDIARIES

	Shares £000	Loans £000	Provisions £000	Total £000
At 31 December 2007 and 31 December 2008	<b>115,417</b>	<b>43,596</b>	<b>(32,024)</b>	<b>126,989</b>

The subsidiary undertakings at 31 December 2008, which are all wholly owned, are:

<u>Company</u>	<u>Activity</u>
Waddingtons House Limited	Holding company
Communis Europe Limited	Holding company
Art Master of Chelsea Limited	Holding company
Imagio 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 International Limited	Non-trading
Waddingtons Games Limited	Non-trading
Waddington No 1 Limited	Non-trading
Housemartin International 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
Waddingtons Business Forms (Clayton West) Limited	Non-trading
Lebec Limited	Non-trading
Supervision Entertainment Limited	Non-trading

All the above companies are registered in England, except Waddingtons House Limited and Waddington No 1 Limited which are registered in Scotland.

The Company is exempt from the obligation to prepare group accounts under section 228 of the Companies Act 1985 since it is a wholly owned subsidiary of Communis plc, a company registered in England which prepares group accounts.

In the opinion of the directors the aggregate value of the Company's investments in its subsidiaries is not less than the aggregate of the amount at which these assets are stated in the balance sheet.

# Waddington Limited

## NOTES TO THE ACCOUNTS – 31 DECEMBER 2008

### 2. CREDITORS

	2008	2007
	£000	£000
Amounts falling due after one year		
Amounts due to parent company	<u>35,978</u>	<u>35,971</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.

### 3. SHARE CAPITAL

	Authorised		Allotted and fully paid	
	2008	2007	2008	2007
	£000	£000	£000	£000
8% cumulative preference shares of £1 each	200	200	200	200
6% cumulative preference shares of £1 each	500	500	401	401
	<u>700</u>	<u>700</u>	<u>601</u>	<u>601</u>
Ordinary shares of 25p each	37,500	37,500	26,580	26,580
	<u>38,200</u>	<u>38,200</u>	<u>27,181</u>	<u>27,181</u>
			2008	2007
			£000	£000
Ordinary share capital			26,580	26,580
Equity component of preference shares			496	496
<b>Total equity</b>			<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.

### 4. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£000	£000
Loss for year	(7)	(7)
	(7)	(7)
Shareholders funds at 1 January	90,913	90,920
Shareholders funds at 31 December	<u>90,906</u>	<u>90,913</u>

## **Waddington Limited**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 2008**

#### **5. CONTINGENT LIABILITIES**

The Company, together with its fellow group undertakings, has given guarantees in respect of certain bank borrowings of Communisis plc, based on the business assets and liabilities of the group operating companies. At 31 December 2008 total borrowings subject to the guarantee amounted to £31,000,000 (2007 £32,500,000).

#### **6. CASH FLOW STATEMENT AND TRANSACTIONS WITH RELATED PARTIES**

The Company is a wholly owned subsidiary of Communisis plc and is included in the consolidated accounts of Communisis 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 also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Communisis plc group or investees of the Communisis plc group. During the year there were no related party transactions that required disclosure under FRS8.

#### **7. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking and controlling party is Communisis 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 Communisis plc. Copies of the Group accounts of Communisis plc can be obtained by writing to:

The Secretary  
Communisis plc  
Wakefield Road  
Leeds LS10 1DU