

Waddington Limited
FOR THE YEAR ENDED
31 DECEMBER 2009
Registered No. 173691

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Waddington Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and Accounts for the year ended 31 December 2009

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 profit before taxation was £1,062,000 (2008 loss £7,000)

Preference dividends of £7,000 (2008 £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 2009 and the date of this report

J R H Riddle

M K Young (resigned 31 October 2009)

S L Morton (appointed 31 October 2009)

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 2009 (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

22 July 2010

REGISTERED OFFICE
Wakefield Road
Leeds
LS10 1DU

Registered number 173691

Waddington Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNISIS UK LIMITED

We have audited the Company's Financial Statements for the year ended 31 December 2009 which comprise the Profit and Loss Account, Reconciliation of Movement in Shareholders' Funds and Balance Sheet and the related Notes 1 to 7. 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 2009,
- 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.

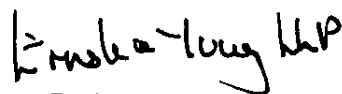
Opinion on other matters prescribed by the Companies Act 2006

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.



Liz Barber

Senior statutory auditor

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

Leeds

22 July 2010

Waddington Limited**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £000	2008 £000
INTEREST COSTS			
Preference dividends paid		(7)	(7)
OTHER INCOME/(EXPENSES)			
Impairment of investments		(2,533)	-
Dividend receivable from subsidiaries		3,602	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,062	(7)
Taxation	4	-	-
PROFIT/(LOSS) FOR FINANCIAL YEAR		1,062	(7)

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 2009

	2009	2008
	£000	£000
Profit/(Loss) attributable to shareholders	1,062	(7)
Movement in shareholders' funds in the year	1,062	(7)
Shareholders' funds at start of year	90,906	90,913
Shareholders' funds at end of year	91,968	90,906

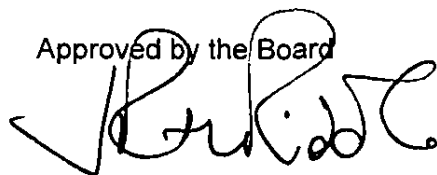
The accompanying notes are an integral part of this reconciliation of movements in shareholders' funds

Waddington Limited

BALANCE SHEET AT 31 DECEMBER 2009

	Notes	2009 £000	2008 £000
FIXED ASSETS			
Investments	1	124,456	126,989
CURRENT ASSETS			
Due from fellow group undertakings		3,595	-
TOTAL ASSETS LESS CURRENT LIABILITIES		128,051	126,989
CREDITORS (due after one year)			
Loan from parent undertaking	2	(35,978)	(35,978)
Liability component of compound financial instruments	3	(105)	(105)
NET ASSETS		91,968	90,906
CAPITAL AND RESERVES			
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		60,308	59,246
SHAREHOLDERS' FUNDS		91,968	90,906

Approved by the Board



J R H Riddle
Director

22 July 2010

The accompanying notes are an integral part of this Balance Sheet

STATEMENT OF ACCOUNTING POLICIES - 31 DECEMBER 2009

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 2009

1. INVESTMENTS IN SUBSIDIARIES

	Shares £000	Loans £000	Provisions £000	Total £000
At 31 December 2008	115,418	43,596	(32,025)	126,989
Impairment of investments	-	-	(2,533)	(2,533)
31 December 2009	115,418	43,596	(34,558)	124,456

The subsidiary undertakings at 31 December 2009, 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 Games Limited	Non-trading
Waddington No 1 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 and Waddington No 1 Limited which are 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 2009

2. CREDITORS

	2009	2008
	£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.

3. SHARE CAPITAL

	Authorised		Allotted and fully paid	
	2009	2008	2009	2008
	£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>
			2009	2008
			£000	£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.

Waddington Limited

NOTES TO THE ACCOUNTS - 31 DECEMBER 2009

4. TAXATION

There is no charge for taxation in the year ended 31 December 2009 (2008 £Nil)

Reconciliation of current tax charge

The UK standard rate of corporation tax for the year is 28% (2008 28.5%)

	2009	2008
Profit/(Loss) before taxation	1,062	(7)
Tax on profit/(loss) at UK standard Corporation tax rate	297	(2)
Factors affecting the charge for the year		
Non-deductible expenses	709	2
Non-taxable income	(1,006)	—
Total current tax charge for the year	—	—

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 2009 total borrowings subject to the guarantee amounted to £36,000,000 (2008 £31,000,000)

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