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Company Registration No 05177177

Wall Family Europe Limited

Annual Report and Consolidated Financial Statements

Year Ended 31 December 2018

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COMPANIES HOUSE

Wall Family Europe Limited

COMPANY INFORMATION AND PROFESSIONAL ADVISORS

Registered office	Phoenix House Stafford Drive Battlefield Enterprise Park Shrewsbury SY1 3FE
Directors	Mr J V James Mr S P Ryan Mr W Hess Mr P M Emmie Mr L M Thomas
Secretary	HS Secretarial Limited 42 Newmarket Road Cambridge CB5 8EP
Bankers	Barclays Bank plc 22-24 Upper Marlborough Road St Albans Hertfordshire AL1 3AL
Solicitors	Hewitsons LLP Elgin House Billing Road Northampton NN1 5AT
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

Wall Family Europe Limited

CONTENTS

	PAGE
<i>Strategic Report</i>	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities in the Preparation of the Financial statements	5
Independent Auditor's Report to the Members of Wall Family Europe Limited	6 - 7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Accounting Policies	14 - 18
Notes to the Financial Statements	19 - 33

Wall Family Europe Limited

STRATEGIC REPORT

The directors present the strategic report and financial statements for the year ended 31 December 2018

BUSINESS REVIEW

Turnover was 2.9% above last year. Gross margin reduced slightly to 33.7% (2017: 34.5%). This reflects the continuation of a very price-sensitive market place where margins need to be protected through efficient and effective sourcing, supply chain management and cost control and product propositions need to be differentiated. As part of this process the group is on a path towards centralised warehousing and distribution activities and continues to review shared service and capability concepts where appropriate. There will also be a continued focus on supplier purchasing initiatives as the group moves forward.

Following an appraisal of the group's performance and future forecasts, the directors have recorded an impairment against the remaining goodwill reported in the consolidated accounts totalling £4,391k (2017: £1,454k). The group has also drawn a further £5,081k of funding from its parent in the period to fund on-going operations, such that the balance of intercompany indebtedness stood at £14,981k as at 31 December 2018 (2017: £9,900k). The full amount of this loan has been waived after the reporting date.

The group continuously performs organisational reviews to assess on-going structural suitability and customer orientation and with a view to reducing the high degree of fixed cost within the business, to provide the group with a more flexible cost base and improved profitability ratios.

Going forward, the group will continue to use its brand strength to underpin the business whilst looking to expand into new markets and maximise its opportunities from a combination of organic and acquisitive approaches.

KEY PERFORMANCE INDICATORS

The group continues to measure a number of key performance indicators and core metrics in order to respond to a changing market place and to focus action accordingly.

In addition, the group is continuing to look at ways to improve cash flows and monitors and measures debtor and creditor days as well as inventory turns.

The group also measures non-financial key performance indicators including customer service performance which looks at a combination of quality levels and delivery performance as well as actively seeking customer feedback. Customer service is of paramount importance to the group and as a Board we are continually striving to improve our service offering and efficiency in these areas across the business, which is being facilitated through ongoing process reviews.

FUTURE DEVELOPMENTS

The Board remain positive about the prospects in 2019 and beyond in both its UK and overseas markets. The group companies have a strong presence and an excellent reputation in the education and library markets and are well positioned to benefit from future investments made by the present government in these areas.

After the reporting date, there is an ongoing restructure of the group's activities which has resulted in the full amount of the group's loan due to the parent company being waived.

PRINCIPAL RISKS AND UNCERTAINTIES

The main non-financial risks that the group is exposed to revolve around changes to and uncertainty in public sector and education funding coupled with increased competition coming into the marketplace.

Wall Family Europe Limited

STRATEGIC REPORT

Financial risk

The group uses various financial instruments to raise finance for its operations. These include cash intra-group loans and various items such as trade debtors and trade creditors that arise directly from its operations. The group has several limited risks arising from these financial instruments.

Liquidity risk

The group seeks to manage this financial risk by ensuring sufficient cash resources are available to meet foreseeable needs and to invest cash assets safely and profitably. Surplus funds are placed on deposit. The group does not have an overdraft facility in place. Instead, cash requirements are met through intercompany funding via its parent Company, Wall Family Enterprise, Inc.

Credit risk

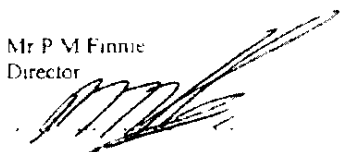
The group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited and the principal credit risk therefore arises from its trade debtors which are managed through a diversified customer base meaning that no one customer represents a significant proportion of the group's trade.

Currency risk

A proportion of the group's purchases are from Europe and Asia. The Company is exposed to translation and transactional foreign exchange risk on such transactions. Foreign currency transactions are settled at the spot rate on the due date.

On behalf of the board

Mr P M Finnie
Director



Wall Family Europe Limited

DIRECTORS REPORT

The directors present their report together with the audited group financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The group's principal activities are to supply materials, equipment, and consumables to the education and library markets.

The company's principal activity is that of a holding company.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, was £9,094k (2017: £5,765k). The current year's results include the effect of the impairment of purchased goodwill arising on consolidation of £4,391k (2017: £1,454k). Further commentary is contained in the Strategic Report (Pages 1 and 2 of the Annual Report).

No dividends were paid during the year and the directors do not recommend the payment of a final dividend (2017: £nil).

MATTERS OF STRATEGIC IMPORTANCE

Details of future developments and principal risks and uncertainties as required under Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

DIRECTORS

The directors who served the company during the year and through to the date of this report were as follows:

Mr J V James	Mr J D Rake (resigned 22 May 2019)
Mr S P Ryan (appointed 22 May 2019)	Mr D Rashke (resigned 22 May 2019)
Mr W Hess (appointed 22 May 2019)	Ms A M Wall (resigned 22 May 2019)
Mr P M Finnie (appointed 2 July 2018)	Mr B Wall (resigned 22 May 2019)
Mr L M Thomas (appointed 22 May 2019)	Mr K J Wall (resigned 22 May 2019)
Mr M Chaudry (resigned 22 May 2019)	Mr M A Edwards (resigned 30 November 2018)
Ms L J Cross (resigned 22 May 2019)	Mr P Andrews (resigned 2 November 2018)
Ms E M C McDonald (resigned 22 May 2019)	Ms S Brandmeier (resigned 15 May 2018)

STATEMENT ON GOING CONCERN

The directors have reviewed business plans and cash flow forecasts for the period to December 2020 and are satisfied that these provide comfort that the business can continue to trade and meet its obligations as they fall due for a period of not less than twelve months from the date of approval of these financial statements. Excluding the parent company loan of £14,981k (refer to note 13), the group has net assets and net current assets of £9,411k and £6,573k respectively, and cash balances of £1,805k at the reporting date. Wall Family Enterprise Inc. have provided a letter of support confirming its intention to continue to provide support on an on-going basis as required by the company and its group and the full amount of their loan has been waived after the reporting date as part of a restructure of the group's activities.

DIRECTORS' INDEMNITY INSURANCE

The group provides indemnity insurance for its directors and other key personnel.

Wall Family Europe Limited

DIRECTORS REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

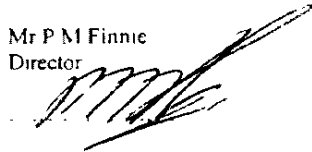
The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

A resolution to reappoint RSM UK Audit LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the board

Mr P M Finnie
Director



Wall Family Europe Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 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 the company and of the profit or loss of the group for that period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Wall Family Europe Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALL FAMILY EUROPE LIMITED

Opinion

We have audited the financial statements of Wall Family Europe Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cashflows 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 FRS 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 31 December 2018 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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Wall Family Europe Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALL FAMILY EUROPE LIMITED

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters 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 set out on page 5, 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 on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

GRAHAM RICKETTS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date, 26 September 2019

Wall Family Europe Limited
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
TURNOVER	2	36,719	35,680
Cost of sales		(24,340)	(23,368)
GROSS PROFIT		12,379	12,312
Distribution costs		(4,155)	(5,345)
Administrative expenses		(12,642)	(10,876)
Impairment of goodwill	7	(4,391)	(1,454)
OPERATING LOSS		(8,809)	(5,363)
Interest payable and similar expenses	3	(260)	(163)
LOSS BEFORE TAXATION	4	(9,069)	(5,526)
Taxation	6	(25)	(239)
LOSS AFTER TAXATION AND LOSS FOR THE FINANCIAL YEAR		(9,094)	(5,765)

Wall Family Europe Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Goodwill	7	-	4,850
Other intangible assets	8	1,108	629
Total intangible assets		1,108	5,479
Tangible assets	9	1,730	1,831
		2,838	7,310
CURRENT ASSETS			
Stocks	11	4,501	4,930
Debtors due within one year	12	5,685	6,550
Cash at bank and in hand		1,805	1,202
		11,991	12,682
CURRENT LIABILITIES			
Creditors, amounts falling due within one year	13	(20,399)	(16,468)
NET CURRENT LIABILITIES		(8,408)	(3,786)
TOTAL ASSETS LESS CURRENT LIABILITIES		(5,570)	3,524
NET (LIABILITIES) ASSETS		(5,570)	3,524
CAPITAL AND RESERVES			
Called up share capital	16	9,315	9,315
Profit and loss account	16	(15,137)	(6,043)
Merger reserve	16	252	252
TOTAL EQUITY		(5,570)	3,524

The financial statements on pages 8 to 33 were approved and authorised for issue by the Board of Directors on 25/1/19 and are signed on their behalf by:


Mr P M Finnie
Director
Company Registration No. 05177177

Wall Family Europe Limited
COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	2018 £'000	2017 £'000 As restated
FIXED ASSETS			
Other intangible assets	8	10	10
Investments	10	-	12,987
		<u>10</u>	<u>12,997</u>
CURRENT ASSETS			
Debtors due within one year	12	6,885	4,458
Cash at bank and in hand		7	61
		<u>6,892</u>	<u>4,519</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	13	(15,747)	(12,259)
NET CURRENT LIABILITIES		<u>(8,855)</u>	<u>(7,740)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(8,845)</u>	<u>5,257</u>
Provisions	15	-	(59)
NET (LIABILITIES) ASSETS		<u>(8,845)</u>	<u>5,198</u>
CAPITAL AND RESERVES			
Called up share capital	16	9,315	9,315
Profit and loss account	16	(18,160)	(4,117)
TOTAL EQUITY		<u>(8,845)</u>	<u>5,198</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The company's loss for the year and total comprehensive income for the year was £14,043k (2017: loss is restated of £3,901k).

The financial statements on pages 8 to 33 were approved and authorised for issue by the Board of Directors on 25/01/19 and signed on their behalf by

Mr P M Emme

Director

Company Registration No. 05177177

Wall Family Europe Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Called up share capital £'000	Profit and loss account £'000	Merger reserve £'000	Total £'000
Balance at 1 January 2017	9,315	(278)	252	9,289
Year ended 31 December 2017:				
Loss and total comprehensive income for the year	-	(5,765)	-	(5,765)
Balance at 31 December 2017	9,315	(6,043)	252	3,524
Year ended 31 December 2018:				
Loss and total comprehensive income for the year	-	(9,094)	-	(9,094)
Balance at 31 December 2018	9,315	(15,137)	252	(5,570)

Wall Family Europe Limited
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Note	Called up share capital £'000	Profit and loss account £'000	Total £'000
As restated for the year ended 31 December 2017:				
Balance at 1 January 2017		9,315	798	10,113
Correction of prior period error	22	-	(1,014)	(1,014)
As restated	22	9,315	(216)	9,099
Year ended 31 December 2017:				
Loss and total comprehensive income for the year as restated	22	-	(3,901)	(3,901)
Balance at 31 December 2017		9,315	(4,117)	5,198
Year ended 31 December 2018:				
Loss and total comprehensive income for the year		-	(14,043)	(14,043)
Balance at 31 December 2018		9,315	(18,160)	(8,845)

Wall Family Europe Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Notes	2018 £ 000	2017 £ 000
OPERATING ACTIVITIES			
Cash used in operating activities	17	(3,054)	(2,865)
Income taxes (paid) received		(31)	175
NET CASH USED IN OPERATING ACTIVITIES		(3,082)	(2,690)
INVESTING ACTIVITIES			
Purchase of intangible assets		(830)	(207)
Purchase of tangible fixed assets		(306)	(367)
NET CASH USED IN INVESTING ACTIVITIES		(1,136)	(574)
FINANCING ACTIVITIES			
Interest paid		(260)	(163)
Proceeds of new borrowings		5,081	2,700
NET CASH GENERATED FROM FINANCING ACTIVITIES		4,821	2,537
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		603	(727)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,202	1,929
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,805	1,202

Wall Family Europe Limited

ACCOUNTING POLICIES

For the year ended 31 December 2018

GENERAL INFORMATION

Wall Family Europe Limited (the "Company") is a private company limited by shares and is registered, domiciled and incorporated in England and Wales. The address of the Company's registered office and principal place of business is Phoenix House, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3LE.

The Group consists of Wall Family Europe Limited and all of its subsidiaries.

The Company's and the Group's principal activities and the nature of the Company's and the Group's operations are disclosed in the Directors' Report and the Strategic Report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 "Statement of Cash Flows" – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 "Basic Financial Instruments" – Carrying amounts, interest income expense, and net gains/losses for each category of financial instrument
- Section 33 "Related Party Disclosures" – Compensation for key management personnel

The individual Company financial statements of Wall Family Europe Limited are included in these consolidated financial statements which are publicly available and can be obtained from the registered office address, Phoenix House, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3LE.

GOING CONCERN

The directors have reviewed business plans and cash flow forecasts for the period to December 2020 and are satisfied that these provide comfort that the business can continue to trade and meet its obligations as they fall due for a period of not less than twelve months from the date of approval of these financial statements. (Excluding the parent company loan of £14981k (refer to note 13), the group has net assets and net current assets of £9411k and £6571k respectively and cash balances £1805k at the reporting date. Wall Family Enterprise Inc. have provided a letter of support confirming its intention to continue to provide support on an on-going basis as required by the company and its group and the full amount of their loan has been waived after the reporting date as part of a restructure of the group's activities.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Wall Family Europe Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All subsidiaries have a year-end of 31 December.

Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. The cost of a business combination is the fair value of the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities, and contingent liabilities acquired is recognised as goodwill.

Wall Family Europe Limited

ACCOUNTING POLICIES

For the year ended 31 December 2018

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The acquisition of Demco Europe Limited on 23 August 2012 was a group reconstruction and is accounted for using the merger method of accounting.

The merger method of accounting is applied to group reconstructions as if the entities had always been combined. The total comprehensive income, assets and liabilities of the entities are amended, where necessary, to align the accounting policies. The carrying values of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to other reserves in equity.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction. All translation differences are taken to profit or loss.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for goods supplied and services provided, excluding VAT and trade discounts. Turnover is recognised on despatch of goods to customers or upon installation of equipment at the customer's premises.

In the case of long-term contracts, turnover is recognised appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty.

The Group provides a customer loyalty programme whereby customers qualify for discounts against future purchases. For sales which entitle the loyalty scheme member to a future discount, the fair value of the consideration received is allocated between sales revenue and the loyalty scheme, based on the relative fair values of the original sale transaction and the future discount earned. The amount to be deferred is included in the reporting date within deferred income and is released at the point the discount is redeemed.

Wall Family Europe Limited

ACCOUNTING POLICIES

For the year ended 31 December 2018

GOODWILL

Goodwill is capitalised and written off evenly over 20 years as, in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefit. The goodwill was fully impaired at the reporting date.

INTANGIBLE FIXED ASSETS (OTHER THAN GOODWILL)

Purchased intangible assets are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows -

Computer software & website costs	3 to 5 years
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TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful economic life (UEEL), as follows -

Leasehold improvements	- Over the period of the lease
Plant and machinery	- 3 to 10 years
Fixtures, fittings & equipment	- 3 to 10 years
Computer equipment	- 3 to 5 years

IMPAIRMENT OF ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs. Any previous impairment of goodwill is never reversed.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses.

BORROWING COSTS

All borrowing costs are expensed as incurred.

FIXED ASSET INVESTMENTS

In the separate accounts of the Company, investments in subsidiary undertakings are initially measured at cost and are subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost is measured based on purchase cost on a first in first out basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

Wall Family Europe Limited

ACCOUNTING POLICIES

For the year ended 31 December 2018

LONG TERM CONTRACTS

Long-term contracts are assessed on a contract by contract basis and are reflected in profit and loss by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty.

The amount by which turnover exceeds payments on account is classified as 'amounts recoverable on contracts' and included in debtors. To the extent that payments on account exceed relevant turnover and long-term balances included in stock, the excess is included as a creditor. The value of long-term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included in stocks.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASES

All leases are regarded as operating leases and the payments made under them are charged to profit and loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense as incurred.

Where employees are entitled to carry forward unused holiday entitlement at the reporting date, the cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee(s) to provide termination benefits.

RETIREMENT BENEFITS

Defined contribution plans

Various group companies operate defined contribution pension schemes for employees. The amount charged to profit or loss is the contribution payable in the year. Differences between contribution payable in the year and contribution actually paid are shown as either accretion or a provision.

Wall Family Europe Limited

ACCOUNTING POLICIES

For the year ended 31 December 2018

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of IFRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are basic financial instruments and are initially measured at transaction price (including transaction costs). Financial assets and liabilities are subsequently measured at transaction price, less impairment, unless they constitute a financing arrangement in which case the balance is measured at the present value of future cash flows discounted at the instrument or a market rate of interest.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments. Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgement

The directors have applied their judgement in respect of the useful economic life and carrying value of goodwill and investments - refer to the accounting policy on page 16 and the details as set out in notes 7 and 10.

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. This includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made by the directors as to the estimated selling price of stock.

The recoverable amount of goodwill is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate, the future earnings growth and the terminal year growth rate. Linked to this item is the directors' assessment of the carrying values of investments reported in the company only Statement of Financial Position. Refer to details as set out in notes 7 and 10. The group goodwill was fully impaired to £nil at 31 December 2018.

2 TURNOVER

An analysis of the Group's turnover by class of business is as follows:

<i>Class of business</i>	2018 £'000	2017 £'000
Sale of goods	12,866	12,714
Supply and installation of equipment	23,853	22,966
	<u>36,719</u>	<u>35,680</u>

An analysis of the geographical location of the Group's turnover is as follows:

<i>Geographical segments</i>	2018 £'000	2017 £'000
United Kingdom	27,470	27,200
Rest of the world	9,249	8,381
	<u>36,719</u>	<u>35,680</u>

Wall Family Europe Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

			2017	
			2018	2017
			£'000	£'000
3	INTEREST PAYABLE AND SIMILAR EXPENSES			
	Interest payable on loans from group undertakings		260	163
			<u>260</u>	<u>163</u>
4	LOSS BEFORE TAXATION			
	Loss before taxation is stated after charging (crediting)			
	Depreciation of owned fixed assets (note 9)			
	- owned assets		205	402
	Amortisation of goodwill (note 7)		459	620
	Amortisation of other intangible assets (note 8)		323	255
	Loss on disposal of tangible fixed assets		202	12
	Loss on disposal of intangible fixed assets		28	44
	Impairment of goodwill (note 7)		4,391	1,454
	Exchange losses (gains)		489	(162)
	Stock (note 11)			
	- amounts expensed to cost of sales		22,931	21,604
	- impairment losses recognised in cost of sales		365	349
	Operating lease rentals		730	803
	Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows			
	Audit services - statutory audit of parent and consolidated accounts		67	68
	Tax services		18	16
	Other non-audit services		5	6
			<u>90</u>	<u>90</u>

The result for the year includes the effect of the impairment of purchased goodwill arising on consolidation of £4,391k (2017: £1,454k)

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

5 DIRECTORS AND EMPLOYEES

The average monthly number of persons (including directors) employed by the Group during the year was as follows:

	2018 No	2017 No
Directors - non-executive	10	10
Directors - executive	2	2
Management	19	22
Sales and administration	197	189
	<u>228</u>	<u>223</u>

Staff costs for the above persons during the year were as follows:

	2018 £'000	2017 £'000
Wages and salaries	6,518	6,383
Social security costs	667	660
Defined contribution pension cost	181	146
	<u>7,366</u>	<u>7,189</u>

The average monthly number of persons (including directors) employed by the Company during the year was as follows:

	2018 No	2017 No
Directors - non-executive	10	10
Directors - executive	2	2
Management	1	4
Sales and administration	5	2
	<u>18</u>	<u>18</u>

Staff costs for the above persons during the year were as follows:

	2018 £'000	2017 £'000
Wages and salaries	389	427
Social security costs	41	72
Defined contribution pension cost	11	14
	<u>441</u>	<u>513</u>

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

5 DIRECTORS AND EMPLOYEES (continued)

In respect of the directors of Wall Family Europe Limited

	2018 £'000	2017 £'000
Remuneration	258	359
Loss of office payments	59	52
Company contributions to money purchase pension schemes	13	21
	<u>330</u>	<u>432</u>

2 directors were accruing benefits under money purchase pension schemes (2017: 3)

Included within the above are the following amounts relating to the highest paid director

	2018 £'000	2017 £'000
Remuneration	109	182
Loss of office payments	29	52
Company contributions to money purchase pension schemes	5	3
	<u>143</u>	<u>237</u>

In addition, certain directors were remunerated by related group undertakings for services to the worldwide Wall Family group of companies. It is not possible to separately identify the amounts attributable for services to Wall Family Europe Limited.

6 TAXATION

	2018 £'000	2017 £'000
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior years	25	5
Total current tax	<u>25</u>	<u>5</u>
Deferred tax		
Origination and reversal of timing differences	-	139
Deferred tax adjustment in respect of prior year	-	111
Effect of tax rate change on opening balance	-	(161)
Total deferred tax	<u>-</u>	<u>234</u>
Total tax charge on profit on ordinary activities	25	239

Wall Family Europe Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

6 TAXATION (continued)

The charge for the year can be reconciled to the loss per the income statement as follows

	2018 £'000	2017 £'000
Group loss before taxation	(9,069)	(5,526)
Expected tax charge based on corporation tax rate of 19% (2017: 19.25%)	(1,746)	(1,050)
Expenses not deductible for tax purposes	947	384
Adjustments in respect of prior years- current tax	25	136
Adjustments in respect of prior years- deferred tax	-	111
Fixed asset differences	78	35
Taxable losses not recognised	671	688
Change in tax rate	-	10
Other	-	(75)
Tax expense for the year	25	239

A reduction in the UK corporation tax rate from 19% to 17% was substantively enacted in September 2016 and will take effect from 1 April 2020. At the reporting date, the group had tax losses not recognised and available for carry forward loss relief totalling £9,624k (2017: £4,535k). The directors have taken the decision not to recognise the associated deferred tax asset of £1,636k (2017: £771k) on the grounds that there is uncertainty as to the availability of sufficient future taxable profits to utilise the losses.

7 INTANGIBLE FIXED ASSETS - GOODWILL

Group	Positive goodwill £'000
Cost	
At 1 January 2018	12,181
At 31 December 2018	12,181
Amortisation and impairment	
At 1 January 2018	7,331
Amortisation charge for the year	459
Impairment	4,391
At 31 December 2018	12,181
Net book value	
At 31 December 2018	-
At 31 December 2017	4,850

The impairment has been recognised in respect of the goodwill as a result of the directors' revised assessment of the future cash flows expected to flow in connection with the group's investments.

Wall Family Europe Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

8 OTHER INTANGIBLE ASSETS

<i>Group</i>	Computer software & website £'000	Patent licences £'000	Product development £'000	Total £'000
Cost				
At 1 January 2018	2,090	258	62	2,410
Additions – separately acquired	830	-	-	830
Disposals	(82)	-	(62)	(144)
At 31 December 2018	2,838	258	-	3,096
Amortisation				
At 1 January 2018	1,555	195	31	1,781
Charge for the year	257	63	3	323
Disposals	(82)	-	(34)	(116)
At 31 December 2018	1,730	258	-	1,988
Net book value				
At 31 December 2018	1,108	-	-	1,108
At 31 December 2017	555	63	31	629

The amortisation charge for the year on goodwill and other intangible assets is recognised within administration expenses. In the opinion of the directors there are no individually material components of the intangible assets disclosed above.

Wall Family Europe Limited NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

8 OTHER INTANGIBLE ASSETS (continued)

<i>Company</i>	Computer software & website £'000	Total £'000
Cost		
At 1 January and 31 December 2018	10	10
Amortisation		
At 1 January 2018	-	-
Charge for the year	-	-
At 31 December 2018	-	-
Net book value		
At 31 December 2018	10	10
At 31 December 2017	10	10

Wall Family Europe Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

9 TANGIBLE FIXED ASSETS

Group

	Leasehold improvements £'000	Fixtures, fittings & equipment £'000	Computer equipment £'000	Plant & machinery £'000	Total £'000
Cost					
At 1 January 2018	2,344	786	549	1,398	5,077
Additions	140	15	121	30	306
Disposals	(239)	(90)	(148)	(120)	(597)
At 31 December 2018	2,245	711	522	1,308	4,786
Depreciation					
At 1 January 2018	886	748	445	1,167	3,246
Charge for the year	54	36	83	32	205
Disposals	(72)	(73)	(148)	(102)	(395)
At 31 December 2018	868	711	380	1,097	3,056
Net book value					
At 31 December 2018	1,377	-	142	211	1,730
At 31 December 2017	1,458	38	104	231	1,831

Company

The Company holds no tangible fixed assets

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

10 INVESTMENTS

Company

	Subsidiary undertakings £'000
Cost	
At 1 January 2018 and at 31 December 2018	16,699
Impairment	
At 1 January 2018	3,712
Impairment charge in the year	12,987
At 31 December 2018	16,699
Carrying value	
At 31 December 2018	-
At 31 December 2017	12,987

The impairment has been recognised in respect of the investment as a result of the directors' revised assessment of the future cash flows expected to flow from these investments

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital at the reporting date are as follows:

	Registered office	Class of share capital held	Proportion directly held	Nature of business
Technology Supplies Limited	Phoenix House, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3FF	Ordinary	100%	Supply of materials and equipment to the education sector
Timstar Laboratory Suppliers Limited	Phoenix House, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3FF	Ordinary	100%	Supply of laboratory equipment and consumables
Maudesport Limited	Phoenix House, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3FF	Ordinary	100%	Supply of sports and leisure equipment and apparel
Demco Europe Limited	Phoenix House, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3FF	Ordinary	100%	Supply, distribution, design and installation of furnishings and equipment to the education and library market

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

10 INVESTMENTS continued

Collexi Limited	Phoenix House, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3FE	Ordinary	100%	Educational support services (dormant)
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In addition to the above Demco Europe Limited holds 100% of ordinary shares in several dormant subsidiaries. Further details are given in the financial statements of Demco Europe Limited.

All subsidiaries except for Collexi Limited are exempt from audit under section 479A of the Companies Act 2006 and have elected to take advantage of this exemption. In accordance with section 479C of the Companies Act 2006 Wall Family Europe Limited has provided a guarantee in respect of the liabilities of these subsidiary undertakings included in the consolidated financial statements. Collexi Limited is exempt from audit because it is a dormant company.

11 STOCKS

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	4,501	4,930	-	-
	<u>4,501</u>	<u>4,930</u>	<u>-</u>	<u>-</u>

12 DEBTORS – amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	4,888	5,538	-	-
Amounts due from group undertakings	-	6	6,885	4,435
Prepayments and accrued income	297	931	-	23
Other debtors	-	75	-	-
Corporation tax	-	-	-	-
	<u>5,685</u>	<u>6,550</u>	<u>6,885</u>	<u>4,458</u>

During the year, an impairment loss of £185k (2017: £65k) was recognised in respect of bad debt expense against trade debtors and was recognised within administrative expenses.

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

13 CREDITORS – amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
				As restated
Trade creditors	3,374	2,333	240	15
Amounts owed to group undertakings	557	1,514	447	2,207
Corporation tax	-	6	-	82
Loans from group undertakings	14,981	9,900	14,981	9,900
Social security & other taxes	486	412	-	-
Accruals and deferred income	1,001	1,212	79	55
Other creditors	-	1,091	-	-
	<u>20,399</u>	<u>16,468</u>	<u>15,747</u>	<u>12,259</u>

The £14,981k (2017: £9,900k) loans from group companies comprises a number of separate unsecured loans from Wall Family Enterprises Inc which carry a range of different fixed rates of interest (determined based on LIBOR plus a negotiated margin) and are repayable on demand. The total interest on these loans in the year is disclosed in note 3.

14 FINANCIAL INSTRUMENTS

The carrying amount of the Group's financial instruments as at 31 December were:

	2018	2017
	£'000	£'000
Financial assets		
Debt instruments measured at amortised cost	4,888	5,544
	<u>4,888</u>	<u>5,544</u>
Financial liabilities		
Measured at amortised cost	19,913	16,108
	<u>19,913</u>	<u>16,108</u>

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

15 PROVISIONS FOR LIABILITIES (DEFERRED TAXATION)

<i>Company</i>	2018
	£'000
Deferred tax provision	
At 1 January 2018	59
Charged to profit and loss in the year	(59)
At 31 December 2018	-

Provision for deferred tax has been made as follows	2018	2017
	£'000	£'000
Short-term timing differences	-	59
Net position at 31 December	-	59

16 SHARE CAPITAL AND RESERVES

SHARE CAPITAL	Ordinary shares of £1 each Number
Allotted, called up and fully paid At 1 January 2018 and 31 December 2018	9,315,121

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

RESERVES

Reserves of the Group and Company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners

Merger reserve

The merger reserve arose as a result of the acquisition of Denico Europe Limited on 23 August 2012 accounted for using the merger method of accounting.

Wall Family Europe Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

17 RECONCILIATION OF RESULT AFTER TAX TO NET CASH USED IN OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Loss after tax	(9,094)	(5,765)
Adjustments for:		
Amortisation and impairment of intangible assets	5,173	2,329
Depreciation of tangible fixed assets	205	402
Loss on disposal of tangible fixed assets	202	12
Loss on disposal of intangible fixed assets	28	44
Interest payable	260	163
Taxation	25	239
Operating cash flows before movements in working capital	(3,201)	(2,576)
Decrease in stock	429	66
Decrease (increase) in trade and other debtors	865	(922)
(Decrease) increase in trade and other creditors	(1,144)	567
Cash used in operating activities	(3,051)	(2,865)

18 COMMITMENTS UNDER OPERATING LEASES

Group

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £'000	2017 £'000
Amounts due:		
Within one year	752	858
Between one and five years	2,408	2,776
After five years	1,041	1,562
	4,201	5,196

Company

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £'000	2017 £'000
Amounts due:		
Within one year	572	497
Between one and five years	2,135	2,188
After five years	1,041	1,562
	3,748	4,247

Wall Family Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

19 RETIREMENT BENEFITS

The Group operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to profit or loss amounted to £181k (2017: £146k). Contributions totalling £6k (2017: £6k) were payable to the fund at the year end and are included in creditors.

20 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of key management personnel of the Group, who are deemed to be the directors, was £375k (2017: £469k).

21 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent undertaking of the Company is Wall Family Enterprise Inc., an undertaking incorporated in the United States of America.

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by Wall Family Enterprise Inc. Copies of these financial statements are not publicly available.

In the opinion of the directors, there is no sole controlling party.

22 PRIOR PERIOD ADJUSTMENT – COMPANY

In the year to 31 December 2016, £1,014k of costs re-charged to the Company from one of its subsidiaries were in error, not recorded by the Company. As a result, the profit of the Company for the year to 31 December 2016 and its net assets at 31 December 2016 were overstated by £1,014k with a corresponding understatement of amounts owed to group undertakings. Further, a £900k management charge from the Company to its subsidiary undertakings was accounted for twice in error in the year to 31 December 2017. As a result, the loss of the Company for the year to 31 December 2017 was understated by £900k and its net assets at 31 December 2017 were overstated by £900k with a corresponding understatement of amounts owed to group undertakings.

Management consider the effect of these errors to be material and, in accordance with IFRS 102 - Section 10.1 'Accounting policies, estimates and errors,' a prior period adjustment has been recognised to correct the accounting retrospectively. The effect of the prior period adjustment on the 31 December 2017 Company result is an increase in the loss from £3,001k to £3,901k and the effect on the Company net assets at 31 December 2017 is a reduction of £1,914k. There was no impact on the 31 December 2017 Group result as a result of this error.

The line items affected in the Company statement of financial position are shown below:

Wall Family Europe Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

22 PRIOR PERIOD ADJUSTMENT – COMPANY continued

Changes to the Company statement of financial position

	As previously reported £'000	Adjustment at 1 January 2017 £'000	Adjustment at 31 December 2017 £'000	As restated £'000
Current liabilities				
Amounts owed to group undertakings	293	1,014	900	2,207
Capital and reserves				
Profit and loss account	(2,203)	(1,014)	— (900)	(4,117)

There was no impact on the 31 December 2017 Group statement of financial position as a result of this error.