



Walstead Bicester Limited

Annual Report and Financial Statements

For the year ended 31 December 2021



Walstead Bicester Limited
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Walstead Bicester Limited
Company Information

DIRECTORS

R Kingston
D Read
P Utting
J Rothwell

REGISTERED OFFICE

18 Westside Centre
London Road
Colchester
Essex
England
CO3 8PH

REGISTERED COMPANY NUMBER

06941589

PRINCIPAL PLACE OF BUSINESS

Launton Road
Chaucer Business Park
Bicester
Oxfordshire
OX26 4QZ

INDEPENDENT AUDITOR

KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Walstead Bicester Limited Strategic Report

REVIEW OF BUSINESS

The loss before taxation of the Company for the year was £439,000 (2020: £3,007,000).

Revenue has decreased on the prior period due to the coronavirus pandemic impacting the Company's business. The pandemic disrupted the business, as it did with many businesses across industries, but by implementing safe working practices the Company kept printing and servicing customers throughout.

The Company's financial position at the year-end is set out in the balance sheet on page 11. Walstead Bicester Limited ("the Company") is a subsidiary of Walstead Holdings Limited (the "group").

KEY PERFORMANCE INDICATORS

The group manages and reports on its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Information regarding Company performance and relevant information for the year as well as Key Performance Indicators is contained within the consolidated financial statements of the intermediate parent company, Walstead Group Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by ensuring the quality of its products, by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries and by maintaining strong relationships with customers. The group strategy is to focus on markets with greatest longevity and where competition is weak.

Another pandemic, or a further wave or escalation of the coronavirus pandemic, could result in disruption to our operational sites and / or customers / suppliers. Since the start of the pandemic in early 2020 the Group has developed policies and procedures using enhanced cleaning, social distancing, safety screens, one-way systems etc to allow Covid-secure working in our plants. Working from home has also been utilised where possible. These changes to our operations allowed us to minimise the interruption to operations, and can and will be used again if needed.

The company places reliance on its key suppliers, and there is a potential risk that a supply disruption could impact customer satisfaction as an inability to print to schedule, leading to loss of revenue. The Group has processes in place to manage and monitor exposure to significant counterparties centrally and within the manufacturing sites; where we are exposed regarding specialised products supplier and customer communication is at the heart of the process to ensure delivery is maintained. For all of our key purchases we have relationships with alternative suppliers should there be a failure amongst any of the key suppliers.

The company places reliance on its key employees, with inherent risk that the resignation of key employees and the inability to recruit people with the right expertise and skills could adversely affect the Group's results. Training programmes and succession planning reduce this risk so that we have continuity. Incentive programmes also assist in retaining staff.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk.

The company is financed by a group treasury function. The principal financial risks are discussed in the intermediate parent company, Walstead Group Limited, consolidated Annual Report.

Walstead Bicester Limited
Strategic Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

FUTURE DEVELOPMENTS

There have not been any significant changes in the Company's principal activity during the year under review and the directors are not aware of any likely major changes in the Company's activities in the next year.

Approved by the Board and signed on its behalf by:



J Rothwell
Director
30 August 2022

Walstead Bicester Limited Directors' Report

The directors present their Annual Report on the affairs of Walstead Bicester Limited ('the Company') together with the audited Financial Statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The Company's principal activity is quality web-offset lithographic colour printing of magazines, journals and brochures for the publishing sector.

DIVIDENDS

The directors have not recommended a dividend (2020: £nil).

DIRECTORS

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

P Utting
R Kingston
D Read
J Rothwell (appointed 18 November 2021)

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year.

EMPLOYEE CONSULTATION

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. The Company encourages employee participation and involvement in matters that affect their interests as employees.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Company has established a clearly defined policy of Health and Safety which meets all the requirements set out in the Health and Safety at Work Act 1974.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

GOING CONCERN

The directors are confident that the Company, with support from its parent, will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Walstead Bicester Limited
Directors' Report (continued)

GOING CONCERN (continued)

The directors have prepared cash flow forecasts for a period of 12 months from the date of the approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of coronavirus on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

These forecasts are dependent on the Company's intermediate parent company, Walstead Group Limited, providing additional financial support during that period, if needed. Walstead Group Limited has indicated its intention to continue to make available such funds as are needed by the Company (see note 1 for further details).

STRATEGIC REPORT

Review of the business, Key performance indicators, Principal risks and uncertainties and Future developments are not shown within this Directors' Report as it is instead included within the Strategic Report on pages 2-3 under S414c(11).

EVENTS POST BALANCE SHEET DATE

In May 2022, Walstead Group renewed its invoice factoring facility with BNP Paribas Fortis Factor N.V for further three years. There are no significant changes in the terms and conditions of renewed facility agreement.

There have been no other significant events after the balance sheet date which require disclosure in, or adjustments to the financial statements.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year.

AUDITOR

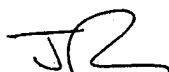
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that it has been communicated to the auditor.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP, have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved and authorised by the board and signed on its behalf



J Rothwell
Director
30 August 2022

Walstead Bicester Limited
Directors' Responsibilities Statement

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Walstead Bicester Limited

Opinion

We have audited the financial statements of Walstead Bicester Limited ("the company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance sheet, Statements of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, specifically cut off risk.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

Independent Auditor's Report to the Members of Walstead Bicester Limited

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to unrelated accounts linked to the fraud risk over revenue recognition, journal entries posted to unrelated accounts linked to cash and borrowings.
- Performing cut off testing over revenue

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, GDPR, anti-bribery and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Walstead Bicester Limited

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

SBeavis

Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR
Date: 31.08.2022

Walstead Bicester Limited
Statement of Profit and Loss and Other Comprehensive Income
For the year ended 31 December 2021

	Note	2021 £000	2020 £000 Restated*
Turnover	4	32,818	28,811
Cost of sales		<u>(28,124)</u>	<u>(25,205)</u>
Gross profit		4,694	3,606
Distribution costs		(1,310)	(1,211)
Administrative expenses		(4,174)	(5,327)
Other operating income	5	<u>861</u>	<u>617</u>
Operating profit /(loss)		71	(2,315)
Finance costs	9	<u>(510)</u>	<u>(692)</u>
Loss before taxation		(439)	(3,007)
Taxation	10	141	466
Loss for the financial year attributable to the equity shareholders of the company		<u>(298)</u>	<u>(2,541)</u>

There is no other comprehensive income for the year (2020: £nil).

The accompanying notes form part of these financial statements.

* See note 3 for further details.

Walstead Bicester Limited
Balance Sheet
For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Non-current assets			
Intangible assets	11	-	350
Tangible assets	12	3,916	4,576
		<u>3,916</u>	<u>4,926</u>
Current assets			
Stocks	13	1,234	1,229
Debtors	14	3,456	3,161
Cash at bank and in hand		3,737	521
		<u>8,427</u>	<u>4,911</u>
Total assets		12,343	9,837
Current liabilities			
Creditors: Amounts falling due within one year	15	(15,706)	(17,455)
Provision for liabilities	19	(327)	-
		<u>(16,033)</u>	<u>(17,455)</u>
Net current liabilities		(7,606)	(12,544)
Total assets less current liabilities		(3,690)	(7,618)
Non-current liabilities			
Creditors: Amounts falling due after more than one year	16	(5,944)	(1,391)
Provision for liabilities	19	-	(327)
		<u>(5,944)</u>	<u>(1,718)</u>
Net liabilities		(9,634)	(9,336)
Capital and reserves			
Called up share capital	20	-	-
Profit and loss account		<u>(9,634)</u>	<u>(9,336)</u>
Shareholder's deficit		(9,634)	(9,336)

The accompanying notes form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 August 2022 and are signed on its behalf by:



J Rothwell
Director

Walstead Bicester Limited
Statement of Changes in Equity
For the year ended 31 December 2021

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	-	(6,795)	(6,795)
Total comprehensive loss	-	(2,541)	(2,541)
Balance at 31 December 2020	-	(9,336)	(9,336)
Total comprehensive loss	-	(298)	(298)
Balance at 31 December 2021	-	(9,634)	(9,634)

The accompanying notes form part of these financial statements.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding 12 months.

1.1 General information and basis of accounting

Walstead Bicester Limited is a private company incorporated, domiciled and registered in England in the UK under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales with registration number 06941589. The address of the Company's registered office is 18 Westside Centre, London Road, Colchester, Essex, CO3 8PH, England.

The presentation currency of the financial statements is the pound sterling (£). All amounts in the financial statements are rounded to the nearest thousand, unless stated otherwise.

The principal activity of the Company is quality web-offset printing of magazines for the publishing sector.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company's ultimate parent undertaking, Walstead Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Walstead Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Companies House (www.companieshouse.gov.uk). In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of ultimate parent undertaking include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

Notwithstanding net current liabilities of £7,606,000 and net liabilities of £9,634,000 as at 31 December 2021 and a loss for the year ended of £298,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The company is part of a group, headed by Walstead Group Limited, and the directors of the group have prepared a base case forecast and considered the factors that impact Walstead Group Limited and its subsidiaries (together the "group") and their future development, performance, cash flows and financial position along with the group and company's current and forecast liquidity in forming their opinion on the going concern basis. In doing so, the directors have prepared forecasts covering a period of at least 12 months from the date of signing these financial statements.

The Group's 2022 budget was prepared at the time of soaring energy prices and a scarcity of paper and the resulting expectation was a subdued first half to the year. Whilst showing a reduction in profits on last year, this was akin to a plausible down-side scenario, and cash availability still remained strong with the anticipation of a gradual improvement into H2. The actual results to 31 May 2022 were ahead of the budget as detailed in the Chairman's report. The directors have also considered the impact from the increased energy and raw material pricing during 2022, and ongoing effect of the Ukraine war.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

1 ACCOUNTING POLICIES (continued)

1.2 Going concern (continued)

The plausible downside scenario includes the ongoing high energy prices and a further 10% increase in raw material pricing during 2023. Whilst this is expected to result in a reduction in printed volume the forecasts continue to provide confidence over the going concern assessment.

When taking account of severe but plausible downsides on the operations and its financial resources, the forecasts indicate the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period and will operate within the Group's facilities and related covenants

The company is dependent on the group not seeking repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £7,891,000. The group indicated that it does not intend to seek repayment of the amounts due at the balance sheet date and will continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue afloat, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these above, the directors are confident that the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

1.3 Cash flow statement

The directors have taken advantage of the exemption in FRS 102 from including a cash flow statement in the financial statements on the grounds that the company is wholly-owned and its intermediate parent, Walstead Group Limited, publishes a consolidated cash flow statement.

1.4 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax. Turnover is recognised within the financial statements upon delivery of the goods or services.

1.5 Other operating income

Other operating income predominately relates to –

Sales of other waste products

Income is recognised at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Income is recognised when control of the items passes to the customer.

Government grant income

This income relates to the UK government's Job Retention Scheme (furlough). Grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to the grant and the grant will be received.

1.6 Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

1 ACCOUNTING POLICIES (continued)

1.6 Fixed assets (continued)

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Lease payments are accounted for as described at 1.8 and 1.9 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives, except where the Company expects to renew the lease or take legal ownership of the assets at the end of the lease term, where the useful economic life is used. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements 7% - 33% straight line
- Plant and equipment 4% - 33% straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis and comprises labour, materials and overheads related to production. Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.8 Operating Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless; (i) the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred; or (ii) the Company has received temporary rent concessions as a direct consequence of the COVID-19 pandemic (see below). Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.9 Finance Leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred. Where additional lending is drawn against existing leased assets the additional amounts are treated as further drawings of existing finance leases and not as new leases or separate borrowings.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

1 ACCOUNTING POLICIES (continued)

1.10 Employee benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.12 Goodwill

Goodwill arising on the acquisition of business is calculated as the excess of purchase consideration over the fair value of net identifiable assets and liabilities at the date of acquisition. It is recognised as an asset at cost, assessed for impairment at least annually and subsequently measured at cost less accumulated impairment losses. The value in use basis is used for the impairment calculation and any impairment is recognised immediately in the Income Statement.

1.13 Intangible assets

Intangible assets are capitalised on acquisition and written off on a straight-line basis over their useful economic life which is 5 years.

1.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

1 ACCOUNTING POLICIES (continued)

1.15 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

1.16 Financial Instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and on call deposits.

Bank borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are not considered to be any critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

During the year the Directors reviewed the useful economic lives of the Company's plant and machinery, in particular the printing presses and binding machines, and extended the lives of these years to 25 years, thus increasing the depreciation period and reducing the annual depreciation prospectively from 2020.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During the year the presentation of waste products income was revised to align with the Directors' view that this income is part of the ordinary course of business and is therefore more appropriately presented as Turnover, instead of Other operating income.

This has resulted in a reclassification of prior year statement of profit and loss where Turnover has increased by £716,000 and Other operating income has decreased by the same amount.

4 TURNOVER

The turnover and profit before tax relate to the sale of goods.

An analysis of turnover is given below:

	2021 £'000	2020 £'000 Restated*
United Kingdom	32,535	28,690
Europe	283	121
	<u>32,818</u>	<u>28,811</u>

See note 3 for the details of the restatement.

5 OTHER OPERATING INCOME

	2021 £'000	2020 £'000 Restated*
Government grants - furlough	-	513
Other income	861	104
	<u>861</u>	<u>617</u>

See note 3 for the details of the restatement.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

6 OPERATING LOSS

Operating loss is stated after charging:

	2021	2020
	£'000	£'000
Depreciation of owned fixed assets (note 12)	1,129	1,182
Goodwill amortisation (note 11)	247	587
Intangibles amortisation (note 11)	103	263
Auditor's remuneration		
- for the audit of the company's financial statements	24	24
Operating leases		
- Land & Buildings	975	824
Pension cost - employers contribution (note 7)	149	149
Foreign exchange losses	3	-
Restructuring costs	42	42

Statutory information on remuneration for other services provided by the company's auditor and its associates is given on a consolidated basis in the Group Financial statements of the intermediate parent company Walstead Group Limited.

The restructuring costs includes costs relating to a small head count reduction to help flex available capacity and match seasonal demand in the amount of £16,000 (2020: £42,000).

7 STAFF NUMBERS AND COSTS

The average monthly number of staff employed by the company during the financial year (excluding directors) was:

	2021	2020
	No	No
Production	155	157
Sales	1	1
Administration	13	16
	<u>169</u>	<u>174</u>

The aggregate payroll costs of the above were:

	2021	2020
	£'000	£'000
Wages and salaries	5,941	6,265
Social security costs	615	600
Other pension costs (note 6)	149	149
	<u>6,705</u>	<u>7,014</u>

8 DIRECTORS' EMOLUMENTS

Certain directors are remunerated by other group companies for their services to the group as a whole and it is not practical to apportion their remuneration between the companies of which they are a director. Consequently, their remuneration has not been disclosed in the company's financial statements.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

9 FINANCE COSTS

	2021	2020
	£'000	£'000
Interest payable on overdrafts and loans	287	525
Finance lease interest	223	167
	<u>510</u>	<u>692</u>

10 TAXATION ON ORDINARY ACTIVITIES

	2021	2020
	£'000	£'000
Current tax:		
Adjustment in respect of previous periods	-	(21)
Group relief receivable	-	(248)
Total current tax	-	(269)
Deferred Tax:		
Origination and reversal of temporary differences	(14)	(147)
Recognition of previously unrecognised tax losses	-	(25)
Impact of change in tax rate	(127)	(25)
Total deferred tax (note 18)	(141)	(197)
Tax on loss	<u>(141)</u>	<u>(466)</u>

The tax assessed on the profit on ordinary activities for the year is lower than the effective standard rate of corporation tax in the UK of 19.00% (2020: 19.00%), as explained below:

	2021	2020
	£'000	£'000
Loss on ordinary activities before taxation	(439)	(3,007)
Tax credit on ordinary activities at standard UK corporation tax rate of 19% (2020: 19%)	(83)	(571)
Effects of:		
Expenses not deductible for tax purposes	2	-
Fixed asset difference	67	176
Adjustment in respect of prior periods	-	(46)
Changes in tax rates on previously recognised deferred tax	(127)	(25)
Group relief surrendered	-	248
Receipt for group relief	-	(248)
Total tax credit	<u>(141)</u>	<u>(466)</u>

Factors affecting the tax charge in future years

The Finance Act 2021 enacted increase in the standard rate of corporation tax to 25%, due to come into effect 1 April 2023. This has been treated as a non-adjusting post-balance sheet event in these financial statements, but this change will affect future years.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

11 INTANGIBLE FIXED ASSETS

	Goodwill £000	Computer software £000	Total £000
Cost			
At 1 January 2020, 31 December 2020 and 31 December 2021	<u>2,946</u>	<u>1,186</u>	<u>4,132</u>
Amortisation			
At 1 January 2020	(2,112)	(820)	(2,932)
Charge for the year (note 6)	<u>(587)</u>	<u>(263)</u>	<u>(850)</u>
At 31 December 2020	(2,699)	(1,083)	(3,782)
Charge for the year (note 6)	<u>(247)</u>	<u>(103)</u>	<u>(350)</u>
At 31 December 2021	<u>(2,946)</u>	<u>(1,186)</u>	<u>(4,132)</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>247</u>	<u>103</u>	<u>350</u>

Goodwill arose on the acquisition of the assets and trade of Polestar Bicester Limited in 2016. The Company reviews goodwill annually for indications of impairment, and if there are indications that goodwill might be impaired an impairment test is carried out. The goodwill is amortised over 5 years.

The intangibles relate to the fair value of customer contracts. Customer contracts are amortised over their estimated useful lives, which is deemed to be 5 years.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

12 TANGIBLE FIXED ASSETS

	Leasehold improvements £000	Plant and machinery £000	Total £000
Cost			
At 1 January 2020	182	10,271	10,453
Additions	-	806	806
At 31 December 2020	182	11,077	11,259
Additions	-	469	469
At 31 December 2021	182	11,546	11,728
Depreciation			
At 1 January 2020	-	(5,501)	(5,501)
Charge for the year (note 6)	(16)	(1,166)	(1,182)
At 31 December 2020	(16)	(6,667)	(6,683)
Charge for the year (note 6)	-	(1,129)	(1,129)
At 31 December 2021	(16)	(7,796)	(7,812)
Net book value			
At 31 December 2021	166	3,750	3,916
At 31 December 2020	166	4,410	4,576

At 31 December 2021 the net book value of plant and machinery of £3,750,000 (31 December 2021: £3,632,000) relates to assets held under finance lease agreements and similar arrangements. The depreciation charge to the statement of income and retained earnings in respect of such assets is £1,129,000 (2020: £1,000,000).

Plant and machinery with a net book value of £nil (2020: £1,813,000) are pledged as security for the term loan.

13 STOCKS

	2021 £'000	2020 £'000
Raw materials and consumables	798	769
Work in progress	436	460
	<u>1,234</u>	<u>1,229</u>

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

14 DEBTORS

	2021	2020
	£'000	£'000
Trade debtors	979	986
Amounts owed by group undertakings	334	141
VAT	162	318
Group relief due from group undertakings	-	269
Other debtors	828	500
Deferred taxation (note 18)	526	385
Prepayments and accrued income	627	562
	3,456	3,161

The debtors above include the following amounts falling due after more than one year:

	2021	2020
	£'000	£'000
Deferred taxation (note 18)	526	385

The carrying amounts of trade debtors include debts which are subject to a factoring arrangement. Under this arrangement, Walstead Bicester Limited has transferred the relevant debts to the factor in exchange for a facility which allows it to draw down cash of up to 95% of the value of the debt. The sale of these debts is non-recourse up to the credit limit provided by the insurance provider subject to a 10% deductible. As a result, the Company has transferred a proportion of the risks and rewards of ownership of the financial asset and therefore only recognises the asset to the extent it continues to be exposed to the changes in value in accordance with FRS 102. The Company continues to carry the risks associated with trade debtors above the credit limit and consequently these debtors are recognised in the balance sheet

Amounts advanced by the factor that could become repayable under the terms of the agreement are presented as secured borrowing. Cash that has not been advanced in respect of non-recourse debts sold to the factor is shown within Other Debtors.

The carrying amounts of receivables sold to the factor but still included within trade receivables are as follows:

	2021	2020
	£'000	£'000
Transferred receivables	304	999
Amounts owed by the factor	209	-

Amounts owed by group undertakings are interest free, have no fixed date of repayment, are unsecured and are repayable on demand.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

15 CREDITORS: Amounts falling due within one year

	2021	2020
	£'000	£'000
Term loan	-	5,500
Invoice discounting and factoring	-	793
Obligations under finance leases and similar arrangements (note 17)	888	722
Trade creditors	3,674	2,805
Amounts owed to group undertakings	7,891	5,800
Other taxation and social security costs	169	160
Other creditors	147	140
Accruals and deferred income	2,937	1,535
	<u>15,706</u>	<u>17,455</u>

Within other creditors is £21,000 (2020: £20,000) of outstanding pension scheme payments.

16 CREDITORS: Amounts falling due after more than one year

	2021	2020
	£'000	£'000
Obligations under finance leases and similar arrangements (note 17)	<u>5,944</u>	<u>1,391</u>

The maturity of the term loan is as follows:

	2021	2020
	£'000	£'000
Amounts payable within 1 year (note 15)	<u>-</u>	<u>5,500</u>

The term loan was taken out in June 2016 with TI Media Limited for £10.0 million. Repayments commenced September 2016 and continued until June 2021. The loan was secured by a charge over the Company's assets. The loan carried a fixed rate of interest of 8.0% per annum.

17 COMMITMENTS UNDER LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2021	2020
	£'000	£'000
Amounts payable within 1 year	1,481	836
Amounts payable between one and five years	5,923	1,531
Amounts payable between one and five years	<u>1,357</u>	<u>-</u>
Less interest and finance charges relating to future years	<u>(1,929)</u>	<u>(254)</u>
	<u>6,832</u>	<u>2,113</u>
Finance lease agreements are analysed as follows:		
Current obligation (note 15)	888	722
Non-current obligation (note 16)	<u>5,944</u>	<u>1,391</u>
	<u>6,832</u>	<u>2,113</u>

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

17 COMMITMENTS UNDER LEASE AGREEMENTS (continued)

At 31 December 2021 the company had total future minimum lease payments under non-cancellable operating leases as follows.

	Land and buildings	
	2021	2020
	£'000	£'000
Operating lease payments due:		
Within one year	824	824
Between two and five years	2,938	3,171
After more than five years	2,639	3,349
	<u>6,401</u>	<u>7,344</u>

18 DEFERRED TAXATION

The movement in the deferred taxation provision in the year was:

	2021	2020
	£'000	£'000
Asset brought forward at 1 January	385	188
Charge/(credit) arising during the period (note 10)	141	197
Asset at 31 December (note 14)	<u>526</u>	<u>385</u>

Deferred taxation is analysed as follows:

	2021	2020
	£'000	£'000
Capital allowances in (excess)/advance of depreciation	(47)	(45)
Tax losses	557	422
Other timing differences	16	8
	<u>526</u>	<u>385</u>

The deferred tax is calculated on a tax rate of 25.00% (2020: 19.00%), being the tax rate at which the deferred tax provision is expected to be utilised.

19 PROVISIONS FOR LIABILITIES

	2021	2020
	£'000	£'000
At 1 January	327	295
Provided in the year	-	32
At 31 December	<u>327</u>	<u>327</u>

The provision relates to estimated dilapidations for rental properties.

Walstead Bicester Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

20 SHARE CAPITAL

	2021 £'000	2020 £'000
Authorised, issued and fully paid:		
1 Ordinary shares of £0.10 each	-	-

21 CONTINGENT LIABILITY

The company has provided a guarantee to its parent companies and to its fellow subsidiaries to secure the group's hire purchase borrowings which are secured upon the fixed assets to which they relate. At 31 December 2021 the amount guaranteed was £9,503,000 (2020: £4,491,000).

22 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption offered by FRS 102 (Related Party Disclosures) whereby transactions with other companies in which Walstead Holdings Limited had 100% of the voting rights are not disclosed in the financial statements.

23 ULTIMATE HOLDING COMPANY and ULTIMATE CONTROLLING PARTY

The parent company is Walstead United Kingdom Limited, a company registered in England. Walstead United Kingdom Limited's parent is Walstead Group Limited, which produces consolidated financial statements, these are available from Companies House.

The ultimate holding company is Walstead Holdings Limited, a company registered in England. The largest group preparing consolidated financial statements that include the results of the company is Walstead Holdings Limited. The statutory financial statements of Walstead Holdings Limited are available from Companies House. The registered office for Walstead Holdings Limited is 18 Westside Centre, London Road, Colchester, Essex, CO3 8PH.

The ultimate controlling party is Rutland Partners LLP.

24 EVENTS SINCE THE BALANCE SHEET DATE

In May 2022, Walstead Group renewed its invoice factoring facility with BNP Paribas Fortis Factor N.V for further three years. There are no significant changes in the terms and conditions of renewed facility agreement.

There have been no other significant events after the balance sheet date which require disclosure in, or adjustments to the financial statements.