

# **Walstead Group Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**



# Walstead Group Limited

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# Walstead Group Limited

## COMPANY INFORMATION

For the year ended 31 December 2018

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### DIRECTORS

Jose Maria Camacho Fernandez

Richard Fookes

Oliver Jones

Roy Kingston

Ron Marsh

Gerhard Poppe

Debbie Read

Julian Rothwell

Mark Scanlon

Paul Utting

### REGISTERED OFFICE and PRINCIPAL PLACE OF BUSINESS

22 Westside Centre

London Road

Colchester

Essex

United Kingdom

CO3 8PH

### INDEPENDENT AUDITOR

Deloitte LLP

Statutory Auditor

London

United Kingdom

# Walstead Group Limited

## STRATEGIC REPORT

For the year ended 31 December 2018

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### REVIEW OF THE BUSINESS

The Company's financial position at the year end is set out in the balance sheet on page 11. Details of the balances with group companies are shown in the appropriate notes.

The result of the Company for the year was a profit of £5,786,000 (2017: profit of £5,943,000 for the period). The result was due to investment income of £9,000,000 received during the year (2017: £9,096,000).

The Company is a subsidiary of Walstead Holdings Limited (the "Group").

Walstead Group Limited was incorporated on 22 December 2015.

### 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 ultimate parent company, Walstead Holdings Limited.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risk relates to its investment in the following subsidiaries; Walstead United Kingdom Limited, Walstead Iberia Limited, Walstead Leykam Limited and Walstead Central Europe Sp z.o.o., as well as the continued support of the ultimate shareholders. The investment predominantly consists of groups of commercial web offset printing businesses based in the UK, Spain, Austria, Czechia, Slovenia and Poland. Risks associated with these businesses therefore have a potential impact on the value of the investment.

Competitive pressure is a continuing risk for the group, which could result in it losing sales to its key competitors. The group manage 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.

Following "Brexit", potential significant purchasing risks exist in relation to trade within the European Union. The increased diversification into the Central European markets reduces the Group's dependency on the UK market. The reduced dependency on the UK market reduces the risk to the Group of a recession or downturn in the market in the UK. In addition the Group has very little cross border trade from the UK into Europe or from Europe into the UK. Therefore the position of any tariffs following Brexit would present little risk to the business.

The group place 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 group 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 results. Training programmes and succession planning reduce this risk so that we have continuity. Incentive programmes also assist in retaining staff.

# Walstead Group Limited

## STRATEGIC REPORT (Continued)

For the year ended 31 December 2018

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The group'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 group holds credit insurance in respect of a large proportion of its debts has no significant concentration of credit risk.

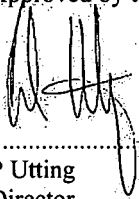
The company and its subsidiaries are financed by a group treasury function. The principal financial risks are discussed in the parent company Walstead Holdings Limited Consolidated Annual Report.

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 Group's short, medium and long-term funding and liquidity management requirements. The Group 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 period under review and the directors are not aware of any likely major changes in the company's activities or prospects in the next year.

Approved by the board and signed on its behalf by:

  
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P Utting  
Director

Date: 26 September 2019

# Walstead Group Limited

## DIRECTORS' REPORT

For the year ended 31 December 2018

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The directors present their report on the affairs of Walstead Group Limited ("the Company"), together with the audited financial statements for the year ended 31 December 2018.

### Principal activities

The principal activities of the Company are that of holding investments and the provision of management services to other group companies.

### Directors

The directors who have held office during the year and to the date of this report are as follows:

Jose Maria Camacho Fernandez (appointed 26 February 2019)

Richard Fookes

Oliver Jones

Roy Kingston

Ron Marsh

Gerhard Poppe (appointed 26 February 2019)

Debbie Read

Zoe Repman (resigned 19 September 2019)

Julian Rothwell

Mark Scanlon

Paul Utting

### 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.

### Dividends

The directors have not recommended a dividend (2017: £Nil).

### 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.

### Going concern

The Company has net assets of £7.8 million (2017: £2.0 million) and net current liabilities of £42.8 million (2017: £48.5 million) but the financial statements have been drawn up on a going concern basis because of the continued support of the parent company Walstead Finance Limited, which provides working capital through inter-company loans.

After making enquiries, the Directors have a reasonable expectation that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis (accounting policies, note 1d) in preparing the Annual Report and Financial Statements.

# Walstead Group Limited

## DIRECTORS' REPORT (Continued)

For the year ended 31 December 2018

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### Strategic report

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

### Events since the balance sheet date

In September 2019, the Company repaid in full the loan due to ABN AMRO totalling €43 million. This was predominantly funded from the receipt of amounts owed by group undertakings.

### Auditor

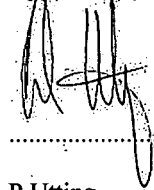
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 the company's auditor is aware of that information.

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

Following an audit retender which concluded in 2019, KPMG LLP was selected as the auditor for Walstead Holdings Limited and group companies. Accordingly, a recommendation to appoint KPMG LLP will be placed before shareholders to replace Deloitte LLP as auditor for the year ending 31 December 2019.

Approved by the board and signed on its behalf by:



P Utting  
Director

Date: 26 September 2019

# Walstead Group Limited

## DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 December 2018

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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 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), 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 judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Walstead Group Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALSTEAD GROUP LIMITED

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### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 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.

We have audited the financial statements of Walstead Group Limited (the 'company') which comprise:

- the profit and loss account and statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### 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 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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

# Walstead Group Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALSTEAD GROUP LIMITED (Continued)

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### **Other information (continued)**

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 respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **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 has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

**WALSTEAD GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WALSTEAD GROUP LIMITED (Continued)**

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**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

**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.



Ian Smith FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

30 September 2019

# Walstead Group Limited

## PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	<i>Notes</i>	<b>Year ended 2018 £'000</b>	<b>As restated Year ended 2017 £'000</b>
TURNOVER	3	5,459	4,998
Cost of sales		-	-
Gross profit		5,459	4,998
Administrative expenses	4	(8,566)	(8,011)
Income from shares in Group undertakings		9,000	9,096
OPERATING PROFIT	4	5,893	6,083
Finance income	5	440	278
Finance costs	6	(547)	(418)
PROFIT BEFORE TAXATION		5,786	5,943
Tax on profit	9	-	-
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		5,786	5,943
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME /(LOSS) ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		5,786	5,943

There is no other comprehensive income for the year (2016: £Nil).

# Walstead Group Limited

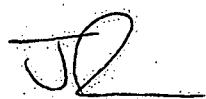
## BALANCE SHEET

As at 31 December 2018

		2018 £'000	As restated 2017 £'000
<b>Non-current assets</b>	<b>Notes</b>		
Investments	10	50,501	50,500
Tangible assets	11	114	7
		50,615	50,507
<b>Current assets</b>			
Debtors	12	40,103	3,166
Cash at bank and in hand		5,398	1,013
		45,501	4,179
<b>Current liabilities</b>			
Creditors	13	(88,310)	(52,666)
<b>Net current liabilities</b>		(42,809)	(48,487)
<b>Net assets</b>		7,806	2,020
<b>Equity</b>			
Share capital	14	50	50
Profit and loss account		7,756	1,970
<b>SHAREHOLDER'S FUNDS</b>		7,806	2,020

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors on 26 September 2019 and were signed on its behalf by:



J Rothwell  
Director

**Walstead Group Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 01 January 2017 as previously reported	50	(6,322)	(6,272)
Restatement of opening retained earnings (see note 15)	-	2,349	2,349
Balance at 1 January 2017 as restated	50	(3,973)	(3,923)
Profit for the financial year as restated (see note 15)	-	5,943	5,943
Balance at 31 December 2017	50	1,970	2,020
Profit for the financial year	-	5,786	5,786
Balance at 31 December 2018	50	7,756	7,806

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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### 1 ACCOUNTING POLICIES

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

#### a General information and basis of accounting

Walstead Group Limited is a company incorporated 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 09927306. The address of the Company's registered office is 22 Westside Centre, London Road, Colchester, Essex, United Kingdom, CO3 8PH.

The principal activity of the Company is that of holding investment companies for Walstead Holdings Limited and its fellow subsidiaries.

The Company has prepared its financial statements under FRS 102 and the presentation currency is pound sterling (£).

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 intend to take advantage of these exemptions in the financial statements to be issued in the following year.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption thus no Strategic Report has been presented.

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

#### b Basis of preparing the financial statements

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.

#### c Preparation of consolidated financial statements

The financial statements contain information about Walstead Group Limited as an individual company (and do not contain consolidated financial information as the parent of a group). The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, Walstead Holdings Limited, 22 Westside Centre, London Road, Colchester, Essex, CO3 8PH.

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

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### 1 ACCOUNTING POLICIES (Continued)

#### d Going concern

The Company is a 100% subsidiary of Walstead Finance Limited. In reaching their decision to prepare the financial statements on a going concern basis, the directors have considered the impact of the current economic climate on both the Company and also the group of which it is a member.

The Company has net assets but is reliant on the support of its immediate parent company Walstead Finance Ltd, to be able to meet its liabilities as they fall due. Walstead Finance Limited has confirmed that it will provide such financial support as is necessary to ensure that the Company is a going concern for at least twelve months from the date of signing these financial statements.

Having given due consideration to the above factors and the anticipated future performance of the Company, taking into account reasonably possible change in trading performance in light of uncertainty related to current unfavourable economic conditions, the directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### e Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost, less impairment. Provisions are made against cost in cases where there is a permanent fall in the value of the investment.

#### f Financial instruments

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

### 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 performance 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*

The key critical judgement, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is the investment value in use calculation.

Determining whether an investment and its intercompany loans are impaired requires an assessment of the value in use of the cash-generating units to which investment has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and judge a suitable discount rate in order to calculate present value.



# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

### 3 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year ended 2018 £'000	Year ended 2017 £'000
United Kingdom	1,979	2,052
Europe	3,480	2,946
Total	<u>5,459</u>	<u>4,998</u>

### 4 OPERATING PROFIT

Profit is stated after charging/ (crediting):

	Year ended 2018 £'000	Year ended 2017 £'000
Depreciation of owned assets	6	50
Auditor's remuneration		
- for the audit of the company's financial statements	5	5
- for the audit of the group's financial statements	315	100
Foreign exchange loss / (gain)	61	(4)
Exceptional administrative expenses	3,234	1,936

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 ultimate parent company Walstead Holdings Limited.

The exceptional administrative expenses of £3,234,296 (2017: £1,936,340) relate to refinancing costs.

### 5 FINANCE INCOME

	Year ended 2018 £'000	As restated Year ended 2017 £'000
Intercompany Group Loans	<u>440</u>	<u>278</u>
	<u>440</u>	<u>278</u>

Full details of the prior year restatement can be seen in note 15.

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

### 6 FINANCE COSTS

	Year ended 2018 £'000	As restated Year ended 2017 £'000
Intercompany Group Loans	285	281
External bridging Loan	197	67
Exchange rate loss	65	70
	<u>547</u>	<u>418</u>

Full details of the prior year restatement can be seen in note 15.

### 7 STAFF NUMBERS AND COSTS

The average monthly number of staff, including executive directors employed by the company during the financial year was:

	2018 No.	2017 No.
Director	9	9
Administration	8	10
Total	<u>17</u>	<u>19</u>

The aggregate payroll costs of the above were:

	Year ended 2018 £'000	Year ended 2017 £'000
Wages and salaries	3,580	4,227
Social security costs	413	452
Other pension costs	97	82
	<u>4,090</u>	<u>4,761</u>

### 8 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year ended 2018 £'000	Year ended 2017 £'000
Emoluments receivable	2,904	3,402
Value of company pension contributions to money purchase schemes	72	65
	<u>2,976</u>	<u>3,467</u>

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

### 8 DIRECTORS' EMOLUMENTS (continued)

Emoluments of highest paid director:

	Year ended 2018 £'000	Year ended 2017 £'000
Total emoluments	940	1,118

The highest paid director received no pension contributions (2017: £Nil).

The number of directors who accrued benefits under company money pension schemes was 5 (2017: 6).

### 9 TAXATION ON ORDINARY ACTIVITIES

Analysis of tax charge

No liability to UK corporation tax arose for the year ended 31 December 2018 (2017: £Nil).

Factors affecting tax charge for the year:

The tax assessed on the profit on ordinary activities for the year is reconciled to the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%), as explained below:

	Year ended 2018 £'000	As restated Year ended 2017 £'000
Profit on ordinary activities before taxation	5,786	5,943
Tax on ordinary activities at standard UK corporation tax rate of 19% (2017: 19.25%)	1,099	1,144
Effects of:		
Expenses not deductible for tax purposes	530	215
Income not taxable for tax purposes	(109)	-
Group relief	-	871
Transfer pricing adjustments	(272)	(368)
Exempt ABGH distributions	(1,710)	(1,750)
Adjustments to tax charge in respect of previous years	562	(130)
Deferred tax not recognised	(100)	18
Total tax result for the year	-	-

The rate of 17.00% is used for the calculation of the deferred tax provision at 31 December 2018 (2017: 17.00%).

Full details of the prior year restatement can be seen in note 15.

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

### 10 INVESTMENTS

	2018 £'000	2017 £'000
<b>Cost</b>		
As at 1 January	50,500	50,500
Additions	1	-
As at 31 December	50,501	50,500
<b>Net book value</b>		
As at 1 January	50,500	50,500
Additions	1	-
As at 31 December	50,501	50,500

Details of the company's subsidiaries at 31 December 2018, all of which are wholly-owned, and incorporated in England, are as follows:

Name	Place of business and registered office	Class of shares	Proportion of ownership interest %	Proportion of voting power held %
Walstead United Kingdom Limited *	UK	Ordinary	100	100
Walstead Iberia Limited *	UK	Ordinary	100	100
Walstead Leykam Limited *	UK	Ordinary	100	100
Walstead Central Europe Sp Z.o.o*	Poland	Ordinary	100	100

\* Held directly by Walstead Group Limited.

The investments in subsidiaries are all stated at cost less provision for impairments.

All UK subsidiaries have the same registered office: 22 Westside Centre, London Road, Colchester, CO3 8PH. The Polish subsidiary is registered at 1<sup>st</sup> Wadowicka 8A, Krakow, Poland.

### 11 TANGIBLE ASSETS

	£'000 Plant and Equipment
<b>Cost</b>	
At 1 January 2018	57
Additions	113
At 31 December 2018	170
<b>Accumulated depreciation</b>	
At 1 January 2018	(50)
Charge for the year	(6)
At 31 December 2018	(56)
<b>Carrying amount</b>	
At 31 December 2018	114
At 31 December 2017	7

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

### 12 DEBTORS

	2018	As restated 2017
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	-	104
Amounts owed by group undertakings	39,833	2,568
Other debtors	-	26
Prepayments and accrued income	270	468
<b>Total debtors</b>	<b>40,103</b>	<b>3,166</b>

Included in amounts owed by group undertakings is a loan of €41.3m (£36.7m) to Walstead Central Europe Sp. z o.o. which carries an interest rate of 4%. Also included is a loan of €2.2m (£ m) with Walstead CE GmbH which carries an interest rate of 3% + Euribor.

All other amounts owed by group undertakings are interest free, have no fixed date of repayment and are repayable on demand.

A prior period restatement has been made in respect of amounts owed by group undertakings. Full details can be seen in note 15.

### 13 CREDITORS: Amounts falling due within one year

	2018	As restated 2017
	£'000	£'000
Bank loans and overdrafts	38,568	-
Trade creditors	69	66
Amounts owed to group undertakings	45,446	49,885
Other taxation and social security	136	136
Other creditors	4,091	2,579
<b>Total creditors</b>	<b>88,310</b>	<b>52,666</b>

The bank loan relates to an unsecured ABN AMRO loan €43m to Walstead Group. Interest is charged on the outstanding loan balances.

Included in amounts owed to group undertakings was £7,692,308 (2017: £7,692,308) which carried an interest rate of 3.5 per cent per annum charged on the outstanding loan balances. No interest was charged on the remaining balance.

All other amounts owed to group undertakings are interest free, have no fixed date of repayment and are repayable on demand.

A prior period restatement has been made in respect of amounts owed to group undertakings. Full details can be seen in note 15.

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

### 14 CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
Allotted, called up and fully paid: 50,000 Ordinary share of £1 each	<u>50</u>	<u>50</u>

### 15 PRIOR PERIOD ADJUSTMENT

The treatment of a loan owed by group undertakings has been amended to reflect its terms in accordance with the loan agreement. The prior year adjustment reflects the accrued interest on the loan from the date of the agreement in June 2016, together with amending foreign exchange movements to translate the loan from its underlying currency to reporting currency.

As part of the restatement adjustment, a correction has been made to separately present the loan owed by group undertakings balance as it was previously offset against the 'Amounts owed to group undertakings' balance.

Impact of prior year restatement

The prior year restatement has resulted in a correction of the 2017 position as follows:

2017 position	Previously Reported £'000	Adjustment £'000	Restated £'000
Finance income	-	(278)	(278)
Finance costs	447	(377)	70
Amounts owed to group undertakings	(50,321)	436	(49,885)
Amounts owed by group undertakings	-	2,568	2,568
Opening retained earnings 2017	6,322	(2,349)	3,973

### 16 EVENTS SINCE THE BALANCE SHEET DATE

In September 2019, the Company repaid in full the loan due to ABN AMRO totalling €43 million. This was predominantly funded from the receipt of amounts owed by group undertakings.

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2018

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### 17 RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption offered by FRS 102 (Related Party Disclosures) whereby transactions with other wholly-owned members of the Walstead Holdings Limited group are not disclosed in the financial statements.

During the year, Group companies entered into the following supplier transactions with related parties who are not members of the Group:

	2018 £'000	2017 £'000
DM & F Investments Limited	19	55
Excelcate LLP	-	36

As at 31 December 2018 there was a balance outstanding of £4,105 to DM&F Investments Limited. (2017:£21,020 was outstanding: DM&F Investments Limited (£7,820) and Excelcate LLP (£13,200)). These companies all have a common director and reflect consultancy and expenses charged to the Group. No interest is repayable with respect to these outstanding trading balance.

### 18 ULTIMATE PARENT COMPANY

The ultimate holding company is Walstead Holdings Limited registered in England, the immediate parent company is Walstead Finance Limited registered in England. The largest and smallest 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 and Walstead Group Limited is 22 Westside Centre, London Road, Colchester, CO3 8PH.

53% of Walstead Holdings Limited share capital is owned by Rutland Partners LLP, the ultimate controlling party.

# Walstead Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### For the year ended 31 December 2018

#### 19 LIST OF AFFILIATED ENTITIES

The Group holds 48% of shares in Leykam Druck GmbH, and 100% of shares in all other entities. A full list of direct and indirect entities within the Group is as follows:

Company Name	Status	Business activity	Class of shares	Registered Office	Country
Albert Galt Limited	Dormant	N/A	Ordinary	UK1	UK
Albert Galt Printers Limited	Dormant	N/A	Ordinary	UK1	UK
Aquaprint Limited	Dormant	N/A	Ordinary	UK1	UK
B + P Limited	Dormant	N/A	Ordinary	UK1	UK
B R Hubbard Printers Limited	Dormant	N/A	Ordinary	UK1	UK
Blackettes Print Management Limited	Dormant	N/A	Ordinary	UK1	UK
Blackettes Reproduction Limited	Dormant	N/A	Ordinary	UK1	UK
Data & Digital Limited	Dormant	N/A	Ordinary	UK1	UK
E. T. Heron and co. Limited	Dormant	N/A	Ordinary	UK1	UK
Grange Press Southwick Limited	Dormant	N/A	Ordinary	UK1	UK
Impact Litho Limited	Dormant	N/A	Ordinary	UK1	UK
Keyne Print Limited	Dormant	N/A	Ordinary	UK1	UK
London Graphics Limited	Dormant	N/A	Ordinary	UK1	UK
Midland Printing Services Limited	Dormant	N/A	Ordinary	UK1	UK
Rhapsody Limited	Active	Print and related services	Ordinary	UK1	UK
Southern Binders Limited	Dormant	N/A	Ordinary	UK1	UK
Southernprint (web offset) Limited	Dormant	N/A	Ordinary	UK1	UK
Walstead Leykam Limited	Active	Management	Ordinary	UK1	UK
Walstead Treasury Limited	Active	Management	Ordinary	UK1	UK
Walstead Finance Limited	Active	Management	Ordinary	UK1	UK
Walstead Group Limited	Active	Management	Ordinary	UK1	UK
Walstead Holdings Limited	Active	Management	Ordinary	UK1	UK
Walstead Iberia Limited	Active	Management	Ordinary	UK1	UK
Walstead United Kingdom Limited	Active	Management	Ordinary	UK1	UK
Westway Offset Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Apple Limited	Dormant	N/A	Ordinary	UK1	UK
Walstead Bicester Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Blackettes Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Galt Limited	Dormant	N/A	Ordinary	UK1	UK
Walstead Grange Limited	Active	Print and related services	Ordinary	UK1	UK
Walstead Heron Limited	Active	Print and related services	Ordinary	UK1	UK
Walstead Holdings Limited	Active	Management	Ordinary	UK1	UK
Wyndeham Hubbard Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Icon Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Impact Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Masterpiece Limited	Dormant	N/A	Ordinary	UK1	UK
Walstead Peterborough Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Plymouth Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Pre-press Limited	Dormant	N/A	Ordinary	UK1	UK
Walstead Press Group Limited	Active	Management	Ordinary	UK1	UK
Walstead Roche Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Southernprint (holdings) Limited	Dormant	N/A	Ordinary	UK1	UK
Walstead Southernprint Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Web Limited	Dormant	N/A	Ordinary	UK1	UK
Walstead Westway Limited	Active	Management	Ordinary	UK1	UK
Eurohveco, SAU	Active	Print and related services	Ordinary	ES1	Spain
Rotocobri, SAU	Active	Print and related services	Ordinary	ES2	Spain
Rhapsody Media SL	Active	Print and related services	Ordinary	ES3	Spain
Walstead CE GmbH	Active	Management	Ordinary	AU1	Austria
Let's Print Holding AG	Active	Management	Ordinary	AU2	Austria
Walstead Immobilien u Service GmbH	Active	Management	Ordinary	AU2	Austria
Amano media GmbH	Active	Print and related services	Ordinary	AU2	Austria
Walstead Leykam Druck GmbH & Co	Active	Print and related services	Ordinary	AU2	Austria
NP Druck GmbH	Active	Print and related services	Ordinary	AU2	Austria
Walstead Tusch-Druck GmbH	Active	Management	Ordinary	AU2	Austria
Walstead Leykam Druck GmbH	Active	Print and related services	Ordinary	AU2	Austria
Leykam Tiskarna d.o.o.	Active	Print and related services	Ordinary	SL1	Slovenia
Moravapress SRO	Active	Print and related services	Ordinary	CZ1	Czech Republic
Walstead Central Europe Sp zoo.	Active	Management	Ordinary	PL1	Poland
Walstead Krakow Sp zo.o	Active	Print and related services	Ordinary	PL2	Poland
Walstead Starachowice Sp zoo.	Active	Print and related services	Ordinary	PL3	Poland
Walstead Deutschland GmbH	Active	Print and related services	Ordinary	DE1	Germany
Walstead East (CE) LLC	Active	Print and related services	Ordinary	RU1	Russia
<b>Registered Office:</b> UK1 22 Westside Centre, London Road, Colchester, CO3 8PH, United Kingdom ES1 Registro Mercantil de Barcelona, hoja 70505, folio 130, tomo 5984, libro 5278, sección 2.ª sociedades, Spain ES2 Registro Mercantil de Madrid, Tomo 3996, Folio 210, Sección 8, Hoja M-66834, Inscripción 59, Spain ES3 Ronda de Valdecarrizo 13 28760 Tres Cantos, Spain AU1 Schwarzenbergplatz 7, 1030 Wien, Austria AU2 Bickfordstraße 21, 7201 Neudorf an der Leitha, Austria SL1 Spodnje Hoce, Miklavška cesta 61, 2311 Hoce, Slovenia CZ1 Břeclav, U pólny 3061, PSČ 69002, Czech Republic PL1 1st Wadowicka 8A, Kraków, Poland PL2 Obrońców Modliń 11, Kraków, Poland PL3 Bema 2C In Starachowice, Poland DE1 Kleine Wiesenau 160323 Frankfurt, Germany RU1 Skakovaya street, 17 bldg.2 125040 Moscow, Russia					
<b>Principal Business address:</b> Further details for active companies including the principal business address, can be found as follows <a href="http://www.walstead-group.com/">www.walstead-group.com/</a>					