

WALSTEAD FINANCE LIMITED

ANNUAL REPORT and FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

WALSTEAD FINANCE LIMITED

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WALSTEAD FINANCE LIMITED
COMPANY INFORMATION

Directors:

R C Fookes
O J T Jones
J G Rothwell
P Utting

Registered office and principle place of business

22 Westside Centre
London Road
Colchester
Essex
United Kingdom
CO3 8PH

Registered number:

09927246

Independent auditor:

Deloitte LLP
Statutory Auditor
London
United Kingdom

WALSTEAD FINANCE LIMITED
STRATEGIC REPORT
For the year ended 31 December 2018

BUSINESS REVIEW AND KPI'S

The results for the year are set out in detail on page 12. The directors do not recommend the payment of a dividend following their approval of the 2018 financial statements and no dividend was paid during the year (2017: £Nil).

The directors regard interest and net external debt as the key performance indicator of the business. Interest expensed in the year was £9.4 million (2017: £6.7 million) on average external debt of £61.8 million (2017: £61.1 million). Accrued interest at the year end was added to the value of the loans.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risk relates to recoverability of the treasury facilities provided to parent company Walstead Holdings Limited and its subsidiaries, as well as the continued support of the ultimate shareholders. Risks associated with these businesses therefore have a potential impact on the Company's ability to pay liabilities when due.

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.

The group's credit risk is primarily attributable to its trade receivables. 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.

WALSTEAD FINANCE LIMITED
STRATEGIC REPORT (Continued)
For the year ended 31 December 2018

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 FINANCE LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2018

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

PRINCIPAL ACTIVITY

The principal activity of the Company is that of providing treasury facilities to Walstead Holdings Limited and its fellow subsidiaries.

DIRECTORS

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

R C Fookes
O J T Jones
Z Repman – resigned 19th September 2019
J G Rothwell
P 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.

GOING CONCERN

The company has net liabilities of £19.5 million (2017: £10.1m) but the financial statements have been drawn up on a going concern basis because of the continued support of the parent company Walstead Holdings Limited, which provides working capital through inter-company loans.

The directors have obtained a written undertaking from Walstead Holdings Limited that this support will continue to be available for a period of at least 12 months from the date of signing of these financial statements and forecasts indicate that Walstead Holdings Limited will continue to be in a position to provide this support, refer to the accounting policies note 1d.

WALSTEAD FINANCE LIMITED
DIRECTORS' REPORT (Continued)
For the year ended 31 December 2018

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

On 19th September 2019, €5.1million of the shareholder loans were repaid.

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:



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P Utting
Director

Date: 26 September 2019

WALSTEAD FINANCE LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
For the year ended 31 December 2018

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 the 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 FINANCE LIMITED
INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WALSTEAD
FINANCE LIMITED
For the year ended 31 December 2018

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Walstead Finance Ltd (the 'company'):

- **give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss 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 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 15.

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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the recoverability of receivables from group undertakings.
Materiality	The materiality that we used in the current year was £214,000 which was determined on the basis of 3% of interest expense on shareholder loans.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There were no significant changes to our audit approach.

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.

WALSTEAD FINANCE LIMITED
INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WALSTEAD
FINANCE LIMITED (Continued)
For the year ended 31 December 2018

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of receivables from group undertakings

Key audit matter description



Receivables from group undertakings are stated in Note 8 to the financial statements at £47,907,00 (99.9% of total assets).

There is a level of judgement involved in determining the recoverability of these receivables from group undertakings based on the financial position and future prospects of the group undertakings. This takes into consideration a range of factors such as trading performance of the group undertakings, the expected revenue growth and discount rates.

Further details of the risk are included within the strategic report on page 2 of the financial statements.

How the scope of our audit responded to the key audit matter



We evaluated the design and implementation of the key controls related to the valuation and recoverability of receivables from the group undertakings.

We challenged the directors' judgements regarding the appropriateness of the carrying value through obtaining a copy of the latest audited financial information and our understanding of the future trading performance of the group undertakings by assessing the ability of the group undertakings to repay these amounts. We compared the period end financial position of the group undertakings and compared it to the period end carrying value of the receivable from the respective group undertaking. If the group undertaking's financial position did not exceed the carrying value, we performed a value-in-use analysis and compared these metrics to the period end carrying value of the receivable.

Key observations



Based on the work performed we concluded that receivables from group undertakings are appropriately stated.

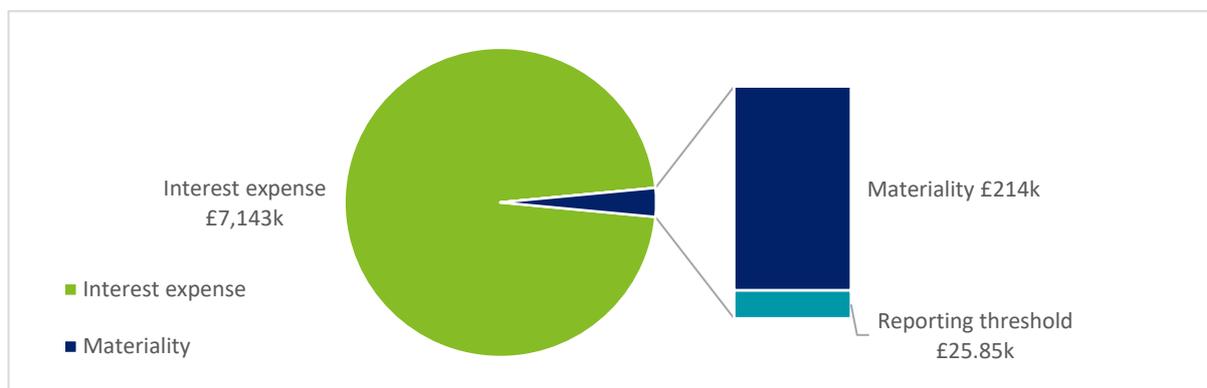
WALSTEAD FINANCE LIMITED
INDEPENDENT AUDITOR’S REPORT TO MEMBERS OF WALSTEAD
FINANCE LIMITED (Continued)
For the year ended 31 December 2018

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£214,000
Basis for determining materiality	3% of interest expense on shareholder loans
Rationale for the benchmark applied	We determined materiality based on the interest expense on shareholder loans as this is a key metric used by management and investors to assess the Company’s position as the debt holding entity of the Walstead Holdings Group.



We agreed with the Board of Directors that we would report to the Board all audit differences in excess of £25,850, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the engagement team.

WALSTEAD FINANCE LIMITED
INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WALSTEAD
FINANCE LIMITED (Continued)
For the year ended 31 December 2018

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.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 FRC's website at: 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 have 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 strategic report or the directors' report.

WALSTEAD FINANCE LIMITED
INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF WALSTEAD
FINANCE LIMITED (Continued)
For the year ended 31 December 2018

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

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

Date.....

WALSTEAD FINANCE LIMITED
PROFIT AND LOSS ACCOUNT AND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	Note	Year ended 31 December	Year ended 31 December
		2018	2017
		£'000	£'000
Administrative expenses		<u>(32)</u>	<u>(5)</u>
Operating loss		(32)	(5)
Finance costs	5	<u>(9,450)</u>	<u>(6,727)</u>
Loss before taxation		(9,482)	(6,732)
Taxation		-	-
Loss after taxation	6	<u><u>(9,482)</u></u>	<u><u>(6,732)</u></u>

There is no other comprehensive income for the year.

WALSTEAD FINANCE LIMITED**BALANCE SHEET**

As at 31 December 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Investments	7	50	50
Current assets			
Debtors	8	<u>47,910</u>	<u>47,913</u>
Total assets		47,960	47,963
Current liabilities			
Creditors: Amounts falling due within one year	9	<u>(985)</u>	<u>(956)</u>
Net current assets		46,975	46,957
Non-current liabilities			
Creditors: Amounts falling due after more than one year	10	(66,518)	(57,068)
Net liabilities		<u><u>(19,543)</u></u>	<u><u>(10,061)</u></u>
Capital and reserves			
Called up share capital	11	50	50
Profit and loss account		<u>(19,593)</u>	<u>(10,111)</u>
Shareholder's deficit		<u><u>(19,543)</u></u>	<u><u>(10,061)</u></u>

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 FINANCE 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 1st January 2017	50	(3,379)	(3,329)
Changes in equity			
Total comprehensive loss	-	(6,732)	(6,732)
	<hr/>	<hr/>	<hr/>
Balance at 31st December 2017	50	(10,111)	(10,061)
Total comprehensive loss	-	(9,482)	(9,482)
	<hr/>	<hr/>	<hr/>
Balance at 31st December 2018	<u>50</u>	<u>(19,593)</u>	<u>(19,543)</u>

WALSTEAD FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2018

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 Finance 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 09927246. The address of the Company's registered office is 22 Westside Centre, London Road, Colchester, Essex CO3 8PH, United Kingdom.

The presentation currency of the financial statements is the pound sterling (£).

The principal activity of the Company is that of providing treasury facilities to Walstead Holdings Limited and its fellow subsidiaries.

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related party disclosures. 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.

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 Finance 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 parent, Walstead Holdings Limited, available from its registered office at 22 Westside Centre, London Road, Colchester, Essex, CO3 8PH.

d **Going concern**

The company is a 100% subsidiary of Walstead Holdings 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 liabilities and is reliant on the support of its immediate parent company Walstead Holdings Limited, to be able to meet its liabilities as they fall due. Walstead Holdings 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.

WALSTEAD FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2018

1 ACCOUNTING POLICIES (Continued)

e **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 parent, Walstead Holdings Limited, publishes a consolidated cash flow statement.

f **Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost less impairment.

g **Financial instruments**

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

Trade creditors

Trade creditors are not interest bearing and are stated at their nominal value.

Shareholder loans

Interest-bearing shareholder loans and overdrafts are recorded at the proceeds received and accrued. Finance charges, including interest are accounted for on an accruals basis.

h **Taxation**

Taxation 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 in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

i **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

j **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 transaction. Exchange differences are taken into account in arriving at the operating result.

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

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.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of intercompany loans

Determining whether 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.

Current value of shareholder loans

Included within shareholder loans is a liability which does not carry a fixed rate of interest. The discount rate used to calculate the current value of the liability is deemed to be the interest rate applied to the equivalent interest-bearing loans.

3 LOSS FOR THE YEAR

The auditor's remuneration for audit was £5,000 (2017: £5,000) and this was borne by another group company.

4 STAFF NUMBERS AND COSTS

The Company has no employees other than the directors who did not receive any remuneration in the current or prior year. The directors are employed and remunerated by other companies in the Walstead Holdings Limited group and do not receive any remuneration specifically for their services as directors of the Company.

WALSTEAD FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2018

5 FINANCE COSTS

	2018 £'000	2017 £'000
On 12% shareholder loans	9,450	6,299
On 5% shareholder loans	-	428
	<hr/>	<hr/>
	<u>9,450</u>	<u>6,727</u>

6 TAXATION

Analysis of the 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 loss on ordinary activities for the year is reconciled to the standard rate of corporation tax in the UK of 19% (2017: 19.25%), as explained below:

	2018 £'000	2017 £'000
Loss before tax	<u>(9,482)</u>	<u>(6,732)</u>
Tax on loss on ordinary activities at standard corporation tax rate of 19% (2017: 19.25%)	(1,802)	(1,296)
Less effect of:		
Expenses not deductible for tax purposes	5	676
Group relief surrendered	304	167
Transfer pricing adjustments	364	453
Deferred tax not recognised	1,010	-
Difference between Deferred tax rate and corporation tax rate	<u>119</u>	<u>-</u>
Total tax result	<u>-</u>	<u>-</u>

WALSTEAD FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2018

7 FIXED ASSET INVESTMENTS

	£'000
Cost and net book value	
At 1 December 2017	50
Additions	-
	<hr/>
At 31 December 2017	<u>50</u>
Additions	-
	<hr/>
At 31 December 2018	<u>50</u>

Details of the Company's subsidiaries at 31 December 2018 are as follows:

Name	Place of business and registered office	Class of shares	Proportion of ownership interest %	Proportion of voting power held %
Walstead Group Limited *	UK	Ordinary	100	100

* Held directly by Walstead Finance Limited.

The investments in subsidiaries are all stated at cost less provision for impairments. Further information about direct and indirect subsidiaries is provided in note 14 to the financial statements. The registered office for Walstead Group Limited is 22 Westside Centre, London Road, Colchester, CO3 8PH.

WALSTEAD FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2018

8 DEBTORS

	2018	2017
	£'000	£'000
Amounts owed by group undertakings	47,907	47,907
Prepayments & Accrued Income	<u>3</u>	<u>6</u>
	<u><u>47,910</u></u>	<u><u>47,913</u></u>

9 CREDITORS: Amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	35	6
Amounts owed to group undertakings	<u>950</u>	<u>950</u>
	<u><u>985</u></u>	<u><u>956</u></u>

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

10 CREDITORS: Amounts falling due after one year

	2018	2017
	£'000	£'000
Shareholder loans, 12% interest	<u>66,518</u>	<u>57,068</u>
	<u><u>66,518</u></u>	<u><u>57,068</u></u>

The shareholder loans are sterling denoted and due to mature in 2024. Interest is accrued daily at 12%.

11 SHARE CAPITAL

	2018	2017
	£'000	£'000
Authorised, issued and fully paid:		
50,000 Ordinary shares of £1.00 each	<u>50</u>	<u>50</u>

The shares have full voting, dividend and capital distribution rights.

WALSTEAD FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2018

12 EVENTS SINCE THE BALANCE SHEET DATE

On 19th September 2019, €5.1million of the shareholder loans were repaid.

13 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.

At 31 December 2018, the amounts repayable to related parties of the Company with respect to loans were £67.5 million (2017: £58.0 million) including accrued interest.

14 ULTIMATE CONTROLLING PARTY

The immediate parent and ultimate holding company is Walstead Holdings 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 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.

15 LIST OF AFFILIATED ENTITIES

The full list of direct and indirect entities within the Group is presented overleaf.

WALSTEAD FINANCE LIMITED
NOTES TO FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2018

15 LIST OF AFFILIATED ENTITIES (Continued)

Company Name	Status	Business activity	Class of shares	Registered Office	Country
Albert Gait Limited	Dormant	N/A	Ordinary	UK1	UK
Albert Gait 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
Blacketts Print Management Limited	Dormant	N/A	Ordinary	UK1	UK
Blacketts 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 Blacketts Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Gait 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
Eurohucco, SAU	Active	Print and related services	Ordinary	ES1	Spain
Rotocobrhí, 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
Moraviapress 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
Registered Office:	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 Neudörfel an der Leitha, Austria SL1 Spodnje Hoce, Miklavška cesta 61, 2311 Hoce, Slovenia CZ1 Břeclav, U póny 3061, PSC 69002, Czech Republic PL1 1st Wadowicka 8A, Kraków, Poland PL2 Obrońców Modlińska 11, Kraków, Poland PL3 Bema 2C in Starachowice, Poland DE1 Kleine Wiesenau 160323 Frankfurt, Germany RU1 Skakovaya street, 17 bldg.2 125040 Moscow, Russia				
Principal Business address:	Further details for active companies including the principal business address, can be found as follows www.walstead-group.com/				