

**WALSTEAD FINANCE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



# **WALSTEAD FINANCE LIMITED**

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**WALSTEAD FINANCE LIMITED**  
**COMPANY INFORMATION**

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**Directors:**

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

**Registered office:**

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**

## **DIRECTORS' REPORT**

For the year ended 31 December 2017

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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 2017.

### **PRINCIPAL ACTIVITY**

Walstead Finance Limited (formerly "Wallace Midco Limited") was incorporated on 22 December 2015 and changed its name on 24 June 2016. On 22 June 2016 the Company commenced trading. The principal activity of the Company is that of providing treasury facilities to Walstead Holdings Limited and its fellow subsidiaries.

### **BUSINESS REVIEW**

The results for the year are set out in detail on page 11. The directors do not recommend the payment of a dividend following their approval of the 2017 financial statements and no dividend was paid during the year (2016: £Nil).

The directors regard interest and net external debt as the key performance indicator of the business. Interest expensed in the year was £6.7 million (2016: £3.4 million) on average external debt of £61.1 million (2016: £64.1 million). £13.3m of loan notes were repaid during the year and accrued interest at the year end was added to the value of the loans.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk is the continued support of the ultimate shareholders to support their investment; without this support and the inability to provide suitable alternatives the Company and its associated subsidiaries would not have sufficient liquidity to trade; this risk has been mitigated by the loan beneficiaries confirming their support to the Company.

### **DIRECTORS**

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

R C Fookes – appointed 26 January 2017  
O J T Jones  
Z Repman  
M A Reynolds - resigned 27 September 2017  
J G Rothwell – appointed 17 July 2017  
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.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The principal risk for the Company is the recovery of amounts owed by group undertakings. These balances relate to undertakings which are under 100% direct or indirect control of the Company which helps to ensure funds are available to repay the debts and to enable the Company to meet its liabilities as and when they fall due.

### **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 or prospects in the next year.



**WALSTEAD FINANCE LIMITED**  
**DIRECTORS' REPORT (Continued)**  
For the year ended 31 December 2017

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**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 liabilities and net current liabilities of £10.1 million (2016: £3.4m) 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.

**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.

Deloitte 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.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the board and signed on its behalf by:



Z Repman  
Director

Date: 30 July 2018



**WALSTEAD FINANCE LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
For the year ended 31 December 2017

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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 year. 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; 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 THE MEMBERS OF**  
**WALSTEAD FINANCE LIMITED (Continued)**

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**Report on the audit of the financial statements**

**Opinion**

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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 2017 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**

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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.

<b>Summary of our audit approach</b>	
Key audit matters	The key audit matter that we identified in the current year was the accounting treatment of financial liabilities due to terms and conditions per loan and related agreements
Materiality	The materiality that we used in the current year was £207,000 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.



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

**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.**

**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.

**Treatment of financial liabilities due to terms and conditions per loan and related agreements**

Key audit matter description



The shareholder loan liability consists of various loan agreements which have varying terms and conditions relevant to each agreement. The terms and conditions of the Series C loan note instrument include an additional liability of £2.5 million which arose on the formation of the group in 2016 when these loan notes were initially recognised. As a result of a review of these agreements in the current year, an adjustment was posted to account for the additional liability as a prior year adjustment.

In accordance with FRS 102, financial liabilities with present obligations should be recognized at the net present value of the obligation at the reporting date.



The treatment and valuation of the financial liability has been identified as a key audit matter given the discussions held around the nature and recognition of the liability and the judgement involved in discounting the liability. Key judgements include the discount rate used to present value the liability.

Further information is included in:

- the prior year adjustment note in the financial statements (see note 12)
- The financial instruments policy in the financial statements (see note 1)



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

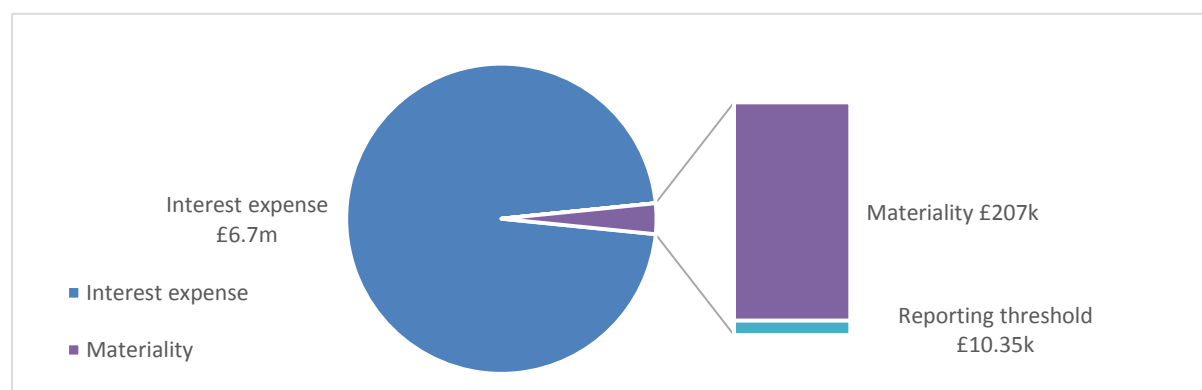
<b>Treatment of financial liabilities due to terms and conditions per loan and related agreements (cont'd)</b>	
<p>How the scope of our audit responded to the key audit matter</p> 	<ul style="list-style-type: none"> <li>• We have reviewed the terms and conditions of all loan agreements and related agreements to ascertain the relevant terms and conditions that give rise to contractual obligations.</li> <li>• We have reviewed management's present value calculation and disclosure of the financial liabilities identified through inspection of all loan note agreements and assessed the recognition and measurement requirements of the relevant accounting standards.</li> <li>• We have agreed the amounts of the financial liabilities and related interest to supporting documentation.</li> <li>• We challenged management's discount rate applied in the recognition and treatment of the financial liabilities.</li> </ul>
<p>Key observations</p> 	<ul style="list-style-type: none"> <li>• Based on the work performed we are satisfied that the accounting treatment and adjustment made in respect of the financial liability arising from the loan notes related agreements is appropriate.</li> </ul>

**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	£207,000
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.





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

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**Our application of materiality (continued)**

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We agreed with the Audit Committee that we would report all audit differences in excess of £10,350, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

**An overview of the scope of our audit**

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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 audit engagement team.

**Other information**

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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**

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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.



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

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**Auditor's responsibilities for the audit of the financial statements**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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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.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 directors' report.

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

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*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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

**We have nothing to report in respect of these matters.**



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

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**Matters on which we are required to report by exception (continued)**

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*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.**

*Ian Smith*

Ian Smith, FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom  
30 July 2018



**WALSTEAD FINANCE LIMITED**  
**PROFIT AND LOSS ACCOUNT AND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2017

	Note	Year ended 31 December	As restated* Period ended 31 December
		2017	2016
		£'000	£'000
Administrative expenses		(5)	(10)
<b>Operating loss</b>		(5)	(10)
Finance costs	5	(6,727)	(3,369)
<b>Loss before and after taxation</b>	6	(6,732)	(3,379)

There is no other comprehensive income for the year.

*\* Details of the prior period restatement can be seen in note 12.*



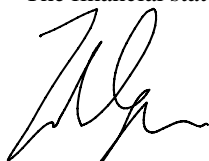
**WALSTEAD FINANCE LIMITED****BALANCE SHEET**

As at 31 December 2017

	Note	2017 £'000	As restated* 2016 £'000
<b>Non-current assets</b>			
Investments	7	50	50
<b>Current assets</b>			
Debtors	8	47,913	61,719
<b>Total assets</b>		47,963	61,769
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	9	(956)	(960)
<b>Net current assets</b>		46,957	60,759
<b>Non-current liabilities</b>			
Creditors: Amounts falling due after more than one year	10	(57,068)	(64,138)
<b>Net liabilities</b>		(10,061)	(3,329)
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Profit and loss account		(10,111)	(3,379)
<b>Shareholder's deficit</b>		(10,061)	(3,329)

*\*Details of the prior period restatement can be seen in note 12.*

The financial statements were approved by the board of directors on 30 July 2018 and were signed on its behalf by:



Z Repman  
Director



**WALSTEAD FINANCE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2017

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	Called up share capital £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 22 December 2015</b>	-	-	-
<b>Changes in equity</b>			
Issue of share capital	50	-	50
Total comprehensive expense (as previously stated)	-	(3,317)	(3,317)
Prior year adjustment (see note 12)		(62)	(62)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31st December 2016</b>	50	(3,379)	(3,329)
Total comprehensive expense	<hr/> -	<hr/> (6,732)	<hr/> (6,732)
<b>Balance at 31st December 2017</b>	<hr/> <hr/> 50	<hr/> <hr/> (10,111)	<hr/> <hr/> (10,061)

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**WALSTEAD FINANCE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended 31 December 2017

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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 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, 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 2017

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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.



**WALSTEAD FINANCE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the year ended 31 December 2017

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**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 investments*

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.

*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 and other services was £5,000 (2016: £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 2017

5 FINANCE COSTS

	<b>2017</b>	<b>As restated</b>
	<b>£'000</b>	<b>2016</b>
		<b>£'000</b>
On 12% shareholder loans	6,299	3,025
On 5% shareholder loans	428	344
	<u>6,727</u>	<u>3,369</u>

A prior period restatement has been made in respect of the interest charged on 12% shareholder loans. Full details can be seen in note 12.

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2017 (2016: £Nil).

Factors affecting tax charge for the year:

The applicable tax rate has changed following the substantive enactment of the Finance Act 2016 in September 2017. 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 19.25% (2016: 20.00%), as explained below:

	<b>2017</b>	<b>As restated</b>
	<b>£'000</b>	<b>2016</b>
		<b>£'000</b>
Loss before tax	<u>(6,732)</u>	<u>(3,379)</u>
Tax on loss on ordinary activities at standard corporation tax rate of 19.25% (2016: 20.00%)	(1,296)	(676)
Less effect of:		
Expenses not deductible for tax purposes	676	13
Group relief surrendered	167	663
Transfer pricing adjustments	<u>453</u>	<u>-</u>
Total tax result	<u>-</u>	<u>-</u>

A prior period restatement for finance costs in 2016 has impacted the loss before tax for the period. The above reconciliation has been updated to reflect this change.



**WALSTEAD FINANCE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the year ended 31 December 2017

7 FIXED ASSET INVESTMENTS

	<b>£'000</b>
<b>Cost and net book value</b>	
At 22 December 2015	-
Additions	50
	<hr/>
At 31 December 2016	50
	<hr/>
Additions	-
	<hr/>
At 31 December 2017	50
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Details of the Company's subsidiaries at 31 December 2017 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 15 to the financial statements.



**WALSTEAD FINANCE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the year ended 31 December 2017

8 DEBTORS

	<b>2017</b>	<b>As restated</b>
	<b>£'000</b>	<b>2016</b>
		<b>£'000</b>
Amounts owed by group undertakings	47,907	61,719
Prepayments & Accrued Income	6	-
	<u>47,913</u>	<u>61,719</u>

A prior period restatement has been made in respect of amounts owed by group undertakings. Full details can be seen in note 12.

9 CREDITORS: Amounts falling due within one year

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	6	10
Amounts owed to group undertakings	950	950
	<u>956</u>	<u>960</u>

10 CREDITORS: Amounts falling due after one year

	<b>2017</b>	<b>As restated</b>
	<b>£'000</b>	<b>2016</b>
		<b>£'000</b>
Shareholder loans, 5% interest	-	13,344
Shareholder loans, 12% interest	57,068	50,794
	<u>57,068</u>	<u>64,138</u>

The shareholder loans are sterling denoted and due to mature in 2024.

A prior period restatement has been made in respect of shareholder loans, 12% interest. Full details can be seen in note 12.

11 SHARE CAPITAL

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised, issued and fully paid:</b>		
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 2017

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**12 PRIOR YEAR ADJUSTMENT**

Shareholder loans have been restated to reflect an additional liability of £2.5 million which was transferred from an affiliated company on the formation of the group. The liability has been discounted back to June 2016, with six months being unwound during the 2016 financial period. The adjustment has a corresponding impact on amounts owed by group undertakings.

Summary of prior year accounting impact:

	£'000
Amounts owed by group undertakings	1,069
Shareholder loans	(1,131)
Interest on 12% shareholder loans	62

Impact of prior year restatement

The prior year restatement has resulted in a correction of the 2016 closing position as follows:

<b>2016 position</b>	<b>Previously Reported</b>	<b>Adjustment</b>	<b>Restated</b>
	£'000	£'000	£'000
Debtors	60,650	1,069	61,719
Creditors	(63,967)	(1,131)	(65,098)
Finance costs	3,307	62	3,369

**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 2017, the amounts repayable to related parties of the Company with respect to loans were £58.0 million (2016: £65.1 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 Group holds 48% of shares in Guttenberg Druck GmbH, and 100% of shares in all other 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 2017

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 CE 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 UK Limited	Active	Management	Ordinary	UK1	UK
Westway Offset Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Apple Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Bicester Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Blacketts Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Gait Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Grange Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Heron Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham 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
Wyndeham 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
Wyndeham Press Group Limited	Active	Management	Ordinary	UK1	UK
Wyndeham Roche Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Southernprint (holdings) Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Southernprint Limited	Active	Print and related services	Ordinary	UK1	UK
Wyndeham Web Limited	Dormant	N/A	Ordinary	UK1	UK
Wyndeham Westway Limited	Active	Management	Ordinary	UK1	UK
Eurohueco, 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
Leykam Lets Print immobilien u Service GmbH	Active	Management	Ordinary	AU2	Austria
Amano media GmbH	Active	Print and related services	Ordinary	AU2	Austria
Leykam Druck GmbH & Co	Active	Print and related services	Ordinary	AU2	Austria
Leykam Druck GmbH	Active	Print and related services	Ordinary	AU2	Austria
Tusch-Druck GmbH	Active	Management	Ordinary	AU2	Austria
Gutenberg Druck GmbH	Active	Print and related services	Ordinary	AU3	Austria
Leykam Tiskama	Active	Print and related services	Ordinary	SL1	Slovenia
Moravapress SRO	Active	Print and related services	Ordinary	CZ1	Czech Republic
<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 Neudörfel an der Leitha, Austria AU3 Johannes Gutenberg-Straße 5, 2700 Wiener Neustadt, Austria SL1 Spodnje Hoce, Miklavška cesta 61, 2311 Hoce, Slovenia CZ1 Břeclav, U póny 3061, PSČ 69002, Czech Republic					
<b>Principal Business address:</b> Further details for active companies including the principal business address, can be found as follows UK <a href="http://wyndeham.co.uk/our-companies/">http://wyndeham.co.uk/our-companies/</a> Spain <a href="http://www.eurohueco.es/">http://www.eurohueco.es/</a> Austria, Slovenia & Czech Republic <a href="https://www.leykamletsprint.com/en/group/locations/">https://www.leykamletsprint.com/en/group/locations/</a>					