

**COMMUNISIS 2012 LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2013**

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# **COMMUNISIS 2012 LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2013**

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# **COMMUNISIS 2012 LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **The board of directors**

Mr A M Blundell  
Mr N G Howes  
Mr D Rushton

### **Company secretary**

Mrs S L Caddy

### **Registered office**

Wakefield Road  
Leeds  
West Yorkshire  
England  
LS10 1DU

### **Auditor**

Ernst & Young LLP  
Statutory Auditor  
Leeds

# **COMMUNISIS 2012 LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 31 DECEMBER 2013**

The directors present their Strategic Report for the year ended 31 December 2013.

#### **RESULTS**

The results for the year are set out in the profit and loss account on page 7.

The loss before taxation was £470,515 (2012 £140,261, being a 9 month period).

#### **STRATEGY AND IMPLEMENTATION**

Communis 2012 is a subsidiary of Communis plc and does not trade. The principal activity of the Company during the year was to act as a holding company for the 2012 acquisitions, being Kieon Limited, Yomego Limited and The Garden Marketing Limited.

On 14 June 2012, the Company paid £392,000 for 49% of the voting shares of The Garden Marketing Ltd. On this date, an option to acquire the remaining 51% was obtained for a consideration of £543,000. The total consideration for the investment was therefore £935,000.

On 30 June 2013, the Company exercised the call option and acquired the remaining 51% of the voting shares for a cost of £78,515. This resulted in a gain of £464,485.

On 31 July 2013 the trade and assets of The Garden Marketing Limited were transferred to Communis UK Limited. The investment in The Garden Marketing Limited of £935,000 was therefore taken to the Profit and Loss Account in full on this date.

The directors consider the results of the Company and the future prospects to be satisfactory.

#### **KEY PERFORMANCE INDICATORS**


There is no trading performance that requires monitoring and so no key performance indicators to disclose.

#### **RISKS AND UNCERTAINTIES**

The Company does not trade. In addition, the only assets and liabilities are with group (being the consolidated results of Communis plc) undertakings. As a result, the directors do not consider there to be any significant risks or uncertainties to disclose.

Signed by order of the directors

MR A M BLUNDELL  
Director



Approved by the directors on 20 JUNE 2014

# **COMMUNISIS 2012 LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2013**

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

#### **DIVIDENDS**

There were no dividends paid during the year (2012 £nil).

#### **FUTURE DEVELOPMENTS**

The company is expected to continue to operate on the same basis for the foreseeable future.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

Mr A M Blundell

Mr N G Howes

Mr D Rushton (Appointed 10 June 2013)

S Caddy was appointed as Company Secretary on 28 June 2013.

#### **DIRECTORS' INDEMNITY INSURANCE**

Communis has granted an indemnity to each of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the Directors' Report. The indemnity is controlled and paid centrally by the ultimate parent company.

#### **GOING CONCERN**

As at 31 December 2013 the Company had net liabilities of £610,775 (2012 £140,260). The Accounts have been prepared on the going concern basis as the ultimate parent company, Communis plc, has agreed to provide financial support to the Company for the foreseeable future.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgements 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;

# COMMUNISIS 2012 LIMITED

## DIRECTORS' REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2013

- 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.

### STRATEGIC REPORT

The Companies Act 2006 requires us to present a fair review of the business during the year to 31 December 2013 and of the position of the Company at the end of the financial period along with a description of the principal risks and uncertainties faced. The Strategic Report can be found on page 2.

### AUDITOR

Ernst & Young LLP have been re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:  
Wakefield Road  
Leeds  
West Yorkshire  
England  
LS10 1DU

Signed by order of the directors



MRS S L CADDY  
Company Secretary

Approved by the directors on *20 June 2014*

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNISIS 2012**

We have audited the financial statements of Communisis 2012 Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNISIS**  
**2012** *(continued)*

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

*Christabel Cowling (Senior Statutory auditor)*

*for and on behalf of Ernst & Young LLP, Statutory Auditor*

*Leeds*

*26* June 2014



# COMMUNISIS 2012 LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

		Year to 31 Dec 13	Period from 27 Mar 12 to 31 Dec 12
	Note	£	£
<b>TURNOVER</b>		-	-
Administrative expenses		-	(140,261)
Other operating income	2	<u>464,485</u>	<u>-</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	<u>464,485</u>	<u>(140,261)</u>
Amounts written off investments	5	(935,000)	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(470,515)</u>	<u>(140,261)</u>
Tax on loss on ordinary activities	6	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(470,515)</u>	<u>(140,261)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 12 form part of these financial statements.

# COMMUNISIS 2012 LIMITED

## BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Investments	7	<u>956,454</u>	<u>1,891,454</u>
<b>CURRENT ASSETS</b>			
Debtors	8	-	65,000
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(1,567,229)</u>	<u>(2,096,714)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,567,229)</u>	<u>(2,031,714)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(610,775)</u>	<u>(140,260)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	1	1
Profit and loss account	12	<u>(610,776)</u>	<u>(140,261)</u>
<b>DEFICIT</b>	13	<u>(610,775)</u>	<u>(140,260)</u>

These accounts were approved by the directors and authorised for issue on ~~20 JUNE 2014~~ and are signed on their behalf by:

MR A M BLUNDELL  
Director



Company Registration Number: 08008318

The notes on pages 9 to 12 form part of these financial statements.

# **COMMUNISIS 2012 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2013**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of the largest UK group, Communisis plc, a company incorporated in England and Wales.

#### **Going concern**

The Accounts have been prepared on the going concern basis as the ultimate parent company, Communisis plc, has agreed to provide financial support to the Company for the foreseeable future.

#### **Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### **Deferred taxation**

Deferred tax is recognised as a liability or asset in respect of all timing differences that have originated but not reversed if the transactions or events that give rise to an obligation to pay more tax in future, or a right to pay less tax in future, have occurred by the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Fixed asset investments**

Fixed asset investments are shown at cost less provision for impairment.

# COMMUNISIS 2012 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2013

#### 2. OTHER OPERATING INCOME

	Year to 31 Dec 13	Period from 27 Mar 12 to 31 Dec 12
	£	£
Net benefit from TGML restructuring	<u>464,485</u>	<u>-</u>

#### 3. OPERATING PROFIT/(LOSS)

The audit fee of £1,500 was borne by another group company in the year ended 31 December 2013 (2012 £1,500).

#### 4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

#### 5. AMOUNTS WRITTEN OFF INVESTMENTS

	Year to 31 Dec 13	Period from 27 Mar 12 to 31 Dec 12
	£	£
Amount written off investments	<u>935,000</u>	<u>-</u>

#### 6. TAXATION ON ORDINARY ACTIVITIES

##### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.25% (2012 24.50%).

	Year to 31 Dec 13	Period from 27 Mar 12 to 31 Dec 12
	£	£
Loss on ordinary activities before taxation	<u>(470,515)</u>	<u>(140,261)</u>
(Loss)/profit on ordinary activities by rate of tax	(109,395)	34,364
Expenses not deductible for tax purposes	<u>109,395</u>	<u>(34,364)</u>
Total current tax	<u>-</u>	<u>-</u>

# COMMUNISIS 2012 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2013

#### 7. INVESTMENTS

	Total £
<b>COST</b>	
At 1 January 2013 and 31 December 2013	<u>1,891,454</u>
<b>AMOUNTS WRITTEN OFF</b>	
Written off in year	<u>935,000</u>
At 31 December 2013	<u>935,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2013	<u>956,454</u>
At 31 December 2012	<u>1,891,454</u>

The Company's subsidiary operations are included in the table below:

	% equity interest 2013	% equity Interest 2012
Kieon Limited (Trading company)	100	100
Yomego Limited (Trading company)	100	100
The Garden Marketing Limited (Dormant Company)	100	49

Group accounts have not been prepared since the Company is a subsidiary undertaking of a company established under the law of a member state of the European Union. These Accounts present information about the Company as an individual undertaking and not about its Group. Group accounts are filed by the ultimate parent undertaking, Communisis plc.

The directors are of the opinion that the aggregate value of the investments in subsidiary undertakings, which are stated at cost less amounts written off for permanent reductions in value, is not less than the balance sheet amount.

#### 8. DEBTORS

	2013 £	2012 £
Other debtors	<u>-</u>	<u>65,000</u>

#### 9. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	1,560,748	1,533,659
Other creditors	6,481	563,055
	<u>1,567,229</u>	<u>2,096,714</u>

# COMMUNISIS 2012 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2013

#### 10. RELATED PARTY TRANSACTIONS

The Company is exempt under the terms of FRS8 from disclosing related party transactions with entities that are wholly-owned subsidiaries of the Communisis plc Group or investees of the Communisis plc Group. During the period there were no other related party transactions that required disclosure under FRS8.

#### 11. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 12. PROFIT AND LOSS ACCOUNT

	Period from Year to 27 Mar 12 to 31 Dec 13		31 Dec 12
	£		£
Balance brought forward	(140,261)		-
Loss for the financial year	(470,515)		(140,261)
Balance carried forward	(610,776)		(140,261)

#### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Loss for the financial year	(470,515)	(140,261)
Opening shareholders' (deficit)/funds	(140,260)	1
Closing shareholders' deficit	(610,775)	(140,260)

#### 14. ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party is Communisis plc, a company registered in England which prepares Group accounts. The only group into which the results of the Company are consolidated is that headed by Communisis plc. Copies of the Group accounts of Communisis plc can be obtained by writing to:

The Secretary  
Communisis plc  
Wakefield Road  
Leeds  
LS10 1DU