REGISTERED NUMBER: 02916113 (England and Wales)

COMMUNISIS LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS:	A M Blundell S C Rawlins S W Bernstein (resigned on 16 April 2020) K Herring (resigned on 16 April 2020) A Rajparia (appointed on 16 April 2020) I L Ghislain van Waesberghe (appointed on 16 April 2020) A Blanc (appointed on 16 April 2020)
SECRETARY:	S C Rawlins
REGISTERED OFFICE:	Communisis House Manston Lane Leeds LS15 8AH
REGISTERED NUMBER:	02916113 (England and Wales)
AUDITORS:	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

COMMUNISIS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their Strategic report with the financial statements of the Company for the year ended 31 December 2019.

RESULTS
During the year, operating loss was £7,291,000 (2018 £2,271,000). The increase in operating loss is attributable to shared service costs being transferred to the Company in 2019. Previously, these costs were allocated across the Group.

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

STRATEGY AND IMPLEMENTATION
Communisis Limited does not trade. The principal activity of the Company is to act as a holding company.

On 10 December 2018, the Company was acquired by OSG Bidco Limited, a wholly owned indirect subsidiary of OSG Group Holdings, Inc., a company registered in Delaware, United States.

The Directors consider the future prospects of the Company to be satisfactory.

RISKS AND UNCERTAINTIES
The Company does not trade. The Company's main exposure to risk comes from its investment in subsidiaries and the risk that the investment may be impaired should the subsidiaries underperform.

Prior to year end, there were indicators of impairment in respect of an investment held in a subsidiary undertaking, in revisiting the assessment in relation with the impact of COVID-19 outbreak, the initial assessment was confirmed and an impairment charge of £14,500,000 was recognised in respect of the investments held in subsidiary undertakings.

Subsequent to the balance sheet date, the global COVID-19 outbreak is expected to have a significant impact on the results of the subsidiary undertakings for forthcoming financial year. The impact of the outbreak, together with the restrictions imposed by the government in the territories in which we operate are being closely monitored by the Board and senior management.

Through the Group, the Company has considerable financial resources and as a consequence the Directors believe that the company is well placed to manage its business successfully. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In undertaking this assessment, the Directors have taken into account the intergroup borrowings. Accordingly, the Directors have obtained written assurances from the parent entity that they will not seek repayment of amounts which would impact on the ability of the group to continue as a going concern. On this basis, the Directors continue to adopt the going concern basis in preparing the Financial Statements. Further disclosure regarding going concern is detailed within the Directors' report.

SIGNED ON BEHALF OF THE DIRECTORS:

S C Rawlins - Director
12 June 2020

COMMUNISIS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the Financial Statements of the Company for the year ended 31 December 2019.

DIVIDENDS
Dividends paid during the year amounted to £nil (2018 £5,654,000).

DIRECTORS
A M Blundell and S C Rawlins held office during the whole of the period from 1 January 2019 to the date of this report.
Changes in the Director's office are as follows:
S W Bernstein - resigned on 16 April 2020
K Herring - resigned on 16 April 2020
A Rajparia - appointed on 16 April 2020
I L Ghislain van Waesberghe - appointed on 16 April 2020
A Blanc - appointed on 16 April 2020

DISCLOSURE IN THE STRATEGIC REPORT
The Companies Act 2006 requires us to present a fair review of the business during the year to 31 December 2019 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.

GOING CONCERN
The Company, together with its immediate parent company, OSG Bidco Limited, (the "Group") have received assurances from its parent company, Output Services Group, Inc., that in respect of intragroup balances, it does not intend to demand repayment of amounts which would impact the ability of the Group to continue as a going concern from the date of the issuance of the Group's financial statements.

Because the Company does not trade, it is dependent on the results of operations of the Group as a whole which may vary based on the impact of changes in our industry or the global economy on us or our customers. The revenue growth and potential profitability of our business depend on demand for marketing offering and related services. Current or future economic uncertainties or downturns could adversely affect our business and results of operations.

In light of the uncertain and rapidly evolving situation relating to the spread of COVID-19 and in compliance with recent government advice directing that all non-essential businesses close their physical operations, Management have implemented measures intended to help minimise the risk of the virus to our employees, our customers and the communities in which we participate, which could negatively impact our business.

Although Management continue to monitor the situation and may continue to adjust our current policies as more information and guidance become available, the suspension of travel and doing business in-person could negatively impact our marketing efforts, our ability to enter into customer contracts in a timely manner, our international expansion efforts, our ability to recruit employees across the organisation and, in sales and marketing, in particular, which could have longer term effects on our sales pipeline, or create operational or other challenges as we adjust to a remote workforce, any of which could harm the business.

The Board, together with the management team continue to invest significant time, attention and resources monitoring the COVID-19 pandemic in order to assess and mitigate the impact on the business and workforce. The extent to which COVID-19 and the precautionary measures may impact the business will depend on future developments, which are uncertain and cannot be reliably predicted at this time.

Given the nature of our business, at the date of issuance of these financial statements, all of our printing and warehousing sites remain operational, and we continue to support all our customers including those in the banking, government and insurance sectors.

As a result of the pandemic, Management have initiated a range of strategies designed to mitigate the impact of the expected downturn in the business. This has included:

- Implementing weekly reforecasting of our results together with the associated cashflow impacts;
- Regularly reviewing and communicating with all our key customers and suppliers regarding the impact of COVID-19 on them and the wider supply chain;
- Accessing available government assistance where relevant, in the jurisdictions where the Group operates;

COMMUNISIS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

GOING CONCERN - continued

- Proactively managing and reducing spend across the business and asking our employees to consider taking voluntary temporary pay reductions.
- Proactively engaging with our clients and suppliers to ensure continuity of supply and a high level of client satisfaction.

Due to the unprecedented global impact of COVID-19, estimates and assumptions about future events and their effects are extremely challenging to determine with certainty and therefore require significant judgment. Notwithstanding the above, at the date of issuance of these financial statements, the Directors, have prepared a range of scenario forecasts which indicate that the Group has adequate resources to continue operational existence for the foreseeable future.

In addition, having received confirmation from the immediate parent company, OSG Bidco Limited, that it does not intend to demand repayment of amounts owed to it, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual Financial Statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Crowe U.K. LLP have been appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

S C Rawlins - Director
12 June 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMMUNISIS LIMITED

Opinion
We have audited the financial statements of Communisis Limited (the 'Company') for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the 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.

Other information
The directors are responsible for the other information. The other information comprises the information in the Directors' Report but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMMUNISIS LIMITED

Matters on which we are required to report by exception
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 material misstatements in the strategic report or the directors' report.

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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page four, 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 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.

Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Leo Malkin (Senior statutory auditor)
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

12 June 2020

COMMUNISIS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £'000	2018 £'000
TURNOVER		-	-
Administrative expenses		**(7,291)**	(2,271)
OPERATING LOSS		**(7,291)**	(2,271)
Exceptional items	4	**(15,668)**	(9,832)
		(22,959)	(12,103)
Dividend income		**1,313**	9,716
		(21,646)	(2,387)
Interest payable and similar expenses	5	**(4,595)**	(2,046)
LOSS BEFORE TAXATION	6	**(26,241)**	(4,433)
Tax on loss	7	**(382)**	1,430
LOSS FOR THE FINANCIAL YEAR		**(26,623)**	(3,003)

The notes pages 11 to 23 form part of these financial statements

COMMUNISIS LIMITED

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £'000	2018 £'000
LOSS FOR THE YEAR	**(26,623)**	(3,003)
OTHER COMPREHENSIVE		
Actuarial gain on defined benefit scheme	**539**	510
Net loss on cash flow hedge	**-**	(33)
Income tax relating to above	**(90)**	(87)
	449	390
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(26,174)**	(2,613)

The notes pages 11 to 23 form part of these financial statements

COMMUNISIS LIMITED (REGISTERED NUMBER: 02916113)

BALANCE SHEET
31 DECEMBER 2019

	Notes	2019 £'000	2018 £'000
ASSETS			
FIXED ASSETS			
Tangible assets	8	**145**	196
Intangible assets	9	**229**	180
Investments	10	**214,265**	228,765
		214,639	229,141
DEBTORS	11	**4,747**	4,650
Cash at bank		**133**	246
		4,880	4,896
		219,519	234,037
CREDITORS	12	**(163,359)**	(150,821)
PENSION LIABILITY	14	**(3,065)**	(3,965)
NET ASSETS		**53,095**	79,251
CAPITAL AND RESERVES			
Called up share capital	13	**54,513**	54,504
Share premium	13	**620**	611
Retained earnings		**(2,038)**	24,136
SHAREHOLDERS' FUNDS		**53,095**	79,251

The Financial Statements were approved by the Board of Directors on 12 June 2020 and were signed on its behalf by:

Mr S C Rawlins - Director

The notes pages 11 to 23 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019	54,504	611	24,136	79,251
Changes in equity				
Issuance of share options	9	9	-	18
Total comprehensive income	-	-	(26,174)	(26,174)
Balance at 31 December 2019	**54,513**	**620**	**(2,038)**	**53,095**

The notes pages 11 to 23 form part of these financial statements

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE

The Financial Statements of Communisis Limited (the "Company") for the year ended 31 December 2019 were authorised for issue on 12 June 2020 and the Balance Sheet was signed on the Board's behalf by Mr S C Rawlins. Communisis Limited is incorporated and domiciled in England and Wales. The registered office is located at Communisis House, Manston Lane, Leeds LS15 8AH.

On 10 December 2018, the Company was acquired by OSG Bidco Limited, an indirect subsidiary of OSG Group Holdings, Inc.

The Company Financial Statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable United Kingdom law and accounting standards.

The Company Financial Statements are presented in Sterling and all values are rounded to the nearest thousand British pounds (£000) except where otherwise indicated.

The Financial Statements 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 for year ended 31 December 2019 as it is included by full consolidation in the Consolidated Financial Statements of its parent company, OSG Bidco Limited, a company incorporated in England and Wales.

The principal accounting policies adopted by the Company are set out in Note 2.

2. ACCOUNTING POLICIES

Significant accounting policies
Basis of preparation
The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended 31 December 2019.

Through the Group, the Company has considerable financial resources and as a consequence the Directors believe that the Company is well placed to manage its business successfully. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Due to the unprecedented global impact of COVID-19, estimates and assumptions about future events and their effects are extremely challenging to determine with certainty and therefore require significant judgment. Notwithstanding the above, at the date of issuance of these financial statements, the Directors, have prepared a range of scenario forecasts which indicate that the Group (and therefore this entity) has adequate resources to continue operational existence for the foreseeable future. In addition, having received confirmation from the immediate parent company, OSG Bidco Limited, that it does not intend to demand repayment of amounts owed to it, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have obtained written assurances from the parent entity that they will not seek repayment of amounts which would impact on the ability of the group to continue as a going concern. On this basis, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;

2. **ACCOUNTING POLICIES - continued**

- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Critical accounting judgements and key sources of estimation uncertainty
Estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date that 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.

Pensions
The actuarial valuation involves making assumptions about mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Discount rates are based on interest rates of AA rated corporate bonds that have terms of maturity approximating to the terms of the relevant pension liability.

Impairment assessment of non-financial assets
Management annually perform impairment test of indefinite lived assets and, for finite lived assets, if events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment testing requires management to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they generate. These calculations involve a variety of assumptions such as estimates of future cash inflows and outflows. Actual cash flows might, for example, differ significantly from management's current best estimate. Changes in assessed presence or absence of competitors, technological obsolescence etc. might have an impact on future cash flows and result in recognition of impairment losses.

Property, plant and equipment
Property, plant and equipment in the Financial Statements of the Company are stated at cost, less aggregate depreciation and any provision for impairment. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment 3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Useful economic lives, depreciation methods and residual values are reviewed annually. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the Income Statement.

2. **ACCOUNTING POLICIES - continued**

Intangible assets
Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets created within the business are not capitalised (unless specific conditions are met) and expenditure is charged to the Income Statement in the year in which the expenditure is incurred.

Acquired computer software and licences are capitalised. These costs are amortised over their estimated useful lives (three to eight years).

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will generate probable economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of software development employees. These costs are amortised over their estimated useful lives (three to eight years).

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Investments
Investments are shown at cost less provision for impairment. The cost of an investment is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. Any contingent consideration will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IAS 39 either in profit and loss or in other comprehensive income. If the contingent consideration is classed as equity, it is not remeasured until it is finally settled within equity.

Investments are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that its carrying value may be impaired. Investments are allocated to the related cash-generating units monitored by management for the purpose of impairment testing.

Financial instruments
Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes party to the contractual provisions of the instrument. The Company's principal financial instruments comprise bank loan and bank overdrafts, cash and short-term deposits and interest rate swaps. The main purpose of these financial instruments is to raise finance for the Company's operations and to manage interest rate risk. The Company also has various other financial assets and liabilities such as other receivables and trade payables, which arise directly from its operations.

Financial assets
On initial recognition, a financial asset is classified into one of three categories: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), based on the business model in which the financial asset is managed and its contractual cash flow characteristics. The Company's financial assets are currently all classified within IFRS 9's amortised cost model and comprise other receivables and cash and cash equivalents. The Company's financial assets are therefore initially recognised at fair value plus transaction costs that are directly attributable to their acquisition and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment losses and any gain or loss on derecognition are recognised in the Consolidated Income Statement.

When calculating impairment provisions, the Company assesses on a forward-looking basis the expected credit loss associated with its financial assets. For other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivable.

2. **ACCOUNTING POLICIES - continued**

Financial liabilities
On initial recognition the Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired: fair value through profit and loss (FVTPL) and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied. The Company's financial liabilities include borrowings and trade and other payables. They are initially measured at fair value, net of transaction costs and then subsequently measured using the amortised cost model applying the effective interest rate method.

Income tax
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill, or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Income tax relating to items recognised in other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity.

Foreign currencies
The Company's functional currency and presentation currency is Sterling. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the Income Statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2. **ACCOUNTING POLICIES - continued**

Pension costs
The Company operates defined contribution and defined benefit pension plans.

Payments to defined contribution pension plans are charged as an expense to the Income Statement as incurred when the related employee service is rendered. The Company has no further legal or constructive payment obligations once the contributions have been made.

The defined benefit pension plan is a Group scheme. The Company's share of the assets and liabilities of the scheme has been allocated on a contractual basis.

For the defined benefit pension plan, the cost of administering the pension scheme is recognised in employee benefits expense in the Income Statement. The Company determines the net interest income/expense on the net defined benefit assets/ liabilities for the year by applying the discount rates used to measure the defined benefit obligations at the beginning of the year to the net defined benefit assets/liabilities at the beginning of the year, taking into account any changes in the net defined benefit assets/liabilities during the year as a result of contributions and benefit payments. The liability recognised in the Balance Sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of AA rated corporate bonds that have terms of maturity approximating to the terms of the relevant pension liability. AA rated corporate bonds are used as the most suitable proxy for calculating the discount rate.

All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognised in the Consolidated Statement of Comprehensive Income.

When a settlement or a curtailment occurs, the obligation and the related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the Income Statement during the period in which the settlement or curtailment occurs. A settlement is the elimination of all obligations for benefits already accrued and a curtailment is the reduction of future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement.

Dividend recognition
The Company recognise final dividends on approval by the Board of Directors.

Leases
Under IFRS 16, at inception of a contract the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee, the Company recognises a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company (commencement date) for all leases.

The right-of-use assets is initially measured at cost and comprises the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any residual value guarantees;
- any initial direct costs; and
- any restoration costs.

The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. The right-of-use asset is then adjusted for any impairment losses or certain measurements of the lease liability where applicable.

2. ACCOUNTING POLICIES - continued

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Company or relevant Company's incremental borrowing rate. Lease payments include the following:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is then allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured where there is a change in future lease payments, if there is a change in the Company's estimate to be payable under a residual guarantee, or if the Company changes the assessment of whether it will exercise a purchase option or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the right-of-use asset or is recorded in the Income Statement if the carrying amount of the right-of-use asset has been reduced to zero.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment.

Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:
- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

3. EMPLOYEES AND DIRECTORS

Employee benefits expense for the year ended 31 December:

	2019	2018
	£000	£000
Wages and salaries	3,285	2,277
Social security costs	357	287
Pension costs	151	91
Share-based payments (equity-settled)	-	1,238
	3,793	3,893

3. EMPLOYEES AND DIRECTORS - continued

The average no. of employees for year ended 31 December 2019 is 65 (2018: 33).

The total emoluments of the Directors of the Company (including those paid through other Group Companies) were as follows:

	2019	2018
	£000	£000
Remuneration receivable	711	1,054
Remuneration of highest paid director	417	633

One Director had benefits accruing under the Group's pension schemes during the period ended 31 December 2019 (2018 one). Total aggregate contribution to directors' pensions amounted to £10,000 in 2019 (2018 £12,000). Pension benefits of the highest paid director amounted to £10,000 (2018 £10,000).

Two Directors exercised Company share options during the year ended 31 December 2018. Following the acquisition of the Company by OSG Bidco Limited on 10 December 2018, the Company de-listed its shares on the London Stock Exchange. There is no intention that any further options will be granted under the share option scheme and the operation of the scheme will therefore be terminated.

It is not practicable to apportion the emoluments of the Directors amongst subsidiary entities in relation to their qualifying services provided.

4. EXCEPTIONAL ITEMS

Total exceptional items in 2019 amounted to £15,668,000 of which £14,500,000 relates to write off of investments (Note 10), while £1,168,000 pertains to non-recurring costs incurred in 2019 in respect of organisational restructuring project to reduce the cost base. This has been paid in full in 2020. .

The non-recurring costs incurred in 2018 amounting to £9,832,000 is mostly in respect of organisational restructuring and transactional expenses as a result of the acquisition of the Company. This has been paid in full in 2019.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£'000	£'000
Interest on loan from OSG Bidco Limited	4,157	-
Interest on other loan and borrowings	317	1,968
Retirement benefit cost	118	113
Foreign currency gain	(1)	(39)
Other	4	4
	4,595	2,046

6. PROFIT/(LOSS) BEFORE TAXATION

The profit/(loss) before taxation is stated after charging:

	2019	2018
	£000	£000
Depreciation	52	57
Computer software amortisation	80	94
Auditors' remuneration	21	21

The Company is exempt from disclosing remuneration for non-audit services as the Group accounts are required to include the information required by Regulation 4(1)(b) of the Companies Regulations 2005 in respect of the Group.

7. TAXATION

Analysis of tax (income)/expense

	2019 £000	2018 £000
Current tax	(1,003)	(1,482)
Adjustments in respect of prior periods	1,460	(53)
Total current tax expense	457	(1,535)
Deferred tax:		
Origination and reversal of timing differences	(75)	121
Adjustments in respect of prior periods	-	(16)
Total deferred tax (income)/expense	(75)	105
Total tax expense in income statement	(382)	1,430

Factors affecting the tax expense

The tax assessed for the year is lower (2018 higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £000	2018 £000
Loss before income tax	(26,241)	(4,433)
Loss multiplied by the standard rate of corporation tax in the UK of 19.00% (2018 19.00%)	(4,986)	(842)
Effects of:		
Other non-taxable income	(256)	(1,846)
Expenses not deductible for tax purposes	25	861
Impairment not deductible for tax purposes	2,755	-
Share based payments	-	466
Adjustments in respect of prior years	1,460	(69)
Tax losses carried forward not currently deductible	1,384	-
Tax expense	382	(1,430)

8. TANGIBLE FIXED ASSETS

	Plant and Equipment £000	Right-of-use assets (Motor vehicles) £000	Total £000
COST			
At 1 January 2019	244	109	353
Additions	1	-	1
At 31 December 2019	**245**	**109**	**354**
DEPRECIATION			
At 1 January 2019	130	27	157
Charge for the year	21	31	52
At 31 December 2019	**151**	**58**	**209**
NET BOOK VALUE			
At 31 December 2019	**94**	**51**	**145**
At 31 December 2018	114	82	196

9. INTANGIBLE FIXED ASSETS

	Computer software £000
COST	
At 1 January 2019	431
Additions	129
At 31 December 2019	**560**
DEPRECIATION	
At 1 January 2019	251
Charge for the year	80
At 31 December 2019	**331**
NET BOOK VALUE	
At 31 December 2019	**229**
At 31 December 2018	180

10. INVESTMENTS

	Shares in group undertakings
	£000
At 1 January 2019	228,765
Impairment	(14,500)
At 31 December 2019	214,265
NET BOOK VALUE	
At 31 December 2019	**214,265**
At 31 December 2018	228,765

Amounts written off investments totalled £14,500,000 in 2019 (2018 £nil). 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.

The Company have 100% holdings on the subsidiary companies listed below:

Subsidiary company	Nature of business	Country of incorporation
Communisis UK Limited	Provision of marketing services	England and Wales
Communisis Data Intelligence Limited	Provision of data services	England and Wales
Life Marketing Consultancy Limited	Provision of advertising services	England and Wales
Communisis Trustee (2011) Company Limited	Non-trading company	England and Wales
Communisis Europe Limited	Holding company	England and Wales
Communisis International Limited	Holding company	England and Wales
Communisis Inc.	Holding company	USA
Communisis Newco Limited	Dormant company	England and Wales
John Mansfield Timber Limited	Dormant company	England and Wales
NEWJMTCO Limited	Dormant company	England and Wales
Robot No.6 Limited	Dormant company	England and Wales
Waddington Limited	Dormant company	England and Wales
Waddingtons Security Print Limited	Dormant company	England and Wales
Communisis Dataform Limited	Dormant company	England and Wales

COMMUNISIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

11. DEBTORS

	2019	2018
Amounts falling due within one year:	**£000**	**£000**
Amounts owed by subsidiary companies	**912**	79
Other debtors	**1,278**	612
Prepayments	**83**	81
Income tax receivable	**1,332**	2,421
VAT receivable	**531**	704
	4,136	3,987
Amounts falling due after more than one year:		
Deferred tax asset	**611**	753
Aggregate amounts	**4,747**	4,650

Deferred tax asset

	2019	2018
	£000	**£000**
Depreciation in excess of capital allowances	**44**	48
Temporary differences	**15**	8
Pension	**523**	674
Financial liabilities	**29**	23
Deferred tax asset	**611**	753

The provision for deferred tax at 31 December 2019 has been made at rates between 17% and 19% depending upon the anticipated time of reversal. This reflects the legislation included in the Finance Act 2016 reducing the rate of corporation tax to 17% from April 2020 and does not take account of the proposal to retain the rate at 19% included in Finance Bill 2020 because, at the date of signing, this had not been substantively enacted. If the rate change had been enacted it would have increased the deferred tax asset by £72,000.

12. CREDITORS

	2019	2018
Amounts falling due within one year:	**£000**	**£000**
Lease liabilities	**28**	30
Trade payables	**128**	512
Amounts due to subsidiary companies	**111**	375
Bank overdrafts	**3,096**	22,891
Loan from OSG Bidco Limited	**58,420**	57,571
Other payables	**225**	2,339
Taxation and social security	**1,810**	4,810
Accruals	**1,172**	1,827
	64,990	90,355
Amounts falling due within one year:		
Amounts due to subsidiary companies	**98,171**	60,088
Lease liabilities	**26**	54
Interest rate swaps	**172**	134
Other payables	**-**	190
	98,369	60,466
Aggregate amounts	**163,359**	150,821

12. CREDITORS - continued

Bank overdrafts
The bank overdrafts are principally denominated in Sterling and bear interest at rates set by reference to the UK base rate. The overdrafts are secured by cross guarantee arrangements with the relevant banks.

Lease liabilities
The Company's lease liabilities as at 31 December 2019 amounted to £54,000 (2018 £84,000) and pertains to leases of motor vehicles. As of December 31, 2019, the Company has no short-term lease commitments under IFRS 16.

Interest rate swaps
At 31 December 2019, the Group has one (2018: two) arrangements each of a notional amount of £10,000,000 with maturity dates being in 2022. The Group pays fixed interest of 1.29% on the notional amount and receives a variable rate of 1-month LIBOR.

13. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

Allotted, issued and fully paid ordinary shares:

Number:	**Nominal value:**	**2019** **£**	**2018** **£**
218,052,257 (2018: 218,015,116)	0.25	**54,513,000**	54,504,000

The Company has one class of ordinary shares which carry no right to fixed income.

In 2019, the Company issued 37,141 ordinary shares with a nominal value of £9,285 in respect of Sharesave options for consideration of £18,380. The difference of £9,095 between the consideration received and the nominal value has been taken to the share premium reserve.

In 2018, the Company issued 2,366,479 ordinary shares with a nominal value of £592,000 in respect of Sharesave options for consideration of £1,128,000. The difference of £536,000 between the consideration received and the nominal value has been taken to the share premium reserve.

Share premium
This represents the share premium attaching to those shares issued upon the exercise of share options. At 31 December 2019 the share premium reserve was £620,000 (2018 £611,000).

14. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates the Communisis Pension Plan which comprise a defined contribution and defined benefit section.

Defined contribution section
The Company operates UK defined contribution arrangements. The assets of the arrangements are held separately from those of the Company. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to income of £168,000 (2018 £91,000) represents contributions payable to these arrangements by the Company at specified rates. As at 31 December 2019, £14,000 (2018 £15,000) contributions due in respect of the current reporting period had been paid over to the arrangements on 3 January 2020 (2018 4 January 2019).

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

The Company expects to contribute £0.1m to the defined contribution pension arrangements in 2020.

Defined benefit section

These Financial Statements include a proportion of the Group pension deficit and charge which has been allocated to the Company based on the number of members employed by the Company at the time the scheme was closed to future accrual.

	2019	2018
	£000	£000
Defined benefit obligation	(23,860)	(22,477)
Fair value of plan assets	20,795	18,512
Net pension deficit	**(3,065)**	(3,965)

15. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

During the year the Directors were remunerated for services provided to the Group. This has been disclosed in Note 3. The Directors are considered to be key management personnel.

There were no other related party transactions in the year that require disclosure under IAS 24.

16. IMMEDIATE AND ULTIMATE PARENT COMPANY

On 10 December 2018 Communisis Limited was acquired by OSG Bidco Limited. OSG Bidco Limited and Communisis Limited are both registered in England and Wales. OSG Bidco Limited is an indirect subsidiary of OSG Group Holdings, Inc. OSG Group Holdings, Inc. (incorporated in Delaware, United States) is regarded by the Directors as being the Company's ultimate parent company for the year ended 31 December 2019.

The only UK group into which the results of the Company are consolidated for year ended 31 December 2019 is that headed by OSG Bidco Limited. Copies of the Group accounts of OSG Bidco Limited are available from the registered office at Communisis House, Manston Lane, Leeds LS15 8AH.

17. POST BALANCE SHEET EVENTS

Since the year end, it has become clear that the spread of the COVID-19 virus will have a material impact on many economies globally both through the effects of the virus itself and the measures taken by governments to restrict its spread.

Given the emergence and spread of the COVID-19 virus is not considered to provide more information about conditions that existed as at the balance sheet date, this is considered to be a non-adjusting post balance sheet event and so the measurement of assets and liabilities in the accounts have not been adjusted for its potential impact. The Directors have set out the post year end impact on going concern in the Directors' Report.

Crowe

To: Companies House Ground Floor 80 Petty France Westminster London SW1H 9EX	From: Audrey Galloway Crowe U.K. LLP St Brides House 10 Salisbury Square London EC4Y 8EH

Company No. 07883563 Document Ref:

Company Name: COMMUNISIS CAPITAL PARTNER LIMITED

Please acknowledge receipt for the following completed document(s) by stamping and returning this note to the presenter.

		Period/Year End Date	Space for offical stamp
☐	CONFIRMATION STATEMENT/AR		
☑	ACCOUNTS	31/12/2019	
☐	RETURN OF ALLOTMENTS		
☐	RESOLUTION		
☐	REGISTERED OFFICE		
☐	CAPITAL		
☐	ACCOUNTING REFERENCE DATE		
☐	OTHER -		
☐	CHEQUE		

24/6/2020