

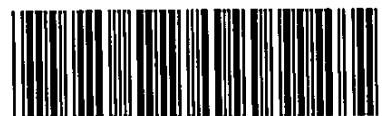
Company Number 02133199

Waterstones Overseas Limited

Report and Accounts

52 weeks ended 27 April 2013

SATURDAY



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WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2013****Company Number 02133199**

COMPANY INFORMATION**DIRECTORS**

A J Daunt

SECRETARY

M T Miles

REGISTERED OFFICE203-206 Piccadilly
London
W1J 9HD**COMPANY NUMBER**

02133199

AUDITORSErnst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

DIRECTORS' REPORT

The Directors submit their report and audited financial statements for the 52 weeks ended 27 April 2013 which were approved on behalf of the Board on 17 October 2013

Business review

At the close of business on 26 April 2008 the Company disposed of the trade and certain net assets of its bookstores to its immediate parent company, Waterstones Booksellers Limited. Since this disposal, the Company's activities have been limited to transactions with fellow Group undertakings. No activity is expected in the foreseeable future.

The Company did not trade during the period and no profit or loss was recorded (2012: £nil). The Directors do not recommend that a dividend be declared for the period under review (2012: £nil).

Directors

The names of the Directors who served throughout the period under review and up to and including the date of this Report are shown on page 1.

Auditors

The Director who was a member of the Board at the time of approving the Directors' Report is listed on page 1. Having made enquiries of the Company's auditors, the Director confirms that:

- to the best of his knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- he has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

A statement of the Directors' responsibility for the financial statements can be found on page 3, which is deemed to be incorporated by reference in (and shall be deemed to form part of) this report.

Elective resolutions to dispense with holding annual general meetings and the laying of accounts before the Company in general meeting are currently in force. Ernst & Young LLP are therefore deemed to continue as auditors of the company.

Going concern

The Board of Directors have a reasonable expectation that the company will continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

By order of the Board



M T MILES

Secretary

Date: 17 October 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Auditors' statement of their responsibilities, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union (IFRS)

The Directors are required to prepare financial statements for each financial year that present a true and fair view of the financial position of the Company and the financial performance and the cash flows of the Company for that period. In preparing those financial statements, the Directors are required to

- (i) select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Estimates and then apply them consistently,
- (ii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- (iii) provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- (iv) state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for keeping proper accounting records which 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 as well as Article 4 of the IAS Regulation. 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

We confirm that, to the best of our knowledge

- (i) the financial statements, prepared in accordance with IFRS, present fairly the assets, liabilities, financial position and profit of the Company, and
- (ii) the Directors' Report includes a fair review of the position of the Company, together with a description of the principal risks and uncertainties that the Company may face

By order of the Board



A J DAUNT

Director

Date 17 October 2013

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WATERSTONES OVERSEAS LIMITED

We have audited the financial statements of Waterstones Overseas Limited for the 52 weeks ended 27 April 2013, which comprise the Balance Sheet, the Cash Flow Statement and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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.

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 27 April 2013,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

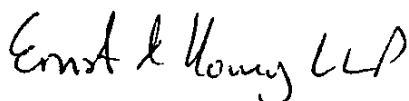
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.



John Flaherty (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date

24 OCTOBER 2013

WATERSTONES OVERSEAS LIMITED
Company Number 02133199

REPORT AND ACCOUNTS 2013

BALANCE SHEET

		As at 27 April 2013 £000	As at 28 April 2012 £000
	Notes		
Assets			
Non-current assets			
Investments in subsidiaries	5	200	200
		200	200
Current assets			
Trade and other receivables	6	11,114	11,114
Current income tax receivable		19	19
		11,133	11,133
Total assets		11,333	11,333
Current liabilities			
Interest-bearing loans and borrowings	8	-	-
Total liabilities		-	-
Net assets		11,333	11,333
Equity			
Share capital	9	1,105	1,105
Share premium		9,213	9,213
Capital redemption reserve		512	512
Retained earnings		503	503
Total equity		11,333	11,333

The financial statements were approved by the Board of Directors on 17 October 2013 and were signed on its behalf by



A J DAUNT
Director

CASH FLOW STATEMENT

For the 52 weeks ended 27 April 2013 and 52 weeks ended 28 April 2012

		2013	2012
	Notes	£000	£000
Cash flows from operating activities			
Movement in trade and other receivables		-	1
Movement in trade and other payables		-	-
Net cash flows from operating activities		-	1
Net increase in cash and cash equivalents		-	1
Opening cash and cash equivalents		-	(1)
Closing cash and cash equivalents	7	-	-

NOTES TO THE FINANCIAL STATEMENTS

1. Authorisation of financial statements and statement of compliance with IFRS

The financial statements of Waterstones Overseas Limited for the 52 weeks ended 27 April 2013 were authorised for issue by the Board on 17 October 2013 and the balance sheet was signed on the Board's behalf by A J Daunt. Waterstones Overseas Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the provisions of the Companies Act 2006.

2. Accounting policies

Basis of preparation

These financial statements are made up to the Saturday on or immediately preceding 30 April each year. Consequently, the financial statements for the current period cover the 52 weeks ended 27 April 2013, whilst the comparative period covered the 52 weeks ended 28 April 2012. The financial statements are prepared in accordance with applicable accounting standards and specifically in accordance with the accounting policies set out below.

The Company did not trade in the period under review or in the prior period and therefore no income statement is presented. The financial statements are presented in Pounds Sterling and are rounded to the nearest thousand except where otherwise indicated. They are prepared on the historical cost basis.

The Company is exempt from preparing group financial statements as it is itself a subsidiary undertaking under Section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost less impairments booked. Income is recognised from these investments when the right to receive the distribution is established.

Key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of investments in subsidiary undertakings.

Taxation

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Cash and cash equivalents

Cash and short-term deposits comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits less bank overdrafts that are payable on demand.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

New accounting standards

The Company has adopted the following amended accounting standard which was mandatory for the first time for the financial period ending 27 April 2013. It has no material impact on the Company.

- IAS 12 Income Taxes (amended December 2010)

The Company has not adopted early the requirements of the following accounting standards and interpretations, which have an effective date after the start date of these financial statements:

- IAS 1 Presentation of Financial Statements (amended June 2011 and May 2012)
- IAS 16 Property, Plant and Equipment (amended May 2012)
- IAS 19 Employee Benefits (amended June 2011)
- IAS 32 Financial Statements Presentation (amended December 2011 and May 2012)
- IFRS 7 Financial Instruments Disclosures (amended December 2011)
- IFRS 9 Financial Instruments (amended October 2010 and December 2011)
- IFRS 10 Consolidated Financial Statements (original issue and as amended June 2012 and October 2012)
- IFRS 12 Disclosure of Interests in Other Entities (original issue and as amended June 2012 and October 2012)
- IFRS 13 Fair Value Measurement (original issue)

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements.

As the Company prepares its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU endorsement mechanism.

3. Fees to auditors

The audit fee of £500 has been borne by another Group company (2012: £500).

4. Directors' emoluments

The Director did not receive any remuneration during the year in respect of his services to the Company (2012: £nil).

During the year under review the Director was also a Director of other companies within the group and was remunerated by another company in the Group. The Director's services to the Company did not occupy a significant amount of his time and as such he does not consider that he has received any remuneration for the incidental services to the Company for the 52 week period ended 27 April 2013 (and for the 52 week period ended 28 April 2012).

WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2013**

Company Number 02133199

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5. Investments in subsidiaries**

	£000
At 27 April 2013, 28 April 2012, and 30 April 2011	200

In the opinion of the Board of Directors, the aggregate value of the assets of the Company, consisting of shares in the Company's subsidiary undertakings, is not less than the aggregate of the amounts at which those assets are stated in the balance sheet. For each company, the country of incorporation is England & Wales, the companies were dormant throughout the period, the shares are equity capital and the companies are wholly owned

Name of undertaking

Ottakar's Town Limited

Ottakar's Limited

6. Trade and other receivables

	2013 £000	2012 £000
Current		
Amounts owed by parent and fellow subsidiary undertakings	11,114	11,114

The carrying value of trade and other receivables approximates to fair value

Included in amounts owed by parent and fellow subsidiary undertakings is a balance of £669,000 (2012 £668,000) related to historic intercompany trading on which no interest is charged. The balance relates to a loan with the immediate parent undertaking, on which no interest is charged and which is repayable on demand

7. Cash and cash equivalents

The Company had no cash or cash equivalents at 27 April 2013 (2012 £nil)

8. Interest-bearing loans and borrowings

The Company had no interest bearing loans and borrowings at 27 April 2013 (2012 £nil)

9. Share capital

	2013 Number	2012 Number	2013 £000	2012 £000
Authorised				
Ordinary Shares of 5p each	65,900,000	65,900,000	3,295	3,295
Allotted, called up and fully paid				
Ordinary Shares of 5p each	22,107,790	22,107,790	1,105	1,105

Capital management

The capital of Waterstones Overseas Limited is the total equity on the Company's balance sheet. The Company's equity is not expected to change in the foreseeable future. The management of the Company's capital is performed by the Board of Directors. There are no externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Reserves

Capital redemption reserve

The capital redemption reserve arose on cancellation of 2,047,304 deferred shares of 25p each, less £12 paid in consideration for these shares

11. Contingent liabilities

The Board of Directors of Waterstones Overseas Limited are not aware of any legal or arbitration proceedings pending or threatened against the Company which may result in any liabilities significantly in excess of provisions in the financial statements

12. Related party transactions

During the period the Company did not enter into any transactions with related parties. Balances outstanding at the end of the period, which are repayable on demand, are as follows

	Amounts owed by related party £000	Amounts owed to related party £000
2013 – with fellow subsidiaries	11,114	-
2012 – with fellow subsidiaries	11,114	-

Included in amounts owed by fellow subsidiaries is a balance of £669,000 (2012 £668,000) related to historic intercompany trading on which no interest is charged. The balance of £10,445,000 (2012 £10,445,000) relates to subsidiary loans, on which no interest is charged and which is repayable on demand

Remuneration of key management personnel

In the 52 weeks ended 27 April 2013, the personnel with responsibility for managing the Company were employed and paid by the immediate parent company, Waterstones Booksellers Limited, and their remuneration is disclosed in the accounts of that company

13. Ultimate parent undertaking

The ultimate UK parent undertaking of the Company is Waterstones Holdings Limited. The ultimate European parent undertaking of the Company is A&NN Holdings Limited, registered in Cyprus, which is itself a subsidiary of A&NN Capital Management Fund Limited

The largest and smallest group, including the Company, for which consolidated accounts are prepared and are publically available is that headed by Waterstones Holdings Limited. Copies of these financial statements can be obtained from the Company Secretary, 203-206 Piccadilly, London, W1J 9HD