

Waterstones Overseas Limited

Report and Accounts

52 weeks ended 26 April 2014

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COMPANY INFORMATION

DIRECTOR

A J Daunt

SECRETARY

M T Miles

REGISTERED OFFICE

203-206 Piccadilly
London
W1J 9HD

COMPANY NUMBER

02133199

AUDITORS

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

DIRECTOR'S REPORT

The Director submits his report and audited financial statements for the 52 weeks ended 26 April 2014, which were approved on behalf of the Board on 23 October 2014.

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 (2013: £nil). The Director does not recommend that a dividend be declared for the period under review (2013: £nil).

Directors

The name of the Director who served throughout the period under review and up to and including the date of this Report is shown on page 1.

Strategic report

The director has taken advantage of the small companies' exemption and has not prepared a Strategic Report.

Auditors

The Director who was a member of the Board at the time of approving the Director's 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 his 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 Director's responsibilities 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 Director reports that he has a reasonable expectation that the Company has adequate resources and access to funding, through the continuing support of the ultimate parent undertaking and its ultimate shareholder, to continue in existence for the foreseeable future. On this basis, he continues to adopt the going concern basis in preparing the financial statements.

By order of the Board


M T Miles
Secretary

Date: 23 October 2014

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing the Report and Accounts in accordance with applicable United Kingdom law and regulations. Company law requires the Director to prepare financial statements for each financial year. Under that law, the director is required to prepare financial statements under International Financial Reporting Standards as adopted by the European Union (IFRS).

Under Company Law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the financial performance and the cash flows of the Company for that period. In preparing those financial statements, the Director is 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;
- (iv) state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- (v) make judgements and estimates that are reasonable and prudent.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006 as well as Article 4 of the IAS Regulation. He is 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.

I confirm that, to the best of my knowledge:

- (i) the financial statements, prepared in accordance with IFRS, present fairly the assets, liabilities, financial position and result of the Company; and
- (ii) the Director's Report includes a fair review of the position of the Company.

On behalf of the Board



A J Daunt
Director
Date: 23 October 2014

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

We have audited the report and accounts of Waterstones Overseas Limited for the 52 weeks ended 26 April 2014, which comprise the Balance Sheet, the Cash Flow Statement and the related notes 1 to 12. 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 Statement of Director's Responsibilities 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 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 Director's Report 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 26 April 2014;
- 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERSTONES OVERSEAS LIMITED (CONTINUED)

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; or
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.

Ernst & Young LLP

Helen McLeod-Jones (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date: *23 October 2014*

BALANCE SHEET

		As at 26 April 2014 £000	As at 27 April 2013 £000
	Notes		
Assets			
Non-current assets			
Investments in subsidiaries	5	200	200
		200	200
Current assets			
Trade and other receivables	6	11,133	11,114
Current income tax receivable		-	19
		11,133	11,133
Total assets		11,333	11,333
Net assets		11,333	11,333
Equity			
Share capital	8	1,105	1,105
Share premium	9	9,213	9,213
Capital redemption reserve	9	512	512
Retained earnings	9	503	503
Total equity		11,333	11,333

The financial statements were approved by the Board of Directors on 23 October 2014 and were signed on its behalf by:


A J DAUNT
Director

CASH FLOW STATEMENT

For the 52 weeks ended 26 April 2014 and 52 weeks ended 27 April 2013

	2014	2013
Notes	£000	£000
Cash flows from operating activities		
Net cash flows from operating activities	-	-
Net increase in cash and cash equivalents	-	-
Opening cash and cash equivalents	-	-
Closing cash and cash equivalents	-	-

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 26 April 2014 were authorised for issue by the Board on 23 October 2014 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 26 April 2014, whilst the comparative period covered the 52 weeks ended 27 April 2013. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Accounting policies (continued)

New accounting standards

The Company has adopted the following accounting standards which were mandatory for the first time for the financial period ending 26 April 2014. They have no material impact on the Company.

- IAS 1 Presentation of Financial Statements: Amendments resulting from Annual Improvements 2009-11 Cycle (comparative information)
- IAS 27 Separate Financial Statements: Original issue
- IFRS 12 Disclosure of Interests in Other Entities: Original issue, Amendments to transitional guidance
- IFRS 13 Fair Value Measurement: Original issue

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 24 Related Party Disclosures: Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)
- IAS 32 Financial Statements: Presentation: Amendments relating to the offsetting of assets and liabilities
- IAS 36 Impairment of Assets: Amendments resulting from Recoverable amount disclosures for Non-Financial Assets

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 (2013: £500).

4. Director's emoluments

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 26 April 2014 (and for the 52 week period ended 27 April 2013).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Investments in subsidiaries

	£000
At 26 April 2014, 27 April 2013 and 28 April 2012	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

	2014 £000	2013 £000
Current:		
Amounts owed by immediate parent undertaking	11,133	11,114

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

Included in amounts owed by the immediate parent undertaking is a balance of £688,000 (2013: £669,000) 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.

The increase in the amounts owed to parent and fellow subsidiary undertakings in the year resulted from a reclassification of the current income tax receivable of £19,000.

7. Interest-bearing loans and borrowings

The Company had no interest bearing loans and borrowings at 26 April 2014 (2013: £nil).

8. Share capital

	2014 Number	2013 Number	2014 £000	2013 £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)

9. 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.

Share premium

There has been no movement in share premium during the year.

Retained earnings

There has been no movement in retained earnings during the year.

10. 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.

11. 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
2014 – with immediate parent undertaking	11,133	-
2013 – with immediate parent undertaking	11,114	-

The immediate parent undertaking of the company is Waterstones Booksellers Limited.

Included in amounts owed by immediate parent undertaking is a balance of £688,000 (2013: £669,000) related to historic intercompany trading on which no interest is charged. The balance of £10,445,000 (2013: £10,445,000) relates to a loan, on which no interest is charged and which is repayable on demand.

Remuneration of key management personnel

In the 52 weeks ended 26 April 2014, the personnel with responsibility for managing the Company were employed and paid by other group companies, and their remuneration is disclosed in the accounts of those companies.

12. Ultimate parent undertaking

The immediate parent undertaking of the company is Waterstones Booksellers Limited.

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 publicly 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.