

Company Number 02133199

Waterstones Overseas Limited

Financial Statements

52 weeks ended 24 April 2021



WATERSTONES OVERSEAS LIMITED

Company Number 02133199

REPORT AND ACCOUNTS 2021

COMPANY INFORMATION

DIRECTORS

A J Daunt
J Molloy
A Collins

SECRETARY

E Sullivan (appointed 31 December 2021)

REGISTERED OFFICE

203-206 Piccadilly
London
W1J 9HD

COMPANY NUMBER

02133199

AUDITORS

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2021****Company Number 02133199**

DIRECTORS' REPORT

The Directors submit their report and audited financial statements for the 52 weeks ended 24 April 2021 which were approved on behalf of the Board on 28 April 2022.

Review of the business

The Company is part of the Waterstones group of companies ("Waterstones") which operates as a bookseller through a chain of bookshops in the United Kingdom, Ireland, Holland and Belgium, and through the Waterstones.com e-commerce website.

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 other members of its group. No operational trading activity is expected in the foreseeable future.

The Company did not trade during the period and no profit or loss was recorded (2020: £nil). The Directors do not recommend that a dividend be declared for the period under review (2020: £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.

Strategic Report

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

Subsequent events

There have been no subsequent events in the period from 24 April 2021 to the date of signing the accounts.

Auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each Director 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' responsibilities for the financial statements can be found on page 4, 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 a general meeting are currently in force. Ernst & Young LLP are therefore deemed to continue as auditors of the Company.

WATERSTONES OVERSEAS LIMITED

REPORT AND ACCOUNTS 2021

Company Number 02133199

DIRECTORS' REPORT (CONTINUED)

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the Directors' Report on page 2.

The Directors have considered the ability of the Company to operate as a going concern for the period up to and including 29 April 2023. In making this assessment the Directors have reviewed the Company's balance sheet and considered that no operational trading activity is expected in the foreseeable future. However they note a reliance on the parent company, Waterstones Booksellers Limited, to meet any liabilities as they fall due and have therefore obtained a parental support letter confirming that support will be required, if needed, for a period of 12 months from the signing of the financial statements. The Directors have assessed the ability of Waterstones Booksellers Limited to provide this support and through this process there were no matters arising which the Directors consider would impact the ability of Waterstones Booksellers Limited to provide this support. As a result the Directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

On behalf of the Board



A J Daunt
Director
28 April 2022

WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2021**

Company Number 02133199

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable United Kingdom law and regulations. Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors are required to prepare financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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 the financial performance and the cash flows of the Company for that period. In preparing those financial statements, the Directors are required to:

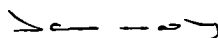
- (i) select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Estimates and then apply them consistently;
- (ii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (iii) provide additional disclosures when compliance with the specific requirements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- (v) make judgements and estimates that are reasonable and prudent; and
- (vi) prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not 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 Company 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.

On behalf of the Board



A J Daunt
Director
28 April 2022



J Molloy
Director
28 April 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATERSTONES OVERSEAS LIMITED

Opinion

We have audited the financial statements of Waterstones Overseas Limited for the period ended 24 April 2021 which comprise the Balance Sheet and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 24 April 2021 and of its result for the period then ended;
- ▶ have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

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.

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the Companies Act 2006) and compliance with the relevant direct tax regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing minutes of the board meetings and the financial statements.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the processes and controls that the Company had established to address identified risks, or that otherwise prevent or detect fraud; and how management monitors those processes and controls. Due to the nature of the Company and its limited level of transaction activities, we have not identified any risk of material misstatement due to fraud.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations, enquiries of management, vouching transactions to source documentation and verifying that they are recorded in compliance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and in conformity with the requirements of the Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.

DocuSigned by:

Ernst & Young LLP

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Adam Gittens (Senior statutory auditor)

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

Birmingham

Date: April 29, 2022

WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2021**

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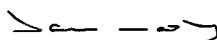
BALANCE SHEET

		As at 24 April 2021	As at 25 April 2020
	Notes	£000	£000
Assets			
Non-current assets			
Investments in subsidiaries	5	200	200
Amounts due from group undertakings	6	11,133	-
		11,333	200
Current assets			
Amounts due from group undertakings	6	-	11,133
		-	11,133
Total assets		11,333	11,333
Net assets		11,333	11,333
Equity			
Share capital	7	1,105	1,105
Share premium	8	9,213	9,213
Capital redemption reserve	8	512	512
Retained earnings	8	503	503
Total equity		11,333	11,333

The financial statements were approved by the Board of Directors on 28 April 2022 and were signed on its behalf by:



A J Daunt
Director



J Molloy
Director

WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2021**

Company Number 02133199

NOTES TO THE FINANCIAL STATEMENTS**1. Corporate information**

The financial statements of Waterstones Overseas Limited (the "Company") for the 52 weeks ended 24 April 2021 were authorised for issue in accordance with a resolution of the Directors on 28 April 2022. The Company is a limited company, incorporated and resident in England and Wales. Its registered office is at 203-206 Piccadilly, London, W1J 9HD.

2. Accounting policies**Basis of preparation**

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as they apply to the financial statements of the Company for the 52 weeks ended 24 April 2021.

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 24 April 2021, whilst the comparative period covered the 52 weeks ended 25 April 2020. 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 (£000) except where otherwise indicated. They are prepared on the historical cost basis.

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the Directors' Report on page 2.

The Directors have considered the ability of the Company to operate as a going concern for the period up to and including 29 April 2023. In making this assessment the Directors have reviewed the Company's balance sheet and considered that no operational trading activity is expected in the foreseeable future. However they note a reliance on the parent company, Waterstones Booksellers Limited, to meet any liabilities as they fall due and have therefore obtained a parental support letter confirming that support will be required, if needed, for a period of 12 months from the signing of the financial statements. The Directors have assessed the ability of Waterstones Booksellers Limited to provide this support and through this process there were no matters arising which the Directors consider would impact the ability of Waterstones Booksellers Limited to provide this support. As a result the Directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

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.

Cash flow statement

Under IFRS, the Company is required to prepare a cash flow statement showing the movements in cash and cash equivalents. However, as the Company did not trade, no movement in cash and cash equivalents occurred and therefore a cash flow statement is not presented.

Investments in subsidiaries

Investments in subsidiary undertakings are carried at cost net of impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
2. Accounting policies (continued)
Taxes
Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when 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 are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only 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 tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reporting date.

Deferred tax relating to items recognised outside of the income statement is recognised outside of the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
2. Accounting policies (continued)
Taxes (continued)
Deferred tax (continued)

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Judgements and key sources of estimation uncertainty

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. The nature of estimation means that actual outcomes could differ from those estimates.

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, see Note 5, and the recoverability of amounts due from group undertakings, see Note 6.

New accounting standards

The Company has adopted the following amended accounting standards which were mandatory for the first time for the financial period ending 24 April 2021. They have no material impact on the Company.

- IFRS 3 Business Combinations: Amendments to clarify the definition of a business;
- IFRS 7 Financial Instruments: Disclosures: Amendments regarding pre-replacement issues in the context of IBOR reform;
- IFRS 9 Financial Instruments: Amendments regarding pre-replacement issues in the context of IBOR reform;
- IAS 1 Presentation of financial statements: Amendments regarding the definition of material;
- IAS 8 Accounting policies, changes in accounting estimates and errors: Amendments regarding the definition of material; and
- IAS 39 Financial Instruments: Recognition and Measurement: Amendments regarding pre-replacement issues in the context of IBOR reform.

The Company has adopted early the requirements of the following accounting standards and interpretations, which have an effective date after the start date of these financial statements.

- IFRS 16 Leases: Amendment to provide lessees with an exemption from assessing whether a Covid-19 related rent concession is a lease modification, effective for annual periods beginning on or after 1 June 2020; and
- IFRS 16 Leases: Amendments to extend the exemption from assessing whether a Covid-19 related rent concession is a lease modification, effective for annual periods beginning on or after 1 April 2021.

There is no impact from adopting these amendments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
2. Accounting policies (continued)
New accounting standards (continued)

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.

- IFRS 7 Financial Instruments: Disclosures: Amendments regarding replacement issues in the context of the IBOR reform, effective for annual periods beginning on or after 1 January 2021;
- IFRS 9 Financial Instruments: Disclosures: Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (fees in the '10 percent' test for derecognition of financial liabilities), effective for annual periods beginning on or after 1 January 2022;
- IFRS 16 Leases: Amendments regarding replacement issues in the context of the IBOR reform, effective for annual periods beginning on or after 1 January 2021;
- IAS 1 Presentation of financial statements: Amendments regarding the classification of liabilities, effective for annual periods beginning on or after 1 January 2023;
- IAS 1 Presentation of financial statements: Amendments regarding the disclosure of accounting policies, effective for annual periods beginning on or after 1 January 2023;
- IAS 8 Accounting policies, changes in accounting estimates and errors: Amendments regarding the definition of accounting estimates, effective for annual periods beginning on or after 1 January 2023;
- IAS 12 Income Taxes: Amendments regarding deferred tax on leases and decommissioning obligations, effective for annual periods beginning on or after 1 January 2023;
- IAS 16 Property, plant and equipment: Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use, effective for annual periods beginning on or after 1 January 2022;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Amendments regarding the costs to include when assessing whether a contract is onerous; and
- IAS 39 Financial Instruments: Recognition and Measurement: Amendments regarding replacement issues in the context of the IBOR reform, effective for annual periods beginning on or after 1 January 2021.

The Company intends to adopt these standards when they become effective.

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

3. Fees to auditors

The audit fee of £6,000 has been borne by another group company (2020: £500).

4. Directors' emoluments

The Directors of the Company are remunerated by the immediate parent undertaking of the Company, Waterstones Booksellers Limited. The Directors consider that the limited proportion of their time spent on the Company's business does not warrant a recharge of remuneration.

WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2021**

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

	£000
Cost and net book value at 24 April 2021 and 25 April 2020	200

The Company's subsidiary undertakings, which are 100% directly owned, are as follows:

Name of undertaking	Country of incorporation	Status
Ottakar's Limited	England & Wales	Dormant
Ottakar's Town Limited	England & Wales	Dormant

The registered address of both companies is at 203-206 Piccadilly, London, W1J 9HD.

6. Amounts due from group undertakings

	2021 £000	2020 £000
Non-current:		
Amounts owed by immediate parent undertaking	11,133	-
	11,133	-
Current:		
Amounts owed by immediate parent undertaking	-	11,133
		11,133

Included in amounts owed by immediate parent undertaking is a balance of £688,000 (2020: £688,000) relating to historic intercompany trading on which no interest is charged. The balance of £10,445,000 (2020: £10,445,000) relates to a loan to the immediate parent undertaking on which no interest is charged and which is repayable on demand.

7. Share capital

	2021 Number	2020 Number	2021 £000	2020 £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

The Company has one class of share capital, namely 5p ordinary shares, of which there are 22,107,790 allotted, all fully paid. There are no special rights or preferences attaching to the shares, and there are no restrictions on the distribution of dividends and the repayment of capital.

8. Reserves**Share premium**

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

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, in prior periods. There has been no movement in the capital redemption reserve during the period.

Retained earnings

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

WATERSTONES OVERSEAS LIMITED**REPORT AND ACCOUNTS 2021**

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**9. Contingent liabilities**

The Board of Directors of Waterstones Overseas Limited is 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.

10. 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 are as follows:

	Amounts owed by related party £000	Amounts owed to related party £000
2021 – with immediate parent undertaking	11,133	-
2020 – with immediate parent undertaking	11,133	-

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 (2020: £688,000) relating to historic intercompany trading on which no interest is charged. The balance of £10,445,000 (2020: £10,445,000) relates to a loan to the immediate parent undertaking on which no interest is charged and which is repayable on demand.

Remuneration of key management personnel

In the 52 weeks ended 24 April 2021, the key management personnel with responsibility for managing the Company were employed and paid by other group companies. The key management personnel consider that the limited proportion of their time spent on the Company's business does not warrant a recharge of remuneration, and therefore no remuneration was recharged.

11. Ultimate parent undertaking

The immediate parent undertaking of the Company is Waterstones Booksellers Limited and the ultimate parent company is Book Retail Investco Limited (incorporated in Jersey). Book Retail Investco Limited is wholly owned and controlled by the Elliott funds. The Elliott funds receive investment advice, directly and indirectly, from their investment adviser Elliott Management Corporation, incorporated in Delaware, U.S.A., and its affiliates.

The largest group, including the Company, for which consolidated accounts are prepared is that headed by Book Retail Midco Limited, the smallest group is that headed by Book Retail Bidco Limited. Copies of both of these financial statements can be obtained from the Company Secretary, 203-206 Piccadilly, London, W1J 9HD.