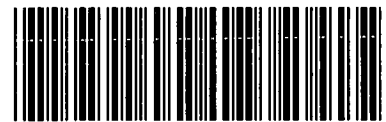


Registered number: 07673642

LYNWOOD RETAIL UK LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

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LYNWOOD RETAIL UK LIMITED

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LYNWOOD RETAIL UK LIMITED
REGISTERED NUMBER: 07673642
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		31 December 2018 £	Restated 28 April 2018 £
	Note		
Fixed assets			
Investments	4	28,494,195	25,330,737
Current assets			
Debtors: amounts falling due after more than one year	5	-	33,830,537
Debtors: amounts falling due within one year	5	-	5,010,039
Current asset investments	6	721,669	691,012
Cash at bank and in hand		37,063	336,695
		<u>758,732</u>	<u>39,868,283</u>
Current liabilities			
Creditors: amounts falling due within one year	7	(38,165)	(37,193,595)
Net current assets		<u>720,567</u>	<u>2,674,688</u>
Total assets less current liabilities		<u>29,214,762</u>	<u>28,005,425</u>
Creditors: amounts falling due after more than one year	8	-	(38,365,214)
Net assets/(liabilities)		<u><u>29,214,762</u></u>	<u><u>(10,359,789)</u></u>
Capital and reserves			
Called up share capital	9	15,000,000	12,675,501
Share premium account		12,421,575	-
Other reserves		-	1,200,000
Profit and loss account		1,793,187	(24,235,290)
		<u><u>29,214,762</u></u>	<u><u>(10,359,789)</u></u>

LYNWOOD RETAIL UK LIMITED
REGISTERED NUMBER:07673642

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2019.



M Groenberg
Director

The notes on pages 3 to 8 form part of these financial statements.

LYNWOOD RETAIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. General information

Lynwood Retail (UK) Limited is a limited liability company incorporated in England and Wales, with its registered office and business address at 4 Hill Street, London, W1J 5NE.

The principal activity of the Company during the period was that of a holding company.

The Company previously made up its financial statements to an accounting reference date of 30 April in line with those of its trading subsidiaries. Following the disposal of all subsidiaries during the year the Company shortened the current accounting period to the eight months ended 31 December 2018, to align with the accounting reference date of its parent company. The comparative figures are for the 52 weeks ended 28 April 2018.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. This is a change in accounting policy under which the financial statements of the Company were previously prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Following the sale of a majority equity stake in the Company's subsidiaries, all of which prepared their financial statements under IFRS, the directors consider that FRS 102 is more appropriate to the Company's status as a small company.

Information on the impact of first time adoption of FRS 102 is given in note 11.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is £ Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.3 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

LYNWOOD RETAIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.6 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Debtors

Short term debtors are measured at the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

LYNWOOD RETAIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.11 Dividends

Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

3. Employees

The average monthly number of employees, including directors, during the period/year was 3 (2018 - 5).

4. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 29 April 2018	25,330,737	-	25,330,737
Additions	1,200,000	28,494,195	29,694,195
Disposals	(26,530,737)	-	(26,530,737)
At 31 December 2018	-	28,494,195	28,494,195

LYNWOOD RETAIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

5. Debtors

	31 December 2018 £	28 April 2018 £
Due after more than one year		
Amounts owed by group undertakings	-	33,830,537
	31 December 2018 £	28 April 2018 £
Due within one year		
Amounts owed by group undertakings	-	5,010,039

6. Current asset investments

	31 December 2018 £	28 April 2018 £
Listed investments	721,669	691,012

7. Creditors: Amounts falling due within one year

	31 December 2018 £	28 April 2018 £
Bank overdrafts	288	-
Trade creditors	20,563	-
Amounts owed to group undertakings	17,314	34,895,000
Accruals and deferred income	-	2,298,595
	38,165	37,193,595

LYNWOOD RETAIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

8. Creditors: Amounts falling due after more than one year

	31 December 2018 £	28 April 2018 £
Amounts owed to group undertakings	-	38,365,214

9. Share capital

	31 December 2018 £	28 April 2018 £
Allotted, called up and fully paid		
15,000,000 (2018 - 12,675,501) Ordinary shares of £1.00 each	15,000,000	12,675,501

During the year 2,324,499 Ordinary shares of £1 each were allotted and fully paid for a total consideration of £14,746,075.

10. Related party transactions

The company has taken advantage of the exemption under FRS102 33.1A Related Party Disclosures not to disclose transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

11. Transition to FRS102

The policies applied under the entity's previous accounting framework, IFRS, are not materially different to FRS 102 and have not impacted on equity or profit or loss. The only adjustment as a result of the transition was as follows:

Under IFRS, at the year end 28 April 2018, the cost of the investment in subsidiaries Waterstones Booksellers Limited, Waterstones Booksellers Ireland Limited, Waterstones Booksellers Belgium SA and Waterstones Booksellers Amsterdam B.V. was classified as a non-current asset held for sale on the basis that, on 25 April 2018, the company had exchanged contracts agreeing the sale of a majority equity stake in all of its subsidiaries. The value of 'non-current assets held for sale' amounted to £25,330,737 as at 28 April 2018. Under FRS102, there is no requirement for a distinction between non-current assets held for sale and fixed asset investments. Accordingly, following the adoption of FRS 102, the comparative figures have been restated to reclassify non current assets for sale amounting to £25,330,737 from debtors to fixed asset investments.

LYNWOOD RETAIL UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

12. Controlling party

The immediate parent undertaking of the Company is Lynwood Investments CY Limited, a company registered in Cyprus and the ultimate parent company is Alpha Global (PTC) Limited, a company registered in the British Virgin Islands. The ultimate controlling parties of the Company are Alpha Global (PTC) Limited (acting in its capacity as a trustee of the Alpha Trust), Nicolai Mamut (who is currently the sole beneficiary of that trust) and Marina Groenburg who has the right to exercise significant influence over the activities of that trust.

13. Auditors' information

The auditors' report on the financial statements for the period ended 31 December 2018 was unqualified.

The audit report was signed on 22 November 2019 by Stephen Iseman FCA (Senior Statutory Auditor) on behalf of Sopher + Co LLP.