

**Registered No. 3317483**

**THE LINK STORES LIMITED**

**Annual Report and Financial Statements**

**Year ended 31 December 2012**

**WEDNESDAY**



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**THE LINK STORES LIMITED**  
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**THE LINK STORES LIMITED  
COMPANY INFORMATION**

**Registered No. 3317483**

**Directors**

Ronan Dunne  
Robert Harwood

**Secretary**

O2 Secretaries Limited

**Registered office address**

260 Bath Road  
Slough  
Berkshire  
SL1 4DX

The Directors present their annual report and the unaudited financial statements for the year ended 31 December 2012

### **CORPORATE STRUCTURE**

The Link Stores Limited (the "Company") is a private limited company registered in England and Wales under the number 3317483. The registered address is 260 Bath Rd, Slough, Berkshire, SL1 4DX. It is a wholly owned subsidiary of Telefónica Europe plc, its ultimate UK parent, incorporated in England and Wales, which is itself a wholly owned subsidiary of Telefónica S.A., a company incorporated in Spain.

References to "Group" refer to Telefónica Europe plc and its subsidiaries including mmO2 plc and the Company.

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The Company has not traded during the year ended 31 December 2012, or in the previous year, and has made neither profit nor loss in each year. The Directors do not anticipate any changes in the foreseeable future.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

From the perspective of the Company, the principal risks and uncertainties are integral to the principal risks and uncertainties of the Group and are not managed separately. A comprehensive analysis of the principal risks and uncertainties which impact the Group are disclosed in the consolidated Annual Report and the consolidated financial statements of mmO2 plc, the Company's intermediate parent Company.

### **DIVIDENDS**

The Directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011: £nil).

### **DIRECTORS**

The Directors of the Company during the year were:

Ronan Dunne  
Robert Harwood

The Secretary who held office during the year was O2 Secretaries Limited.

### **DIRECTORS' LIABILITY INSURANCE AND INDEMNITIES**

Telefónica Europe plc, the Company's ultimate UK parent company, has granted an indemnity in the form permitted by UK Company Law to Directors appointed to subsidiary companies. This indemnity remains in place and continues until such time as any relevant limitation periods for bringing claims (as defined in the indemnity) against the Director has expired, or for so long as the past Director, where relevant, remains liable for any losses (as defined in the indemnity).

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The Company made no political or charitable contributions during the year (2011: nil).

**AUDITORS**

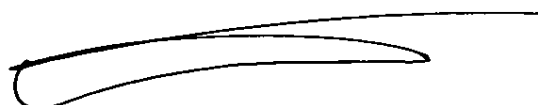
For the year ended 31 December 2012 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

**DIRECTORS' RESPONSIBILITIES**

The Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

By Order of the Board



Vivienne Aziba  
For and on behalf of O2 Secretaries Limited  
Company Secretary

23 July 2013

**THE LINK STORES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2012**

**Registered No. 3317483**

	<b>Note</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Current assets</b>			
Trade and other receivables	5	42,573	42,573
<b>Net current assets and Net assets</b>		<b>42,573</b>	<b>42,573</b>
<b>Equity</b>			
Retained earnings	8	42,573	42,573
<b>Total equity</b>		<b>42,573</b>	<b>42,573</b>

The accompanying notes on pages 7 to 10 are an integral part of these financial statements

The Company does not trade and has no profit, loss or cash flows for the year ended 31 December 2012. Therefore no statement of comprehensive income has been prepared. There were no other recognised gains or losses in the year.

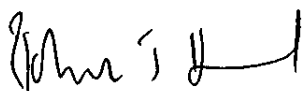
For the year ended 31 December 2012 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

**Directors' responsibilities:**

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of Directors on 23 July 2013 and were signed on its behalf by



Robert Harwood  
 Director

**THE LINK STORES LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2012**

**Registered No. 3317483**

	<b>Note</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Non-current assets</b>			
Investments	4	2,163	2,163
<b>Current assets</b>			
Trade and other receivables	5	45,132	45,132
<b>Current liabilities</b>			
Trade and other payables	6	(13,205)	(13,205)
<b>Net current assets</b>		<b>31,927</b>	<b>31,927</b>
<b>Net Assets</b>		<b>34,090</b>	<b>34,090</b>
<b>Equity</b>			
Retained Earnings	8	34,090	34,090
<b>Total equity</b>		<b>34,090</b>	<b>34,090</b>

The accompanying notes on pages 7 to 10 are an integral part of these financial statements

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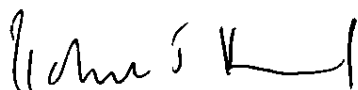
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**Directors' responsibilities:**

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of Directors on 23 July 2013 and were signed on its behalf by



Robert Harwood  
 Director

**THE LINK STORES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Year ended 31 December 2012**

**Registered No. 3317483**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Retained earnings at 1 January</b>	<b>42,573</b>	<b>42,573</b>
Total comprehensive income relating to the year	-	-
<b>Retained earnings at 31 December</b>	<b>42,573</b>	<b>42,573</b>



## **1. ACCOUNTING POLICIES**

### **Basis of preparation**

These financial statements have been prepared in accordance with international Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as adopted for use in the EU. In addition the financial statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared using historical cost principles.

The principal accounting policies of the Company applied in the preparation of these financial statements are set out below. The IFRS accounting policies have been applied consistently to all periods presented.

### **Taxation**

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed.

Income tax relating to items recognised directly in equity is recognised in equity, not in the statement of comprehensive income.

### **Trade and other receivables**

Trade and other receivables are carried at original invoice amount less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Provisions are made based on an analysis of balances by age, previous losses experienced, disputes and ability to pay. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows. Changes in the provision against receivables are recognised in the statement of comprehensive income within cost of goods sold.

### **Investments**

Non-current investments are stated at cost less any provision for impairment in value.

Investments are stated at the lower of cost and net realisable value.

### **New IFRS and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)**

The Company does not expect that the first-time adoption of the IFRS and IFRIC interpretations that have been published at the date of preparation of the financial statements will have a significant impact on its financial statements.

## **2. DIRECTORS EMOLUMENTS AND EMPLOYEES**

No emoluments or other benefits were paid to Directors during the year ended 31 December 2012 (2011: £nil). The Directors are employees of other companies in the Group and are remunerated for their services to the Group as a whole.

There are no employees of the Company.

**3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax assessed for the year and prior year did not vary from the amount computed by applying the effective UK statutory rate of tax of 26.5% to profit on ordinary activities before taxation

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Profit before taxation	-	-
Taxation at the UK corporation tax rate of 26.5% (2011: 28%)		
UK-UK transfer pricing adjustments	<b>256</b>	<b>277</b>
Group relief claimed, not paid for	<b>(256)</b>	<b>(277)</b>
Taxation	-	-

The main rate of corporation tax will reduce from 24% to 23% effective from 1 April 2013. This change was enacted on 17 July 2012.

In the UK Budget of 20 March 2013 it was confirmed that the main rate of corporation tax will be 21% effective from 1 April 2014 instead of 22% as previously announced. It was also announced that the rate will reduce further to 20% effective 1 April 2015. As this legislation was not enacted or substantively enacted by the balance sheet date it has not been reflected within these financial statements.

**4. INVESTMENTS**

	<b>£'000</b>
At 31 December 2012 and 31 December 2011	<b>2,163</b>

Details of the principal subsidiary undertaking are set out in note 11.

**5. TRADE AND OTHER RECEIVABLES**

	<b>2012</b> <b>Group</b> <b>£'000</b>	<b>2012</b> <b>Company</b> <b>£'000</b>	<b>2011</b> <b>Group</b> <b>£'000</b>	<b>2011</b> <b>Company</b> <b>£'000</b>
Amounts due from group companies	<b>42,573</b>	<b>45,132</b>	<b>42,573</b>	<b>45,132</b>

Amounts owed from group companies are non-interest bearing (2011: £nil), unsecured and repayable on demand.

**THE LINK STORES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Registered No. 3317483**

**6. TRADE AND OTHER PAYABLES**

	<b>2012</b> <b>Company</b> <b>£'000</b>	<b>2011</b> <b>Company</b> <b>£'000</b>
Amounts due to subsidiary companies	<b>13,205</b>	<b>13,205</b>

Amounts owed to subsidiary companies are non-interest bearing (2011 £nil), unsecured and repayable on demand

**7. CALLED UP SHARE CAPITAL**

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
<b>Authorised:</b>		
100 ordinary shares of £1 each	<b>100</b>	<b>100</b>
<b>Allocated and fully paid</b>		
80 ordinary shares of £1 each	<b>80</b>	<b>80</b>

The Company has one class of authorised and issued share capital, comprising ordinary shares of £1 00 each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

**8. EQUITY**

	<b>Retained earnings</b> <b>£'000</b>
<b>Group</b>	
At 31 December 2012 and at 31 December 2011	<b>42,573</b>
	<b>Retained earnings</b> <b>£'000</b>
<b>Company</b>	
At 31 December 2012 and at 31 December 2011	<b>34,090</b>

**9. RELATED PARTY DISCLOSURE**

Year end balances with group companies are as follows

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
<b>Group receivables:</b>		
Telefónica UK Limited	<b>42,573</b>	<b>42,573</b>

**10. PARENT COMPANY AND CONTROLLING PARTY**

The Company's immediate parent company and controlling party is Telefónica UK Limited

The ultimate parent company is Telefónica, S A , a company incorporated in Spain Copies of the financial statements of Telefónica, S A may be obtained from Gran Via 28, Madrid, Spain

**11. PRINCIPAL SUBSIDIARY UNDERTAKING**

The principal subsidiary undertaking at 31 December 2012 was Link FS Limited It is wholly owned, incorporated and operates in the United Kingdom and is registered in England and Wales Link FS Limited is no longer trading

In the opinion of the Directors, the aggregate value of the shares in and amounts due from the Company's subsidiary undertakings are not less than the aggregate of the amounts at which these assets are included in the Company's statement of financial position