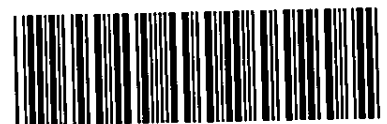


THE LINK STORES LIMITED

Annual Report and Financial Statements

For the year ended 31 August 2009

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Company information	3
Directors' report	4
Statement of Directors' responsibilities	6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Reconciliation of movements in consolidated shareholders' funds	10
Notes to the financial statements	11

**THE LINK STORES LIMITED
COMPANY INFORMATION**

Registered No 3317483

Directors

S Alder
R Dunne
R Harwood
K Jarvis

Secretary and registered office

O2 Secretaries Limited

Wellington Street
Slough
Berkshire
SL1 1YP

The directors present their annual report and the unaudited financial statements for the year ended 31 August 2009
Comparative figures are for the 70 weeks ended 31 August 2008

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 Wellington Street, Slough, Berkshire SL1 1YP. 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 of which the Company is a part.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company has not traded during the year to 31 August 2009 and has made neither profit nor loss. The Directors do not anticipate any changes in the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risk and uncertainties are integral to the principal risk 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 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 August 2009 (70 weeks ended 31 August 2008: £nil).

DIRECTORS

The Directors of the Company during the year were:

S Alder
R Dunne
R Harwood
K Jarvis

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).

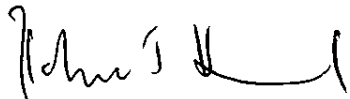
POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable contributions during the year (70 weeks ended 31 December 2008: nil).

AUDITORS

The Company has been dormant within the meaning of Section 480 of the Companies Act 2006 throughout the year. Consequently, no auditors have been appointed.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Robert Harwood', with a stylized flourish at the end.

Robert Harwood
For and on behalf of O2 Secretaries Limited
Company Secretary
17 May 2010

THE LINK STORES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Registered No. 3317483

The directors are responsible for the preparation of the financial statements and have chosen to prepare such financial statements under UK Generally Accepted Accounting Practices (UK GAAP)

The directors are required by UK company law to prepare such financial statements for each financial period which give a true and fair view of the state of affairs of the Company, in accordance with UK GAAP, as at the end of each financial period and of the profit or loss for that period. In preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The financial statements have been prepared on a basis other than going concern.

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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE LINK STORES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 August 2009

Registered No. 3317483

		Year ended 31 August 2009 £'000	70 weeks ended 31 August 2008 £'000
	Note		
Turnover		-	-
Operating profit	2	-	-
Interest receivable and similar income	3	-	14
Gain on ordinary activities before taxation		-	14
Tax on gain on ordinary activities	5	-	-
Profit for the period		-	14

There are no recognised gains or losses other than the loss for the preceding period

The accompanying notes are an integral part of these financial statements

THE LINK STORES LIMITED
CONSOLIDATED BALANCE SHEET
As at 31 August 2009

Registered No. 3317483

	Note	31 August 2009 £'000	31 August 2008 £'000
Current assets			
Debtors	7	<u>42,573</u>	<u>42,573</u>
Net current assets		<u>42,573</u>	<u>42,573</u>
Total assets less current liabilities		<u>42,573</u>	<u>42,573</u>
Capital reserves			
Profit and loss account	10	<u>42,573</u>	<u>42,573</u>
Equity shareholders' funds		<u>42,573</u>	<u>42,573</u>

The accompanying notes are an integral part of these financial statements

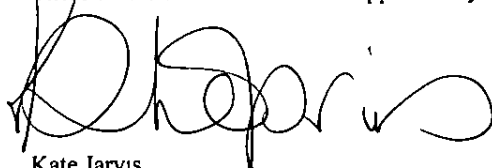
For the year ending 31 August 2009 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

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, and

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 17 May 2010 and were signed on its behalf by



Kate Jarvis

Director

THE LINK STORES LIMITED
COMPANY BALANCE SHEET
As at 31 August 2009

Registered No. 3317483

	Note	31 August 2009 £'000	31 August 2008 £'000
Fixed assets			
Investments	6	<u>2,163</u>	<u>2,163</u>
Current assets			
Debtors	7	45,132	45,132
Creditors amounts falling due within one year	8	<u>(13,205)</u>	<u>(13,205)</u>
Net current assets		<u>31,927</u>	<u>31,927</u>
Total assets less current liabilities		<u>34,090</u>	<u>34,090</u>
Capital reserves			
Profit and loss account	10	<u>34,090</u>	<u>34,090</u>
Equity shareholders' funds		<u>34,090</u>	<u>34,090</u>

The accompanying notes are an integral part of these financial statements

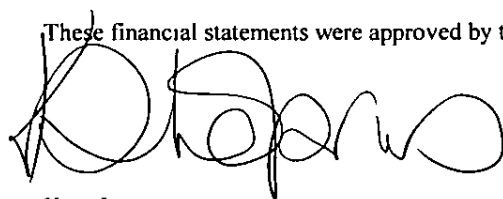
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Directors' responsibilities.

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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 17 May 2010 and were signed on its behalf by



Kate Jarvis
Director

THE LINK STORES LIMITED
RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS'
FUNDS
For the year ended 31 August 2009

Registered No. 3317483

	31 August 2009 £'000	31 August 2008 £'000
Opening equity consolidated shareholders' funds	42,573	42,559
Gain for the period	-	14
Net gain in consolidated shareholders' funds	-	14
Closing shareholders' funds	42,573	42,573

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Registered No. 3317483

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with UK law and UK applicable accounting standards. Accounting policies have been consistently applied throughout the current and preceding periods. As explained in the Directors' Report, the Company transferred its trade, assets and liabilities to a fellow subsidiary Company on 16 September 2006 and has ceased trading. As required by FRS18 'Accounting Policies', the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary company at their book value. The principal accounting policies are set out below.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

Short term investments are stated at the lower of cost and net realisable value.

2. AUDITORS' REMUNERATION

There was no auditors' remuneration for the current year (70 weeks ended 31 August 2008: the auditors' remunerations of £5,000 for the Company and £2,000 for the Company's subsidiary were borne by another group undertaking).

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 August 2009 £'000	70 weeks ended 31 August 2008 £'000
Interest receivable and similar income from third parties	-	14

4. DIRECTORS' EMOLUMENTS AND EMPLOYEES

None of the Directors received any emoluments in respect of their services to the Company for the year ended 31 August 2009 (70 weeks ended 31 August 2008: £nil).

The Company had no employees in the current year (70 weeks ended 31 August 2008: none).

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Registered No 3317483

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge for the year was £nil (70 weeks ended 31 August 2008 £nil)

A reconciliation of the notional current taxation charge to the actual taxation charge is set out below

	Year ended 31 August 2009 £'000	70 weeks ended 31 August 2008 £'000
Profit on ordinary activities at UK statutory rate at 28%*	-	4
Transfer pricing adjustment	-	1,092
Current year losses not recognised (not recoverable)	-	-
Group relief claimed, not paid for	-	(1,096)
Current taxation on profit on ordinary activities	-	-

* Tax rate for the 70 weeks ended 31 August 2008 period was a mix rate of 29.4% taking into account the change in UK corporation tax rate to 28% with effect from 1 April 2008

6. INVESTMENTS

Fixed asset investments

	£'000
At 31 August 2009 and 31 August 2008	2,163

Details of the principal subsidiary undertaking are set out in note 13

7. DEBTORS

	Group £'000	31 August 2009 Company £'000	Group £'000	31 August 2008 Company £'000
Amounts due from other group undertakings	42,573	45,132	42,573	45,132

8. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 August 2009 Company £'000	31 August 2008 Company £'000
Amounts due to subsidiary undertaking	13,205	13,205

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Registered No. 3317483

9 CALLED UP SHARE CAPITAL

	31 August 2009 £	31 August 2008 £
Authorised.		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allocated and fully paid		
80 ordinary shares of £1 each	<u>80</u>	<u>80</u>

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.

10. RESERVES

	Profit and loss account £'000
Group	
At 31 August 2009 and at 31 August 2008	<u>42,573</u>
	Profit and loss account £'000
Company	
At 31 August 2009 and at 31 August 2008	<u>34,090</u>

11. RELATED PARTY DISCLOSURE

Year end balances with group undertakings are as follows

	31 August 2009 £'000	31 August 2008 £'000
Group		
Debtors:		
Telefonica O2 (UK) Limited	<u>42,573</u>	<u>42,573</u>

THE LINK STORES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Registered No. 3317483

12. PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent company and controlling party is Telefónica O2 (UK) Limited

At the end of the period 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

13. PRINCIPAL SUBSIDIARY UNDERTAKING

The principal subsidiary undertaking at 31 August 2009 was Link FS Limited It is wholly owned, incorporated and operates in Great Britain 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 balance sheet