

LINK FS LIMITED

Annual Report and Financial Statements

For the 4 months ended 31 December 2009

FRIDAY



A19 *ABNPONAI* 258
10/09/2010
COMPANIES HOUSE

LINK FS LIMITED
CONTENTS

Registered No. 3357545

Company information	3
Directors' report	4
Statement of directors' responsibilities	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

**LINK FS LIMITED
COMPANY INFORMATION**

Registered No. 3357545

Directors

Stephen Alder
Ronan Dunne
Robert Harwood
Kate Jarvis

Secretary and registered office

O2 Secretaries Limited

260 Bath Rd
Slough
Berkshire
SL1 4DX

The directors present their annual report and the unaudited financial statements for the 4 months ended 31 December 2009. Comparative figures are for the year ended 31 August 2009.

CORPORATE STRUCTURE

Link FS Limited (the "Company") is a private limited company registered in England and Wales under the number 3357545. 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.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company has not traded during the 4 months ended 31 December 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 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 financial statements of mm02 plc, the Company's intermediate parent Company.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the 4 months ended 31 December 2009 (year ended 31 August 2009: £nil).

DIRECTORS

The directors of the Company during the period were:

Stephen Alder
Ronan Dunne
Robert Harwood
Kate Jarvis

DIRECTORS' LIABILITY INSURANCE AND INDEMNITIES

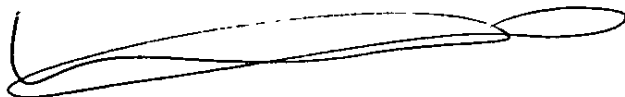
Telefonica Europe plc, the Company's ultimate UK parent company, has granted an indemnity in the form permitted by UK Company Law to Directors appointed to subsidiary companies. This indemnity remains in place and continues until such time as any relevant limitation periods for bringing claims (as defined 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).

LINK FS LIMITED
DIRECTORS' REPORT

Registered No. 3357545

AUDITORS

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

By Order of the board

Vivienne Aziba
For and on behalf of O2 Secretaries Limited

Company Secretary

6 September 2010

LINK FS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Registered No. 3357545

The directors are responsible for preparing the Annual Report and the Company financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union

Under Company Law the directors must not approve the Company financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for that period. In preparing the Company financial statements the directors are required to

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance,
- state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements, and
- make judgements and estimates that are reasonable and prudent

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

LINK FS LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

Registered No. 3357545

	Note	31 December 2009 £'000	31 August 2009 £'000
Current assets			
Trade and other receivables	4	13,205	13,205
Current Liabilities			
Trade and other payables	5	(2,559)	(2,559)
Net current assets		<u>10,646</u>	<u>10,646</u>
Equity			
Retained earnings		8,483	8,483
Reserves		2,163	2,163
Total equity		<u>10,646</u>	<u>10,646</u>

The Company did not trade and has no profit or loss for the 4 months ended 31 December 2009 and the preceding year. Therefore no statement of comprehensive income has been prepared. There were no other recognised gains or losses in the current period and the preceding year.

The accompanying notes are an integral part of these financial statements.


For the 4 months ended 31 December 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 period 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 6 September 2010 and were signed on its behalf by



Ronan Dunne

Director

LINK FS LIMITED
STATEMENT OF CHANGES IN EQUITY
Period ended 31 December 2009

Registered No. 3357545

	Retained earnings £'000	Reserves £'000	Total equity £'000
At 1 September 2008	<u>8,483</u>	<u>2,163</u>	<u>10,646</u>
At 31 August 2009	8,483	2,163	10,646
At 31 December 2009	<u>8,483</u>	<u>2,163</u>	<u>10,646</u>

The accompanying notes are an integral part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparation

Link Stores Limited has adopted International Financial Reporting Standards ("IFRS") as its primary basis of accounting for the period ending 31 December 2009 in place of UK Generally Accepted Accounting Principles ("UK GAAP") Up to and including 31 August 2009, the Company has prepared and presented its financial statements in accordance with UK GAAP

The effect of transition from UK GAAP to IFRS on the company's equity and net income are provided in note 11

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 IFRS accounting policies of the Company have been applied consistently to all periods

1.1 Taxation

The charge for current tax is based on the results for the period 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

1.2 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

1.3 Accounting convention

The financial statements are prepared under the historical cost convention

LINK FS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Registered No. 3357545

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

At the date of preparation of the consolidated financial statements the following IFRS and IFRIC interpretations have been published, but their application is not mandatory

Standards and amendments		Mandatory application: annual periods beginning on or after
IFRS 9	<i>Financial instruments</i>	1 January 2013
IFRS 3 revised	<i>Business Combinations</i>	1 July 2009
Amendment to IAS 27	<i>Consolidated and Separate Financial Statements</i>	1 July 2009
<i>Improvements to IFRS (April 2009)</i>		1 January 2010 (*)
IAS 24 revised	<i>Related parties</i>	1 January 2011
Amendment to IAS 39	<i>Eligible hedge items</i>	1 July 2009
Amendment to IFRS 2	<i>Share based payments</i>	1 January 2010
Amendment to IFRS 1	<i>Additional exemptions in the initial adoption of IFRS</i>	1 January 2010
Amendment to IAS 32	<i>Classification of issues of rights to equity instruments</i>	1 February 2010
(*)The amendments to IFRS 2, IAS 38 (relating to intangible assets acquired in business combinations) IFRIC 9 and IFRIC 16 are effective for all fiscal years beginning 1 July 2009. There is no mandatory application date for the additional guidance to the appendix of IAS 18 on the determination of agent / principal because this appendix is not part of the standard		

Interpretations		Mandatory application annual periods beginning on or after
IFRIC 17	<i>Distributions of Non-cash Assets to Owners</i>	1 July 2009
IFRIC 19	<i>Extinguishing financial liabilities with equity instruments</i>	1 July 2010
Amendment to IFRIC 14	<i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	1 January 2011

The Company does not expect that the first-time adoption of these interpretations will have a significant impact on its financial statements

2. AUDITORS' REMUNERATION

There was no auditors' remuneration for the current period and preceding year

3. DIRECTORS EMOLUMENTS AND EMPLOYEES

None of the Directors received any emoluments in respect of their services to the Company for the 4 months ended 31 December 2009 (year ended 31 August 2009: £nil)

The Company had no employees in the current period (year ended 31 August 2009: none)

LINK FS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Registered No. 3357545

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax assessed for the period and prior year did not vary from the amount computed by applying the effective UK statutory tax rate of 28% to profit on ordinary activities before taxation

	31 December 2009	31 August 2009
	£'000	£'000
Profit before taxation	-	-
Taxation at the UK corporation tax rate of 28%	-	-
UK-UK transfer pricing adjustments	50	-
Group relief claimed, not paid for	(50)	-
Taxation	-	-

The following changes were announced in the UK Budget on 22 June 2010 (i) the full rate of corporation tax will reduce to 27% with effect from 1 April 2011, and will decrease by a further 1% each 1 April thereafter until reaching 24% with effect from 1 April 2014, (ii) the rate of annual writing down allowances on qualifying plant and machinery will reduce by 2%, to 18% for the general capital allowance pool and to 8% for the integral features pool, with effect from 1 April 2012. As this legislation was not substantively enacted by the balance sheet date, the figures within these accounts are calculated in accordance with the existing rates

5. TRADE AND OTHER RECEIVABLES

	31 December 2009	31 August 2009
	£'000	£'000
Amounts due from group companies	13,205	13,205

Amounts owed from group companies are non-interest bearing (2008 £nil), unsecured and repayable on demand

6. TRADE AND OTHER PAYABLES

	31 December 2009	31 August 2009
	£'000	£'000
Amounts due to group companies	2,559	2,559

Amounts owed to group companies are non-interest bearing (2008 £nil), unsecured and repayable on demand

LINK FS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Registered No. 3357545

7 CALLED UP SHARE CAPITAL

	31 December 2009	31 August 2009
	£	£
Authorised.		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid:		
1 ordinary share of £1	<u>1</u>	<u>1</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.

8. EQUITY

	Capital reserve £'000	Profit and loss account £'000
At 31 December 2009 and at 31 August 2009	<u>2,163</u>	<u>8,483</u>

9. RELATED PARTY DISCLOSURES

Period end balances with group companies were as follows

	31 December 2009	31 August 2009
	£'000	£'000
Receivables:		
The Link Stores Limited	<u>13,205</u>	<u>13,205</u>
Payables:		
Telefonica O2 (UK) Limited	<u>(2,559)</u>	<u>(2,559)</u>

10. PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent company and controlling party is The Link Stores 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 Telefonica, S A may be obtained from Gran Via 28, Madrid, Spain

11. DESCRIPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") ADJUSTMENTS

The Company has chosen to adopt International Financial Reporting Standards ("IFRS") as its primary basis of accounting for the period ending 31 December 2009 in place of UK Generally Accepted Accounting Principles ("UK GAAP") Up to and including 31 August 2009, the Company has prepared and presented its financial statements in accordance with UK GAAP

Transition Date

The Company's transition date, being the beginning of the earliest period for which full comparative information is presented in accordance with IFRS is 1 September 2008, in accordance with IFRS 1

There are no differences between UK GAAP and IFRS which impact the Company's equity or net income