

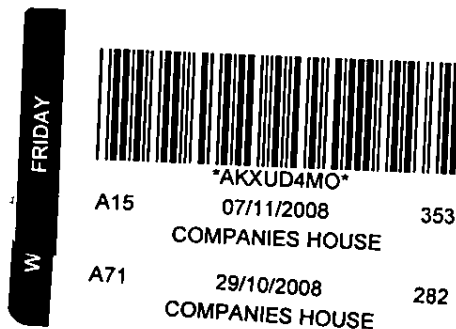
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WAITROSE CARD SERVICES LIMITED

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## WAITROSE CARD SERVICES LIMITED

Company Number	4301771
Directors	Tina Reade Marisa Cassoni
Secretary	Margaret Casely-Hayford
Registered Office	171 Victoria Street, London SW1E 5NN
Auditors	PricewaterhouseCoopers LLP

### **DIRECTORS' REPORT FOR THE YEAR ENDED 26 JANUARY 2008**

The directors submit their Report together with the Accounts for the year ended 26 January 2008

#### **Directors**

A list of the directors in office at the date of this report is shown above. All directors served throughout the period under review.

#### **Principal activity**

The business of the company was the provision of credit card handling services.

#### **Review of the business and future developments**

Waitrose Card Services Limited is a subsidiary of John Lewis plc, and was a provider of credit card handling services for the John Lewis Partnership plc group.

The company ceased trading on 21 November 2005.

#### **Payments to suppliers**

The company's policy for the payment of its suppliers is to agree the terms of payment in advance and, provided a supplier fulfils the agreement, to pay promptly in accordance with those terms.

#### **Dividends**

The share capital of the company is wholly owned by John Lewis plc. The directors do not recommend the payment of a dividend (2007 £nil).

#### **Directors' interests**

The Register of Directors' Interests showed that at 28 January 2007 and 26 January 2008 all directors, as employees of John Lewis plc, were interested in 612,000 Deferred Ordinary Shares in John Lewis Partnership plc which are held in trust for the benefit of employees of John Lewis plc and of certain other group companies. No director had any interest in the shares of the company.

No director has or had a material interest in any contract or arrangement to which the company is or was a party.

## WAITROSE CARD SERVICES LIMITED

### **Audit information**

The directors confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

### **Going concern**

The directors, having made enquiries, consider that the company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements

For and by order of the Board



Margaret Casely-Hayford,  
Secretary

2 OCTOBER

2008

# WAITROSE CARD SERVICES LIMITED


## INCOME STATEMENT FOR THE YEAR ENDED 26 JANUARY 2008

During the financial year and the preceding financial year, the Company did not trade, and received no income and incurred no expenditure. Consequently, during those years, the Company made neither profit nor loss, nor any other recognised gain or loss.

## BALANCE SHEET AS AT 26 JANUARY 2008

Notes		2008 £	2007 £
	<b>Current assets</b>		
4	Trade and other receivables	116,612,555	116,612,555
	<b>Total assets</b>	<b>116,612,555</b>	<b>116,612,555</b>
	<b>Equity</b>		
5	Share capital	50,000	50,000
	Retained earnings	116,562,555	116,562,555
	<b>Total equity</b>	<b>116,612,555</b>	<b>116,612,555</b>

Approved by the Board on 2 OCTOBER 2008



Director

MARINA CASSONI

**WAITROSE CARD SERVICES LIMITED**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 26 JANUARY 2008**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
At 28 January 2006 and 27 January 2007	50,000	116,562,555	116,612,555
<b>At 26 January 2008</b>	<b>50,000</b>	<b>116,562,555</b>	<b>116,612,555</b>

**CASH FLOW FOR THE YEAR ENDED 26 JANUARY 2008**

During the financial year and the preceding financial year, the Company did not trade, and received no income and incurred no expenditure. Consequently, during those years, there have been no movements in cash balances and therefore no cash flow statement has been presented.

# WAITROSE CARD SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### 1 **Accounting policies**

#### **Basis of accounting**

The accounts are prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

IFRS 7 Financial Instruments Disclosures was adopted by the Company from 28 January 2007.

The adoption of the standard has not had a significant impact on the Company's result for the period or equity, but has affected disclosures.

The amendment to IAS 1 Presentation of Financial Statements has been published and is mandatory for accounting periods beginning on or after 1 January 2009. The Company has not adopted this amendment early.

The amendment is not expected to have a material impact on the Company's result for the period or equity, but may affect disclosures.

#### **Revenue and trading profit**

Revenue represents fees in connection with the provision of card handling services and is recognised at the point external customers transact with the group. Cost of sales represents the bank fees and other charges in connection with the associated credit and debit card payments and are accrued when payments are taken on debit and credit cards.

# WAITROSE CARD SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### **Offsetting**

Balance sheet netting only occurs to the extent that there is the legal ability and intention to settle net. As such, bank overdrafts are presented in current liabilities to the extent that there is no intention to offset with any cash balances.

### **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with maturities of less than 90 days. In the cash flow statement, net cash and cash equivalents comprise cash and cash equivalents, as defined above, net of bank overdrafts.

### **Trade and other receivables**

Trade and other receivables are stated at amortised cost less allowances for situations where recovery is doubtful. Such allowances are based on an individual assessment of each receivable.

### **Taxation**

The charge for current income tax is based on the results for the year as adjusted for items which are not taxed or are disallowed. It is calculated using tax rates in legislation that has been enacted or substantively enacted by the balance sheet date.

Deferred income tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax arising from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to shareholders' equity, in which case the deferred tax is also dealt with in shareholders' equity.

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### **Profit before tax**

Auditors' remuneration has been borne by a fellow group undertaking.

# WAITROSE CARD SERVICES LIMITED

## NOTES TO THE ACCOUNTS

### 3 **Taxation**

	2008	2007
	£	£
Analysis of tax charge		
Corporation tax - for the year	-	-
Group relief - previous year	-	130,665
Corporation tax - previous years	-	(130,665)
Total current tax charge	-	-

### 4 **Trade and other receivables**

	2008	2007
	£	£
Current		
Amount owed by group companies	116,612,555	116,612,555

### 5 **Share capital**

	2008	2007
	£	£
Equity		
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Issued and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

### 6 **Non cash movements**

The following non cash movement is included within decrease in amounts due from fellow group undertakings

	2008	2007
	£	£
Operating activities		
Taxation	-	(11,724,472)
	-	(11,724,472)



## WAITROSE CARD SERVICES LIMITED

### NOTES TO THE ACCOUNTS

**7 Directors' and employees**

The directors are all full time executives of John Lewis plc and no part of their remuneration relates to services to this company. There were no employees during the year (2007 nil)

**8 Related party transactions**

During the year Waitrose Card Services Limited did not enter into transactions with other group companies

**9 Parent company**

Waitrose Ltd is the parent company of the smallest group to consolidate the accounts of the company. John Lewis Partnership plc, the company's ultimate parent company, is the parent company of the largest group to consolidate these accounts. Ultimate control rests with John Lewis Partnership Trust Limited, which holds the equity of John Lewis Partnership plc in trust for the benefit of the employees. All of these companies are registered in England and Wales.

Copies of these accounts may be obtained from the Company Secretary, John Lewis Partnership, Partnership House, Carlisle Place, London SW1P 1BX

## WAITROSE CARD SERVICES LIMITED

### DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state that the financial statements comply with IFRSs as adopted by the European Union.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

By order of the Board



Margaret Casely-Hayford

Secretary

2 | 10 | 2008

## **WAITROSE CARD SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAITROSE CARD SERVICES LIMITED**

We have audited the financial statements of Waitrose Card Services Limited for the year ended 26 January 2008 which comprise the income statement, the balance sheet, the statement of changes in equity, the cashflow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**WAITROSE CARD SERVICES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAITROSE  
CARD SERVICES LIMITED**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 26 January 2008 and its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
13 October 2008