

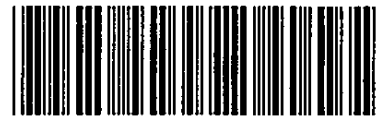
**Company Registration No. 07866062**

**New CPW Limited**  
(formerly New BBED Limited)

**Report and Financial Statements**

**For the year ended 29 March 2014**

**MONDAY**



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**New CPW Limited**  
Company registration number 07866062

## **Report and financial statements 2014**

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## **New CPW Limited**

Company registration number 07866062

## **Report and financial statements 2014**

### **Officers and professional advisers**

#### **Directors**

Andrew Harrison  
Marcus Roy  
Andrew Sunderland (appointed 8 May 2014)

#### **Secretary**

Timothy Morris

#### **Registered office**

1 Portal Way  
London  
W3 6RS  
United Kingdom

#### **Bankers**

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ  
United Kingdom

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ  
United Kingdom

## **New CPW Limited**

Company registration number 07866062

### **STRATEGIC REPORT**

This Strategic Report has been prepared for New CPW Limited ("the Company") and in doing so the directors of the Company ("Directors") have complied with s 414C of the Companies Act 2006

#### *Principal activities*

The principal activity of the Company is to hold the investment in Carphone Warehouse Europe Limited

#### *Funding*

The Company is funded primarily through loans from its parent entity

#### *Principal income streams and costs*

The Company has no principal income stream. Its principal expense is the costs of servicing the intercompany loan provided by the Company's parent

### **Review of the business**

#### *Results and performance*

The loss after taxation for the financial year was £15,773,000 (2013 nil), arising from interest incurred during the period

On 24 June 2013 the Company carried out a capital reduction whereby the shares owned by the Best Buy Group were cancelled and in return the Company agreed to pay £500m. The consideration was settled through the payment of £370m of cash, funding of which was provided by Carphone Warehouse Group plc. Carphone Warehouse Group plc settled a further £80m of consideration on behalf of the Company, through issuing ordinary shares to Best Buy Group. Deferred consideration of £50m is payable by the Company in two equal instalments of £25m in June 2014 and June 2015, and incurs interest at 2.5% per annum. Upon completion of this transaction the Company became a wholly-owned subsidiary of Carphone Warehouse Group plc.

#### **Principal risks and uncertainties.**

The Company has established risk management processes, which monitor the key risks facing the business.

#### *Interest rate risk*

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the main financial risk is interest rate risk. Funding for all subsidiaries of Carphone Warehouse Group plc ("the Group"), including the Company, is arranged centrally. The Group regularly monitors interest rate risk and the Company does not trade or speculate in any financial instruments.

#### *Impairment of investment*

The main asset held by the Company is its investment in Carphone Warehouse Europe Limited which holds investments in companies which carry out the operations of the Group. The Group has established processes and procedures to assess and direct the financial and operational performance, and strategic direction of these businesses. These investments are assessed for impairment by the Directors on a regular basis.



Marcus Roy  
Director  
31 July 2014

## **New CPW Limited**

Company registration number 07866062

### **DIRECTORS' REPORT**

The Directors present their annual report on the affairs of the Company with the audited financial statements and auditor's report. The Company changes its name from New BBED Limited to New CPW Limited on 19 July 2013. The financial statements reflect the Company's results for the 52 week period ended 29 March 2014 ("the year"). Comparative information is provided for the period from 30 November 2011 to 30 March 2013.

#### **Dividends**

The Directors do not recommend the payment of a dividend for the year (2013 nil).

#### **Going concern basis**

As further described in note 1, the Directors have formed a judgement that, at the time of approving the financial statements, there is reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future as a result of commitments received from its parent company that it will provide financial support if required to ensure that the Company can meet its liabilities as they fall due. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

#### **Directors**

The Directors who served throughout the year and subsequently are shown on page 1.

#### **Environment**

A full analysis of the key regulatory and social risks of the industry in which Carphone Warehouse Group plc operates is described in the group's annual report, which does not form part of this report. As a subsidiary entity, the Company operates in accordance with group policies.

#### **Donations**

The Company made no charitable or political donations in the year (2013 nil).

#### **Statement regarding the disclosure of information to the auditor**

Each of the persons who is a Director at the date of approval of this report confirms that

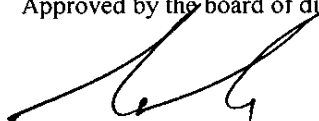
- i so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware and
- ii each Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Auditor**

Deloitte LLP was the auditor of the Company during the year. Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

Approved by the board of directors and signed on its behalf by



Marcus Roy  
Director  
31 July 2014

## **New CPW Limited**

Company registration number 07866062

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the annual report and 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

## **New CPW Limited**

Company registration number 07866062

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW CPW LIMITED**

We have audited the financial statements of New CPW Limited for the 52 week period ended 29 March 2014 which comprises the profit and loss account, the balance sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 29 March 2014 and of its loss for the 52 week period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **New CPW Limited**

Company registration number 07866062

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW CPW LIMITED (CONTINUED)**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Kevin Thompson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
31 July 2014



## **New CPW Limited**

Company registration number 07866062

### **Profit and loss account**

**For the 52 week period ended 29 March 2014**

	Note	2014 £'000	2013 £'000
Turnover		-	-
Administrative expenses		-	-
		<u>-</u>	<u>-</u>
<b>Operating profit</b>		-	-
Interest expense	2	(15,773)	-
		<u>(15,773)</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>		(15,773)	-
Tax (charge) credit on loss on ordinary activities	4	-	-
		<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>		<u>(15,773)</u>	<u>-</u>

There are no recognised gains and losses in either year other than the loss for that year and therefore no statement of total recognised gains and losses has been presented. All results for the year arise from continuing activities.

**New CPW Limited**  
Company registration number 07866062

**Balance sheet**  
**As at 29 March 2014**

	Note	2014 £'000	2013 £'000
<b>Non-Current asset</b>			
Investment	5	503,750	503,750
<b>Creditors: Amounts falling due within one year</b>	6	(490,300)	-
<b>Creditors: Amounts falling due after more than one year</b>	6	<u>(25,473)</u>	<u>-</u>
<b>Net (liabilities) assets</b>		<u>(12,023)</u>	<u>503,750</u>
<b>Capital and reserves</b>			
Share capital	7,8	1,546	3,093
Share premium	8	2,204	500,657
Profit and loss account	8	<u>(15,773)</u>	<u>-</u>
<b>Total shareholders' (deficit) funds</b>		<u>(12,023)</u>	<u>503,750</u>

The financial statements of New CPW Limited, registration number 07866062, were approved by the board of directors and authorised for issue on 31 July 2014. They were signed on its behalf by



Marcus Roy  
Director

## **New CPW Limited**

Company registration number 07866062

### **Notes to the financial statements For the 52 week period ended 29 March 2014**

#### **1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

##### **Basis of accounting**

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The Company has taken advantage of the exemptions under FRS 1 not to prepare a cash flow statement and under s 400 of the Companies Act 2006 not to prepare group accounts on the grounds that it is a wholly-owned subsidiary of Carphone Warehouse Group plc, a company incorporated in Great Britain that prepares consolidated accounts that are publicly available and which consolidate the Company.

##### **Going concern**

The Company's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. The financial statements are prepared under the going concern basis as the Company has received commitments from its parent company that it will provide financial support if required to ensure that the Company can meet its liabilities as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

##### **Investments**

Investments are recognised at cost, being the fair value of consideration, acquisition charges associated with the investment and capital contributions by way of share-based payments less any provision for permanent diminution in value.

##### **Dividends**

Dividends receivable from the Company's subsidiaries are recognised only when they are approved by shareholders.

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recognised in the period in which they are paid.

##### **Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exception:

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis with the tax rates that are expected to apply in the years in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The taxation liabilities of certain group companies are reduced wholly or in part by the surrender or sale of losses by fellow group companies.

## New CPW Limited

Company registration number 07866062

### Notes to the financial statements For the 52 week period ended 29 March 2014

#### 2 Interest expense

	2014 £'000	2013 £'000
Interest on intercompany loan	14,784	-
Interest on deferred consideration	945	-
Interest on overdraft	44	-
	<u>15,773</u>	<u>-</u>

#### 3 Directors' remuneration and employees

None of the Directors received any remuneration in the year for services to the Company (2013 nil) The Company had no employees in either year

#### 4 Tax on loss on ordinary activities

The differences between the current tax credit of nil (2013 nil) and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	<u>(15,773)</u>	<u>-</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 23% (2013 24%)	(3,628)	-
Effects of		
- tax losses utilised within the group	<u>3,628</u>	<u>-</u>
<b>Total current tax credit</b>	<u>-</u>	<u>-</u>

The Company has surrendered losses to other group companies under the group relief provisions. No payment has been received from the claimant companies

The standard rate of corporation tax reduced from 24% to 23% from 1 April 2013 in accordance with the Finance Act 2012. The Finance Act 2013 was substantively enacted on 2 July 2013 and reduced the main rate of UK corporation tax from 23% to 21% with effect from 1 April 2014, and then to further reduce it to 20% from 1 April 2015

## New CPW Limited

Company registration number 07866062

### Notes to the financial statements

For the 52 week period ended 29 March 2014

#### 5 Investments

	2014 £'000	2013 £'000
<b>Cost</b>		
Opening Balance	503,750	-
Additions	-	503,750
Closing Balance	503,750	503,750
<b>Cost</b>	503,750	503,750
Accumulated Impairments	-	-
Net Carrying amount	503,750	503,750

#### Principal Group investments

The Company has principal investments in the following subsidiary undertakings. All holdings are in equity share capital.

Name	Country of incorporation or registration	Nature of business
Carphone Warehouse Europe Limited*	England and Wales	Holding Company
The Carphone Warehouse Limited	England and Wales	Distribution
The Phone House Spain S L U	Spain	Distribution
The Phone House Deutschland GmbH	Germany	Distribution
The Phone House Telecom GmbH	Germany	Distribution
The Phone House Netherlands B V	Netherlands	Distribution
GEAB The Phone House AB	Sweden	Distribution
The Carphone Warehouse Limited	Ireland	Distribution
The Phone House Comercio e Aluguer de bens e Servicos Lda	Portugal	Distribution
New Technology Insurance	Ireland	Insurance
ISE-Net Solutions Limited	England and Wales	IT
The Phone House Holdings (UK) Limited	England and Wales	Holding Company

\*held directly by the Company

## New CPW Limited

Company registration number 07866062

### Notes to the financial statements For the 52 week period ended 29 March 2014

#### 6 Creditors

	2014 £'000	2013 £'000
<b>Amounts falling due within one year</b>		
Intercompany loans	456,435	-
Deferred consideration	25,473	-
Bank overdrafts	3,573	-
Other creditors	4,810	-
Accruals	9	-
	<u>490,300</u>	<u>-</u>
 <b>Amounts falling due after more than one year</b>		
Deferred consideration	<u>25,473</u>	<u>-</u>
	<u>25,473</u>	<u>-</u>

Deferred consideration arose on the capital reduction carried out in the period ended 30 March 2013 (see note 8) and is payable to the Best Buy Group in two equal instalments of £25m due in June 2014 and June 2015. These amounts bear interest at 2.5% per annum.

## New CPW Limited

Company registration number 07866062

### Notes to the financial statements

#### For the 52 week period ended 29 March 2014

#### 7 Called-up share capital

	2014 No of shares thousand	2014 £'000	2013 No of shares thousand	2013 £'000
<b>Allotted, called-up and fully paid</b>				
Ordinary shares of £0 01 each	154,663	1,546	309,326	3,093
Deferred shares of £0 01 each	-	-	-	-
A shares of £0 001 each	10	-	-	-
<b>At the end of the period</b>	<b>154,763</b>	<b>1,546</b>	<b>309,326</b>	<b>3,093</b>

During the year the Company's issued share capital was reduced by cancelling and extinguishing 154,663,000 ordinary shares of £0 01 each

The remaining ordinary shares have full voting, dividend and capital distribution (including on winding up) rights attached to them, and they do not confer any right of redemption. The deferred shares do not have any dividend or other income rights, do not confer any rights of redemption, and are non-voting.

During the year the Company's ultimate parent company Carphone Warehouse Group plc introduced a long term incentive scheme under which participants acquired at market value 10,000 A shares in the Company. The performance of the scheme will ordinarily be measured in or around June 2017, when 60% of the shares vest, with 40% deferred for a further year. When the awards vest these A shares will then be purchased by Carphone Warehouse Group plc for cash and/or Carphone Warehouse Group plc's ordinary shares, based on the incremental value measured under the scheme rules. None of these A shares have attached to them any dividend or other income rights and do not confer any rights to capital redemption or any other voting.

#### 8 Reserves, profit and loss account and total shareholders' (deficit) funds

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total shareholders' (deficit) funds £'000
<b>Balance at 30 March 2013</b>	3,093	500,657	-	503,750
Capital reduction	(1,547)	(498,453)	-	(500,000)
Loss for the year	-	-	(15,773)	(15,773)
<b>Balance at 29 March 2014</b>	<b>1,546</b>	<b>2,204</b>	<b>(15,773)</b>	<b>(12,023)</b>

On 24 June 2013 the Company carried out a capital reduction whereby the shares owned by the Best Buy Group were cancelled and in return the Company agreed to pay £500m. The consideration was settled through the payment of £370m of cash, funding of which was provided by Carphone Warehouse Group plc. Carphone Warehouse Group plc settled a further £80m of consideration on behalf of the Company, through issuing ordinary shares to Best Buy Group. Deferred consideration of £50m is payable by the Company in two equal instalments of £25m in June 2014 and June 2015, and incurs interest at 2.5% per annum. Upon completion of this transaction the Company has become a wholly-owned subsidiary of Carphone Warehouse Group plc.

## **New CPW Limited**

Company registration number 07866062

### **Notes to the financial statements**

**For the 52 week period ended 29 March 2014**

**9. Parent undertaking and controlling party**

The immediate and ultimate parent company of the Company is Carphone Warehouse Group plc, a company incorporated in Great Britain, whose principal place of business is at 1 Portal Way, London, W3 6RS. The consolidated accounts of the group headed by Carphone Warehouse Group plc, of which the Company was a member, are available to the public and may be obtained from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.