Company Registration No.797142

COVERPLAN INSURANCE SERVICES LIMITED

Annual Report and Financial Statements

year ended 30 April 2014

The directors present their annual report and the financial statements for the year ended 30 April 2014.

PRINCIPAL ACTIVITY

The Company did not trade during the year and was dormant within the meaning of sections 1169 and 480 of the Companies Act 2006 throughout the year.

In the previous financial year the Company had been the receipt of income from the renewal of customer support agreements in the mobile phone market. Since ceasing the sale of new customer support agreements in June 2006, the existing base of agreements has been in a phase of run-off such that by 28 April 2012 all customer support agreements had expired.

DIVIDEND

The directors recommend that no dividend be paid (2012/13 £nil).

DIRECTORS

The directors of the Company throughout the year were:

D M E Page
J J L Smith

POST BALANCE SHEET EVENTS

Details of significant events since the balance sheet date are contained in note 9 to the financial statements.

By Order of the Board

K L Atterbury
signed on behalf of DSG Corporate Services Limited
Corporate Company Secretary

3 July 2014

Registered office:
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TG
Company Registration No.797142

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of the directors' 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 and under that law, the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and IFRS issued by the International Accounting Standards Board.

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 and loss of the Company for the year. In preparing those financial statements, the directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance.

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 and the financial statements have been prepared on the going concern basis.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud or any other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 2006. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

COVERPLAN INSURANCE SERVICES LIMITED
BALANCE SHEET
As at 30 April 2014

	Note	2014 £'000	2013 £'000
Current assets			
Trade and other receivables	3	**5,674**	5,674
Net assets		**5,674**	5,674
Capital and reserves			
Called up share capital	4	**1,439**	1,439
Share premium account		**3,417**	3,417
Other reserves		**257**	257
Retained earnings		**561**	561
Total equity		**5,674**	5,674

For the year ended 30 April 2014, the Company was entitled to exemption under section 480(1) of the Companies Act 2006 (the "Act").

The member has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

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

These financial statements were approved by the directors on 31 July 2014 and signed on their behalf by:

D M E Page

Director

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, IFRS issued by the International Accounting Standards Board and those parts of the Companies Act 2006 applicable to those companies reporting under IFRS.

Accounting policies have been consistently applied throughout the current and preceding years.

After making due enquiry, on the basis of current financial projections, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements are prepared in accordance with the historical cost convention. The financial statements include the results of the Company.

The principal accounting policies are set out below.

1.2 Financial assets

The Company's financial assets comprise those receivables which involve a contractual right to receive cash from external parties. Financial assets comprise all items shown in note 3. Under the classifications stipulated by IAS 39 other receivables are classified as "loans and receivables".

Other receivables

Trade and other receivables are recorded at cost less an allowance for estimated irrecoverable amounts and any other adjustments required to align cost to fair value. The carrying amount of other receivables is reduced through the use of a provision account. A provision for bad and doubtful debts is made for specific receivables when there is objective evidence that the Company will not be able to collect all of the amounts due under the original terms of the invoice. Receivables that are not assessed individually for impairment are assessed on a collective basis using ageing analysis to determine the required provision. Bad debts are written off when identified.

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and bank overdrafts. Bank overdrafts, which form part of cash and cash equivalents for the purpose of the cash flow statement, are shown under current liabilities.

1.4 Estimates, judgements and critical accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available. The most critical accounting policies in determining the financial condition and results of the Company are those requiring the greatest degree of subjective or complex judgements. These relate to revenue recognition and recoverability of other receivables as set out below.

Recoverability of other receivables

Other receivables are recorded at cost less an allowance for estimated irrecoverable amounts and any other adjustments to align cost to fair value. Provision for bad and doubtful debts is made for specific receivables when there is objective evidence that the Company will not be able to collect all the amounts due. In assessing the evidence available the directors may be required to make judgements regarding the expected recoverability of amounts due. The directors draw upon experience in making these judgements.

2. EMPLOYEES AND DIRECTORS

The Company had no employees during the year (2012/13 none). The directors received no remuneration for services to the Company during the year (2012/13 £nil).

3. TRADE AND OTHER RECEIVABLES

	2014 £'000	2013 £'000
Amounts due from group undertakings	**5,674**	5,674

The carrying amount of other receivables approximates fair value. There are no past-due or impaired receivable balances (2013 £nil). Amounts due from other group undertakings are payable within one month on a renewable rolling basis and bear no interest.

4. CALLED UP SHARE CAPITAL

	2014 £'000	2013 £'000
Authorised		
20,000,000 ordinary shares of 10 pence each	**2,000**	2,000
Called up, allotted and fully paid		
14,386,561 ordinary shares of 10 pence each	**1,439**	1,439

5. INCOME STATEMENT

The Company did not trade during the year. Accordingly, no income statement has been presented.

6. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies
The Dixons Retail plc treasury function provides services to the Company. It monitors and manages the treasury risks to which the Company is exposed, including credit risk. Areas where risks are most likely to occur are evaluated regularly. The Company does not enter into derivative contracts.

(b) Capital risk management
The Company manages its capital to ensure that it is able to continue as a going concern.

(c) Fair values of financial assets and liabilities
For receivables classified as financial assets in accordance with IAS 32, fair value is estimated to be equivalent to book value. These values are shown in note 5.

(d) Interest rate profile of financial assets and liabilities and sensitivity
The Company is not exposed to any significant interest rate movements. Because the Company is not exposed to interest rate risk, no sensitivity analysis is required.

(e) Liquidity risk
The Company manages liquidity risk via Dixons Retail plc's treasury operations using sources of financing from other Dixons Retail plc subsidiary entities and investing excess liquidity. The Company maintains adequate reserves by continuously monitoring forecast and actual cash flows against the maturity profiles of financial assets and liabilities.

(f) Credit risk
The Company's exposure to credit risk on other receivables arises from the non-performance of counterparties, all of which are other Dixons Retail plc subsidiary undertakings, with a maximum exposure equal to the book value of these assets. The Company's receivable balances comprise amounts due from subsidiary undertakings.

7. CONTINGENT LIABILITIES

	2014	2013
	£'000	£'000
Guarantees in respect of ultimate parent company borrowings		
8.75% Guaranteed Notes 2015	**100,561**	100,561
8.75% Guaranteed Notes 2017	**150,000**	150,000
Drawings on Amended Facility	**-**	-
	250,561	250,561

The ultimate parent company and the Company itself, together with certain other Dixons Retail plc subsidiary companies, were parties to a revolving credit facility agreement (the Amended Facility) which in May 2012, though amended and restated, replaced a previous revolving credit facility for £360 million (the Previous Facility). The Company acted as a guarantor under the Amended Facility and was also a guarantor under the Previous Facility. The Amended Facility was initially for £300 million and reduced to £225 million by 30 April 2013 and further reduced to £200 million in September 2013.

As set out in note 10, on 19 May 2014, a new revolving credit facility agreement for £150 million (the New Facility) was entered into, which replaced the Amended Facility. The Company is not a guarantor under the New Facility. Furthermore, as a result of the Company no longer being a guarantor under the Amended Facility, it is also no longer a guarantor under either the 8.75% Guaranteed Notes 2015 or the 8.75% Guaranteed Notes 2017.

8. PARENT COMPANY

The Company's immediate parent company is DSG Retail Limited.

The Company's ultimate parent and controlling entity is Dixons Retail plc, a company incorporated in Great Britain and which is registered in England and Wales. Dixons Retail plc is the parent of the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. Copies of its financial statements may be obtained from its registered office at Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TG.

9. POST BALANCE SHEET EVENTS

On 15 May 2014, the boards of Dixons Retail plc (Dixons), the Company's ultimate parent undertaking, and Carphone Warehouse Group plc (Carphone) announced that they had reached agreement on the terms of a recommended all-share merger of Dixons and Carphone (the Merger), which is to be implemented by way of a scheme of arrangement of Dixons. The new merged entity is proposed to be named Dixons Carphone plc (Dixons Carphone). The Merger will result in each of Dixons' and Carphone's Shareholders holding exactly 50% of Dixons Carphone on a fully diluted basis taking into account existing share options and award schemes for both companies.

Documentation setting out details of the proposed merger and seeking shareholder approval was issued to shareholders on 26 June 2014. Completioni is expected to take place in the summer of 2014.

On 19 May 2014, the ultimate parent company, Dixons Retail plc, signed a new revolving credit facility agreement (the New Facility) for £150 million. The Company is not a guarantor under the New Facilty.