

Company Registration No. 02441554

Evergreen Services Holdings Limited

Report and Financial Statements

For the year ended 31 March 2008

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Evergreen Services Holdings Limited

Report and financial statements 2008

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9

Evergreen Services Holdings Limited

Report and financial statements 2008

Officers and professional advisers

Directors

C W Dunstone

N J Langstaff

T S Morris (appointed 10 June 2008)

Secretary

T S Morris

S Kazeneh (appointed 10 June 2008)

Registered office

1 Portal Way

London

W3 6RS

Bankers

Deutsche Bank AG

1 Great Winchester Street

London

EC2N 2DB

Auditors

Deloitte & Touche LLP

Chartered Accountants

London

Evergreen Services Holdings Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 March 2008. The directors' report has been prepared in accordance with the special provision relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity

The principal activity of the company is that of a holding company. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

On 8 May 2008 the parent company, The Carphone Warehouse Group PLC, announced that it had agreed to form a new venture with Best Buy Co., Inc. The assets of the new venture will comprise The Carphone Warehouse's existing retail business, which includes the company, and its existing relationship with Best Buy Co., Inc. As a result The Carphone Warehouse Group PLC sold its investment in the company's immediate parent, The Phone House Holdings (UK) Limited, to Best Buy Europe Distributions Limited, a company incorporated in Great Britain, on 20 June 2008. From 30 June 2008, Best Buy Co., Inc. and The Carphone Warehouse Group PLC, directly and indirectly, each own 50% of Best Buy Europe Distributions Limited.

On 25 June 2008, the company sold its investment in New Technology Insurance for a profit. Distributable profits arose from this sale, and as a result, the directors' declared a dividend, payable to the immediate parent company, The Phone House Holdings (UK) Limited.

Results and business review

The retained loss for the financial year was £1,956,000 (2007 - £2,110,000).

The principal expense for the company is intercompany interest. As a result the directors do not consider there to be any key performance indicators.

Risk management

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 the directors consider relevant to this company is interest rate risk. Funding for all subsidiaries of the Carphone Warehouse Group PLC, including Evergreen Services Holdings Limited is arranged centrally. The Group regularly monitors interest rate risk and does not trade or speculate in any financial instruments.

Dividends

The directors do not recommend the payment of a dividend (2007 - £nil).

Directors

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

Donations

The company did not make any charitable or political donations in the period (2007 - £nil).

Statement regarding the disclosure of information to auditors

In accordance with s234ZA of the Companies Act 1985, each director confirms that:

- i. so far as he is aware, there is no relevant audit information of which the company's auditors are unaware; and
- ii. the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Evergreen Services Holdings Limited

Directors' report (continued)

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'T S Morris', written over a horizontal line.

T S Morris
Director
12 September 2008

Evergreen Services Holdings Limited

Statement of directors' responsibilities

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 period. 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). 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 year. In preparing these 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;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that 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 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Evergreen Services Holdings Limited

We have audited the financial statements of Evergreen Services Holdings Limited for the year ended 31 March 2008, which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are 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 for the above period 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.

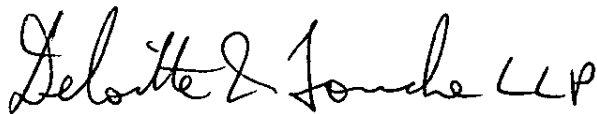
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Independent auditors' report to the members of Evergreen Services Holdings Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the period 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.

A handwritten signature in black ink, reading "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
12 September 2008

Evergreen Services Holdings Limited

Profit and loss account For the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Other operating expenses		(8)	(8)
Operating loss		(8)	(8)
Interest payable and similar charges	2	(1,948)	(2,102)
Loss on ordinary activities before taxation	3	(1,956)	(2,110)
Tax on loss on ordinary activities	5	-	-
Retained loss for the financial year	9	(1,956)	(2,110)

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

Evergreen Services Holdings Limited

Balance sheet As at 31 March 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	6	<u>966</u>	<u>29,900</u>
Creditors: amounts falling due within one year	7	<u>(9,988)</u>	<u>(36,966)</u>
Net current liabilities		<u>(9,988)</u>	<u>(36,966)</u>
Net liabilities		<u>(9,022)</u>	<u>(7,066)</u>
Capital and reserves			
Called-up share capital	8	-	-
Profit and loss account	9	<u>(9,022)</u>	<u>(7,066)</u>
Total shareholders' funds	10	<u>(9,022)</u>	<u>(7,066)</u>

These financial statements were approved by the Board of Directors on 12 September 2008 and signed on its behalf by:



T S Morris
Director

Evergreen Services Holdings Limited

Notes to the accounts For the year ended 31 March 2008

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 financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The company has taken advantage of the exemption conferred by section 228 of the Companies Act 1985 not to produce consolidated financial statements as it is a wholly owned subsidiary of The Carphone Warehouse Group PLC which prepares consolidated accounts that include a consolidated cash flow statement, including the results of the company for the year, that are publicly available. The company is therefore also exempt from the requirement of FRS 1 to prepare a cash flow statement.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

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 exceptions:

- 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 periods 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 of losses by fellow group companies

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 and received.

2. Interest payable and similar charges

	2008 £'000	2007 £'000
Intercompany interest payable	1,948	2,102

Evergreen Services Holdings Limited

Notes to the accounts (continued) For the year ended 31 March 2008

3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging £3,000 in relation to audit fees (2007 - £3,000).

4. Directors' remuneration and employees

None of the directors received any remuneration in the year for services to the company (2007 - £nil). The company does not have any employees (2007 - nil).

5. Tax on loss on ordinary activities

There is no current or deferred tax charge in either the current or preceding year.

The differences between the total current tax charge of £nil (2007 - £nil) and the amount calculated by applying the standard rate of UK corporation tax of 30% (2007 - 30%) to the loss before tax is as follows:

	2008 £'000	2007 £'000
Loss on ordinary activities before taxation	(1,956)	(2,110)
Loss on ordinary activities before taxation at standard UK corporation tax rate of 30% (2007 - 30%)	(587)	(633)
Effect of:		
- tax losses surrendered within the group	587	633
Total current tax	-	-

No payment was received from other group companies for the tax losses surrendered in either the current or prior year.

6. Investments

	Subsidiary undertakings £'000
Cost and net book value	
At 1 April 2007	29,900
Capital repayment	(28,934)
At 31 March 2008	966

The subsidiary undertaking of the company is as follows:

Name	Nature of business	Country of incorporation	Proportion
New Technology Insurance	Insurance underwriting	Ireland	99.9%

Evergreen Services Holdings Limited

Notes to the accounts (continued) For the year ended 31 March 2008

6. Investments (continued)

During the year New Technology Insurance passed a special resolution to reduce its share capital by the repayment of 62,900,000 partly paid-up Ordinary Shares of £1 each (partly paid-up at 46p in the £). This capital repayment has not impacted the company's holding in New Technology Insurance which remains at 99.9%.

7. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts due to group undertaking	9,988	36,966

Interest on intercompany loans is charged at a rate of GBP-LIBOR + 1%. Amounts owed to group undertakings are repayable on demand.

8. Called-up share capital

	2008 £'000	2007 £'000
Authorised:		
1,000 ordinary shares of £1 each	1	1
Called-up, allotted and fully paid:		
100 ordinary shares of £1 each	-	-

9. Profit and loss account

	£'000
At 1 April 2007	(7,066)
Loss for the financial year	(1,956)
At 31 March 2008	(9,022)

10. Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Loss for the financial year	(1,956)	(2,110)
Net movement in shareholders' funds	(1,956)	(2,110)
Opening shareholders' funds	(7,066)	(4,956)
Closing shareholders' funds	(9,022)	(7,066)

Evergreen Services Holdings Limited

Notes to the accounts (continued) For the year ended 31 March 2008

11. Parent undertaking and controlling party

The immediate parent company is The Phone House Holdings (UK) Limited, a company incorporated in Great Britain.

The ultimate parent company and controlling party is The Carphone Warehouse Group PLC, a company incorporated in Great Britain.

The only group of which Evergreen Services Holdings Limited is a member and for which group financial statements are drawn up is that headed by The Carphone Warehouse Group PLC, whose principal place of business is at 1 Portal Way, London, W3 6RS. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

12. Related party transactions

The company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" for related party transactions with other group companies and with directors who are also group directors, as more than 90% of the voting rights are controlled within the group. The ultimate parent company, The Carphone Warehouse Group PLC, has prepared consolidated accounts which include the results of the company for the period and are available to the public.

13. Post balance sheet event

On 8 May 2008 the parent company, The Carphone Warehouse Group PLC, announced that it had agreed to form a new venture with Best Buy Co., Inc. The assets of the new venture will comprise The Carphone Warehouse's existing retail business, which includes the company, and its existing relationship with Best Buy Co., Inc. As a result The Carphone Warehouse Group PLC sold its investment in the company's immediate parent to Best Buy Europe Distributions Limited, a company incorporated in Great Britain, on 20 June 2008. From 30 June 2008, Best Buy Co., Inc. and The Carphone Warehouse Group PLC, directly and indirectly, each own 50% of Best Buy Europe Distributions Limited.

On 25 June 2008, the company sold its investment in New Technology Insurance for a profit. Distributable profits arose from this sale, and as a result, the directors' declared a dividend dated the same day, payable to the immediate parent company, The Phone House Holdings (UK) Limited.