

Company Registration No. 2441554

Evergreen Services Holdings Limited

Report and Financial Statements

For the year ended 31 March 2005



Evergreen Services Holdings Limited

Report and financial statements 2005

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Evergreen Services Holdings Limited

Report and financial statements 2005

Officers and professional advisers

Directors

C W Dunstone
N J Langstaff

Secretary

T O'Gorman

Registered office

1 Portal Way
London
W3 6RS

Bankers

Deutsche Bank AG
6 Bishopgate
London
EC2N 4DA

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 2005.

Principal activity

The principal activity of the company is that of a holding company. The directors do not anticipate the principal activity of the company to change in the foreseeable future.

Results and business review

The retained loss for the financial year was £1,862,000 (2004 – £1,150,000).

Dividends

The directors do not recommend the payment of a dividend (2004 - £nil).

Directors and their interests

None of the directors who held office at the beginning or end of the year had any interest in the share capital of the company. The directors who served during the year and subsequently were as follows:

C W Dunstone
N J Langstaff

C W Dunstone is a director of the ultimate parent company, The Carphone Warehouse Group PLC, and his interests are disclosed in the accounts of that company.

N J Langstaff's interests in the ordinary share capital of the ultimate parent company, The Carphone Warehouse Group PLC are as follows:

Options over ordinary share capital

	At 31 March 2004	Granted during the period	At 31 March 2005	Exercise price per share £	Exercisable from	Expiry date
N J Langstaff	200,000	-	200,000	0.50	25/07/02	25/07/09
	96,000	-	96,000	1.25	21/05/04	21/05/11
	300,000	-	300,000	(i) 0.83	11/06/05	11/06/12
	266,666	-	266,666	(i) 0.90	06/06/06	06/06/13
	-	262,500	262,500	(ii) -	31/07/07	31/07/14
	-	262,500	262,500	(ii) -	31/07/08	31/07/15
	<u>862,666</u>	<u>525,000</u>	<u>1,387,666</u>			

- (i) Options granted from April 2002 are subject to the same performance conditions as described in pages 26 to 31 of The Carphone Warehouse Group PLC Annual Report.

Evergreen Services Holdings Limited

Directors' report (continued)

Options over ordinary share capital (continued)

- (ii) Exercises of these awards are conditional upon the achievement of performance targets in relation to Performance Shares as described in pages 26 to 31 of The Carphone Warehouse Group PLC Annual Report.

The market price of the ordinary shares at 31 March 2005 was £1.66 and the range during the year was £1.23 to £1.80.

Interest in ordinary shares

	2005	2004
N J Langstaff	250,000	250,000

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:



N J Langstaff
Director

1 November 2005

Evergreen Services Holdings Limited

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. 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;
- state whether applicable 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 which 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 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

1 November 2005

Evergreen Services Holdings Limited

Profit and loss account Year ended 31 March 2005

	Notes	2005 £'000	2004 £'000
Other operating expenses		(7)	-
Interest payable and similar charges	3	(7) (1,855)	- (1,150)
Loss on ordinary activities before taxation	2	(1,862)	(1,150)
Tax on loss on ordinary activities	4	-	-
Retained loss for the financial year		<u>(1,862)</u>	<u>(1,150)</u>

There are no recognised gains or losses for the year other than the loss for the year.

All results arise from continuing activities.

Evergreen Services Holdings Limited

Balance sheet As at 31 March 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Investments	6	29,900	29,900
Creditors: amounts falling due within one year	7	(32,912)	(31,050)
Net current liabilities		(32,912)	(31,050)
Net liabilities		(3,012)	(1,150)
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	(3,012)	(1,150)
Equity shareholders' deficit	10	(3,012)	(1,150)

The financial statements on pages 6 to 10 were approved by the Board on 1 November 2005 and signed on its behalf by:



N J Langstaff
Director

Evergreen Services Holdings Limited

Notes to the accounts Year ended 31 March 2005

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the 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 not to prepare consolidated financial statements on the grounds that it is a wholly owned subsidiary of The Carphone Warehouse Group PLC incorporated in Great Britain that prepares consolidated financial statements including the results of the company for the period, that are publicly available. The company is also, on this basis, exempt from the requirement of FRS 1 (revised) to present 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.
- Provision is made for the tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, distributions are expected.

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. The tax benefits arising from group relief are recognised in the accounts of the surrendering and recipient companies.

2. Loss on ordinary activities before taxation

Audit fees for the year were borne by the ultimate parent company and £3,000 was recharged (2004 - £nil). No audit fees were incurred in the prior year, as the company was dormant and therefore did not require an audit. The company does not have any employees, other than directors (2004 - nil).

3. Interest payable and similar charges

	2005 £'000	2004 £'000
Intercompany interest payable	1,855	1,150

Evergreen Services Holdings Limited

Notes to the accounts (continued) Year ended 31 March 2005

4. Taxation

The charge for the year is £nil (2004 – £nil).

The differences between the total current tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2005 £'000	2004 £'000
Loss on ordinary activities before taxation	(1,862)	(1,150)
Loss on ordinary activities before taxation at 30% (2004 – 30%)	559	345
Effect of:		
- tax losses surrendered within the group	(559)	(345)
Total current tax	-	-

No payment has been received for the tax losses surrendered to other group companies.

5. Directors' remuneration

None of the directors received any remuneration from the company for the year (2004 – nil).

6. Investments

	Subsidiary undertakings £'000
Cost and net book value At 1 April 2004 and 31 March 2005	29,900

The subsidiary undertaking of the company is as follows:

Name	Nature of business	Country of incorporation	%
New Technology Insurance	Insurance underwriting	Ireland	99.8

7. Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Accruals and deferred income	7	-
Amounts due to group undertaking	32,905	31,050
	32,912	31,050

Interest on intercompany loans is charged at sterling LIBOR + 1% or equivalent for other currencies.

Evergreen Services Holdings Limited

Notes to the accounts (continued) Year ended 31 March 2005

8. Called up share capital

	2005 £	2004 £
Authorised:		
1,000 ordinary shares of £1.00 each	1,000	1,000
Issued and called up:		
100 ordinary shares of £1.00 each	100	100

9. Reserves

	Profit and loss account £'000
At 1 April 2004	(1,150)
Loss for the year	(1,862)
At 31 March 2005	(3,012)

10. Reconciliation of movements in equity shareholders' deficit

	2005 £'000	2004 £'000
Loss for the financial year	(1,862)	(1,150)
Opening equity shareholders' deficit	(1,150)	-
Closing equity shareholders' deficit	(3,012)	(1,150)

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.

12. Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 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.