

**Company Registration No. 03966947**

**The Carphone Warehouse (Digital)  
Limited**

**Report and financial statements  
For the year ended 31 March 2009**



# **The Carphone Warehouse (Digital) Limited**

## **Report and financial statements 2009**

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# **The Carphone Warehouse (Digital) Limited**

## **Report and financial statements 2009**

### **Officers and professional advisers**

#### **Directors**

C Cox  
R P Clarkson  
T S Morris

(resigned 25 April 2008)

#### **Secretary**

S Kazeneh

#### **Registered office**

11 Evesham Street  
London  
W11 4AR

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London

# **The Carphone Warehouse (Digital) 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 2009.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

### **Principal activity**

The principal activity of the company is that of an investment 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.

### **Results and business review**

The profit for the financial year was £30,261 (2008 – Profit of £16,688).

Given the principal activity of the company, the directors do not consider there to be any key performance indicators.

### **Dividends**

The directors do not recommend the payment of a dividend (2008 - £nil).

### **Risk management**

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risk the directors consider relevant to this company is interest rate risk. Funding for all subsidiaries of The Carphone Warehouse Group PLC, including The Carphone Warehouse (Digital) Limited is arranged centrally. The Group regularly monitors interest rate risk and does not trade or speculate in any financial instruments.

### **Directors**

The directors who served throughout the period and subsequently, except as noted, are shown on page 1.

### **Donations**

The company did not make any charitable or political donations in the period (2008 - £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 they are 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.

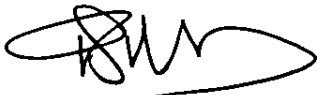
## **The Carphone Warehouse (Digital) Limited**

### **Directors' report (continued)**

#### **Auditors**

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. Deloitte 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 its behalf by:

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

T S Morris  
Director  
29 January 2010

## **The Carphone Warehouse (Digital) 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 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). 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 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 The Carphone Warehouse (Digital) Limited**

We have audited the financial statements of The Carphone Warehouse (Digital) Limited for the year ended 31 March 2009 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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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).

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 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 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.

## **Independent auditors' report to the members of The Carphone Warehouse (Digital) Limited (continued)**

### **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 2009 and of its profit 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.

A handwritten signature in black ink, appearing to read 'Deloitte LLP', is written in a cursive, stylized script.

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
London, United Kingdom  
29 January 2010



## **The Carphone Warehouse (Digital) Limited**

### **Profit and loss account**

**For the year ended 31 March 2009**

	Note	2009 £	2008 £
Other operating income		45,250	28,000
Other operating expenses		(7,000)	(7,000)
<b>Operating profit</b>		<b>38,250</b>	<b>21,000</b>
Interest payable and similar charges	2	(7,989)	(4,312)
<b>Profit on ordinary activities before taxation</b>	3	<b>30,261</b>	<b>16,688</b>
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>	10	<b>30,261</b>	<b>16,688</b>

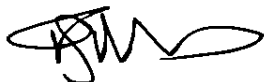
There are no recognised gains and losses in either year other than the profit for the year, accordingly no separate statement of total recognised gains and losses has been presented. All results for both years arise from continuing activities.

## The Carphone Warehouse (Digital) Limited

### Balance sheet As at 31 March 2009

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Investments	6	151,776	49,724
<b>Current assets</b>			
Debtors	7	3	28,003
Creditors: amounts falling due within one year	8	(128,587)	(84,796)
<b>Net current liabilities</b>		(128,584)	(56,793)
<b>Net assets / (liabilities)</b>		23,192	(7,069)
<b>Capital and reserves</b>			
Called-up share capital	9, 10	3	3
Profit and loss account	10	23,189	(7,072)
<b>Total shareholder's funds / (deficit)</b>	11	23,192	(7,069)

These financial statements of The Carphone Warehouse (Digital) Limited, registered number 03966947, were approved by the board of directors and authorised for issue on 29 January 2010.:



T S Morris  
Director

# **The Carphone Warehouse (Digital) Limited**

## **Notes to the accounts For the year ended 31 March 2009**

### **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 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 period, that are publicly available. The company is therefore also exempt from the requirement of FRS 1 to prepare a cash flow statement.

#### **Going concern**

The company had net current liabilities of £128,584 at 31 March 2009. The Carphone Warehouse Group PLC has formally indicated that it is its present intention to provide sufficient funding to the company, to enable it to meet its liabilities as they fall due, for at least the next twelve months.

Given the indication of support by The Carphone Warehouse PLC the directors have formed a judgement, at the time of approving the accounts, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

#### **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 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 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 Carphone Warehouse (Digital) Limited**

### **Notes to the accounts (continued) For the year ended 31 March 2009**

#### **1. Accounting policies (continued)**

##### **Dividends**

Dividends receivable from the company's subsidiaries are recognised only when they are approved by shareholders, or in the case of interim dividends, when paid.

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.

#### **2. Interest payable and similar charges**

	2009 £	2008 £
Intercompany interest payable	<u>7,989</u>	<u>4,312</u>

#### **3. Profit on ordinary activities before taxation**

Profit on ordinary before taxation is stated after charging £3,000 in relation to audit fees (2008 - £3,000). The auditors did not provide any non-audit services to the company during the year (2008: £nil).

#### **4. Directors' remuneration and employees**

The directors did not receive any remuneration in respect of their services to the company during the year (2008 - £nil). The company does not have any employees (2008 - nil).

## The Carphone Warehouse (Digital) Limited

### Notes to the accounts (continued) For the year ended 31 March 2009

#### 5. Tax on profit on ordinary activities

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

The difference between the current tax of £nil (2008 - £nil) and the amount calculated by applying the standard rate of UK corporation tax to the profit / (loss) before tax is as follows:

	2009 £	2008 £
Profit on ordinary activities before tax	30,261	16,688
Profit on ordinary activities before tax at standard UK corporation tax rate of 28% (2008 – 30%)	8,473	5,006
Effects of:		
- tax losses surrendered to group companies for nil consideration	4,197	3,394
- items attracting no relief or liability	(12,670)	(8,400)
Current tax	-	-

#### 6. Investments

	£
Cost and net book value	
At 31 March 2008	49,724
Additions	102,052
At 31 March 2009	151,776

The investments of the company are as follows:

Name	Nature of business	Country of incorporation	Proportion
Switchdigital (Scotland) Limited	Digital radio licensing	Great Britain	8.0%
Switchdigital (London) Limited	Digital radio licensing	Great Britain	9.5%
The Digital Radio Group (London) Limited	Digital radio licensing	Great Britain	9.1%

On 13 June 2008 the company acquired minority interests in Switchdigital (London) Limited and Switchdigital (Scotland) Limited for total consideration of £102,052.

# The Carphone Warehouse (Digital) Limited

## Notes to the accounts (continued) For the year ended 31 March 2009

### 7. Debtors

	2009 £	2008 £
Amounts owed from subsidiary undertakings	-	28,000
Called-up share capital not paid	3	3
	<u>3</u>	<u>28,003</u>

### 8. Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	<u>128,587</u>	<u>84,796</u>
Interest on intercompany loans is charged at a rate of GBP-LIBOR + 1%. Amounts owed to group undertakings are repayable on demand.		

### 9. Share capital

	2009 £	2008 £
<i>Authorised:</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and unpaid</i>		
3 ordinary shares of £1 each	<u>3</u>	<u>3</u>

### 10. Profit and loss account

	£
At 31 March 2008	(7,072)
Profit for the financial year	<u>30,261</u>
At 31 March 2009	<u>23,189</u>

## **The Carphone Warehouse (Digital) Limited**

### **Notes to the accounts (continued) For the year ended 31 March 2009**

#### **11. Reconciliation of movements in shareholder's funds / deficit**

	2009 £	2008 £
Profit / (loss) for the financial year	30,261	16,688
Net movement in shareholder's funds	30,261	16,688
Opening shareholder's deficit	(7,069)	(23,757)
Closing shareholder's funds / deficit	<u>23,192</u>	<u>(7,069)</u>

#### **12. Parent undertaking and controlling party**

The immediate and ultimate parent company and controlling party is The Carphone Warehouse Group PLC, a company registered in England and Wales.

The only group of which The Carphone Warehouse (Digital) 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 accounts of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### **13. 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.