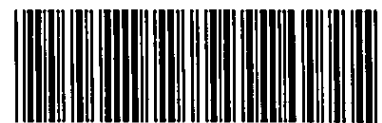


Registered number
05114332

4U Business Limited

Directors' Report and Financial Statements **31 December 2010**

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COMPANIES HOUSE

Company Information

Directors

TJ Whiting
PD Dobson
JE Morris

Secretary

S Lloyd

Auditors

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Bankers

Lloyds TSB
City Office Branch
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Solicitors

Eversheds
70 Great Bldgewater Street
Manchester
M1 5ES

Registered office

Osprey House
Ore Close
Lyndale Business Park
Newcastle-under-Lyme
ST5 9QD

Registered number

05114332

Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2010

Principal activity and review of business

Prior to cessation the principal activity of the Company was the supply of communication products and accessories to the SME business segment. The Company ceased operations in July 2006 when it completed its last connection agreement. Since that date the Company has been non-active and accordingly these financial statements have been prepared on a break-up basis.

The profit and loss account for the year is set out on page 6

Directors

The directors of the Company at 31 December 2010 and at the date of this report, all of whom have been directors for the whole of the year, except where otherwise stated are listed below

TJ Whiting
PD Dobson
JE Morris

Directors' liabilities

MobileServ UKCo Limited has indemnified one or more of the Company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and at the date of approving the directors' report.

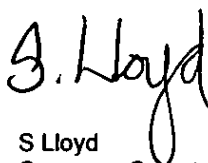
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to a shareholder's resolution, the Company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

This report was approved by the board on 20 April 2011



S Lloyd
Company Secretary

Osprey House
Ore Close
Lymedale Business Park
Newcastle-under-Lyme
ST5 9QD

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing 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. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice)

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 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, 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

As explained in Note 1 to these financial statements the directors do not believe the going concern basis is appropriate and these financial statements have not been prepared on this basis.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of 4U Business Limited

We have audited the financial statements of 4U Business Limited for the year ended 31 December 2010 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

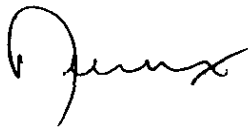
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of 4U Business Limited *(continued)*

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



PN Meehan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

20 April 2011

Profit and Loss Account
for the year ended 31 December 2010

	Notes	2010 £	2009 £
Operating expenses	2	(188)	(5,119)
Release of accruals		<u>1,015</u>	<u>6,895</u>
		827	1,776
Exceptional income	3	2,579,735	-
		<u>2,580,562</u>	<u>1,776</u>
Operating profit	4	2,580,562	1,776
Interest payable and similar charges	7	(66,378)	(96,312)
		<u>2,514,184</u>	<u>(94,536)</u>
Profit / (loss) on ordinary activities before taxation		2,514,184	(94,536)
Tax on profit / (loss) on ordinary activities	8	(1)	(55,752)
		<u>2,514,183</u>	<u>(150,288)</u>
Profit / (loss) on ordinary activities after taxation and profit / (loss) for the financial year	12	2,514,183	(150,288)

The notes on pages 8 to 11 are an integral part of these financial statements

All results for the years shown relate to operations discontinued during the year ended December 2006

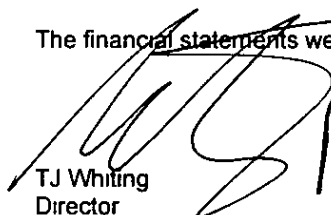
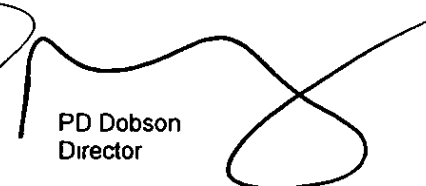
The Company has no recognised gains and losses in either the current or preceding years other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

Balance Sheet
as at 31 December 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	9	2	2
Cash at bank and in hand		-	2,278
		2	2,280
Creditors, amounts falling due within one year	10	-	(2,516,461)
Net current assets / (liabilities)		2	(2,514,181)
Net assets / (liabilities)		2	(2,514,181)
Share capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	-	(2,514,183)
Equity shareholder's funds / (deficit)	13	2	(2,514,181)

The notes on pages 8 to 11 are an integral part of these financial statements

The financial statements were approved by the Board and signed on its behalf on 20 April 2011 by

TJ Whiting
Director

PD Dobson
Director

Registered number 05114332

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

The principal accounting policies, which have been applied consistently, are set out below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

The directors no longer consider the Company to be a going concern due to the closure of its business during a previous period and the financial statements have, therefore, been prepared on a break-up basis

The Company has throughout the year been part of a larger group whose ultimate parent company is incorporated in England and Wales and publishes their consolidated financial statements. Consequently, the Company is exempt under the terms of *FRS 1 Cash Flow Statements* from publishing a cash flow statement

As the Company is a wholly owned subsidiary of MobileServ Limited, the Company has taken advantage of the exemption contained with *FRS 8 Related Party Disclosures* and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of MobileServ Limited, within which the Company is included, can be obtained from the address given in note 15

2 Net operating expenses

	2010 £	2009 £
Administrative expenses	<u>188</u>	<u>5,119</u>

3 Exceptional income

	2010 £	2009 £
Release of intercompany creditors	<u>2,579,735</u>	<u>-</u>

The exceptional income stems from the write-back of an inter-company creditor held by the Company at the previous period end. The write-back follows the decision of the inter-company counterparty to write-off the debtor balance during the year.

4 Operating profit

	2010 £	2009 £
This is stated after charging		
Auditor's remuneration		
Audit of these financial statements	<u>-</u>	<u>4,000</u>

The audit fee for the year ended 31 December 2010 amounting to £300 was borne by MobileServ Limited, a fellow group subsidiary. Amounts receivable by the Company's auditors in respect of services to the Company and its associates, other than the audits of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, MobileServ UKCo Limited. The information is also provided in the consolidated financial statements of the Company's intermediate parent company, MobileServ Limited.

Notes to the financial statements (continued)
for the year ended 31 December 2010

5 Directors' remuneration

No director received or waived any emoluments for services to the Company during either year presented in these financial statements

TJ Whiting, PD Dobson and JE Morns were directors of other group companies as at the year end and during their term as director of this company. Their awards for the services to the group are disclosed in the financial statements of the other group companies.

All serving directors benefited from qualifying third party indemnity provisions purchased by MobileServ UKCo Limited.

6 Staff costs

The Company has no employees and no staff costs during both years presented in these financial statements.

7 Interest payable and similar charges

	2010 £	2009 £
On group loans	66,378	96,312
	<u>66,378</u>	<u>96,312</u>

8 Taxation

(a) Analysis of profit and loss account charge

	2010 £	2009 £
Current tax		
Adjustment in respect of prior years	1	55,752
Total current tax	<u>1</u>	<u>55,752</u>

(b) Reconciliation of the expected tax charge / (credit) at the standard rate to the actual tax charge at the effective rate

The current tax charge for the year is lower (2009 lower) than the standard rate of UK corporation tax of (28%) (2009 28%). The differences are explained below.

	2010 £	2009 £
Profit / (loss) on ordinary activities before tax	2,514,184	(94,536)
Current tax at UK standard rate of corporation tax 28% (2009 28%)	703,972	(26,470)
Effect of		
Non taxable income	(722,325)	-
Expenses not deductible for tax purposes	18,354	26,470
Adjustment in respect of prior years	-	55,752
Current tax charge for the year	<u>1</u>	<u>55,752</u>

Notes to the financial statements (continued)
for the year ended 31 December 2010

9 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	2	2
	<u>2</u>	<u>2</u>

10 Creditors' amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	-	2,450,616
Corporation taxation	-	60,175
Accruals and deferred income	-	5,670
	<u>-</u>	<u>2,516,461</u>

11 Called up share capital

	2010 Number	2009 Number	2010 £	2009 £
Authorised				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	2010 Number	2009 Number	2010 £	2009 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12 Profit and loss reserve

	2010 £	2009 £
At 1 January	(2,514,183)	(2,363,895)
Profit / (loss) for the year	<u>2,514,183</u>	<u>(150,288)</u>
At 31 December	<u>-</u>	<u>(2,514,183)</u>

13 Reconciliation of movement in shareholder's funds / (deficit)

	2010 £	2009 £
Profit / (loss) for the year	2,514,183	(150,288)
Net increase in shareholder's deficit	2,514,183	(150,288)
Opening shareholder's deficit	(2,514,181)	(2,363,893)
Closing shareholder's funds / (deficit)	<u>2</u>	<u>(2,514,181)</u>

Notes to the financial statements (*continued*)
for the year ended 31 December 2010

14 Related party transactions

The Company is controlled by Phones 4u Group Limited through it holding 100% of the Company's issued share capital. The ultimate controlling party is MobileServ UKCo Limited through its ability to dominantly influence the financial and operational policies of the Company.

All of the Company's related party transactions during the above periods were with other companies within the MobileServ UKCo Limited group. Such transactions fall within the exemption from disclosure claimed in note 1.

15 Ultimate parent undertaking

At the balance sheet date, the directors regard MobileServ UKCo Limited, a company registered in England and Wales, as the ultimate parent company.

The largest group in which the results of the Company are consolidated is that headed by MobileServ UKCo Limited, incorporated in England and Wales. The smallest group into which they are consolidated is headed up by MobileServ Limited, a company registered in England and Wales. Copies of the ultimate parent's consolidated financial statements may be obtained from The Company Secretary, MobileServ UKCo Limited, Osprey House, Ore Close, Lyndedale Business Park, Newcastle-under-Lyme, ST5 9QD.