

**Company Registration No. 7135355**

**CPW Brands 2 Limited**

**Report and Financial Statements**

**For the 13 month period ended 02 May 2015**

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# **CPW Brands 2 Limited**

## **Report and financial statements 2015**

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# **CPW Brands 2 Limited**

## **Report and financial statements 2015**

### **Officers and professional advisors**

#### **Directors**

N Langstaff (resigned 2 January 2015)  
T Morris (resigned 7 January 2015)  
A Sunderland (appointed 7 January 2015)  
P James (appointed 2 January 2015)

#### **Secretary**

J Foo (appointed 14 August 2015)  
K Atterbury (appointed 20 March 2015, resigned 14 August 2015)

#### **Registered office**

1 Portal Way  
London  
W3 6RS

#### **Bankers**

HSBC Bank PLC  
Level 19, 8 Canada Square  
London  
EC14 5HQ

# CPW Brands 2 Limited

## Strategic report

The strategic report has been prepared for CPW Brands 2 Limited and in preparing this strategic report the directors of the company have complied with s 414C of the Companies Act 2006

### Principal activities and review of the business

The company is a wholly owned subsidiary of Dixons Carphone plc (formerly Carphone Warehouse Group plc)

The company owns the "Carphone Warehouse" trademark and a licence agreement is in place with The Carphone Warehouse Limited for the use of the trademark

The company seeks to manage, develop and exploit the "Carphone Warehouse" trademark

### Review of the business

The profit after taxation for the financial year was £344,000 (2014 loss of 728,000)

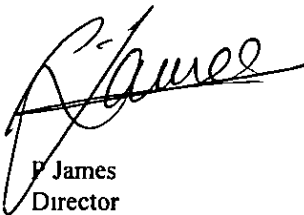
The principal income for the company in the period was royalty income As a result the directors do not consider there to be any further key performance indicators

On 6 August 2014, Carphone Warehouse Group plc ("Carphone") completed an all-share merger with Dixons Retail plc ("Dixons")("the Merger"), after which the shareholders of Dixons and Carphone each held 50% of the group Carphone remained the ultimate parent entity of the Group but changed its name to Dixons Carphone plc As a consequence of the Merger the Company changed its yearend to be the Saturday closest to 30 April

The directors expect the activities of the company to continue in future periods

### 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 Dixons Carphone plc, including CPW Brands 2 Limited, is arranged centrally The group regularly monitors interest rate risk and does not trade or speculate in any financial instruments



P James  
Director

29 January 2016

# CPW Brands 2 Limited

## Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements for the 13 month period ended 02 May 2015

### Dividends

The directors do not recommend the payment of a final dividend (2014 £nil)

### Going concern basis

As further described in note 1, the directors have formed a judgement that, at the time of approving the financial statements, there is reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements

### Directors

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

### Environment

A full analysis of the key regulatory and social risks of the industry in which Dixons Carphone plc operates is described in the group's annual report, which does not form part of this report. As a subsidiary entity, CPW Brands 2 Limited operates in accordance with group policies

### Donations

The company made no charitable or political donations during either period

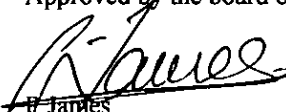
### Audit Exemption

For the period ended 02 May 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies

### Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the board of directors and signed on its behalf by

  
H. James  
Director  
29 January 2016

## **CPW Brands 2 Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## CPW Brands 2 Limited

### Profit and loss account

For the 13 month period ended 02 May 2015

|  |      | 13 month<br>ended<br>02 May<br>2015<br>£'000 | Year<br>ended<br>31 March<br>2014<br>£'000 |
|--|------|--|--|
|  | Note |  |  |
| Turnover   | 2    | 9,317  | 11,954                                     |
| Operating expenses                                   |      | (9,019)                                      | (11,441)                                   |
| <b>Operating profit</b>                              |      | <b>298</b>                                   | <b>513</b>                                 |
| Interest receivable                                  | 3    | 46   | 46   |
| <b>Profit on ordinary activities before taxation</b> | 4    | <b>344</b>                                   | <b>559</b>                                 |
| Tax on profit on ordinary activities                 | 6    | -  | (1,287)                                    |
| <b>Profit (loss) after taxation for the period</b>   |      | <b>344</b>                                   | <b>(728)</b>                               |

There are no recognised gains and losses in either the current or prior period other than the profit (loss) for the period and therefore no statement of total recognised gains and losses has been presented. All results for the period arise from continuing activities.

## CPW Brands 2 Limited

### Balance sheet

As at 02 May 2015

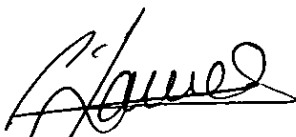
|   | Note | 02 May<br>2015<br>£'000 | 31 March<br>2014<br>£'000 |
|---|------|-------------------------|---------------------------|
| <b>Fixed assets</b>                                   |      |                         |                           |
| Intangible assets                                     | 7    | <u>38,270</u>           | <u>41,065</u>             |
| <b>Current assets</b>                                 |      |                         |                           |
| Cash and cash equivalents                             |      | 7,566                   | 8,910                     |
| Debtors   | 8    | 21,271                  | 11,958                    |
| <b>Creditors, amounts falling due within one year</b> | 9    | <u>(15,838)</u>         | <u>(11,008)</u>           |
| <b>Net current assets</b>                             |      | <u>12,999</u>           | <u>9,860</u>              |
| <b>Net assets</b>                                     |      | <u>51,269</u>           | <u>50,925</u>             |
| <b>Capital and reserves</b>                           |      |                         |                           |
| Called-up share capital                               | 10   | 51,600                  | 51,600                    |
| Profit and loss account                               | 11   | <u>(331)</u>            | <u>(675)</u>              |
| <b>Shareholders' funds</b>                            | 12   | <u>51,269</u>           | <u>50,925</u>             |

For the 13 month period ended 02 May 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

#### Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of CPW Brands 2 Limited, registration number 7135355, were approved by the board of directors and authorised for issue on 29 January 2016. They were signed on its behalf by

  
F. James  
Director



# **CPW Brands 2 Limited**

## **Notes to the financial statements For the 13 month period ended 02 May 2015**

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout both periods as follows

#### **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 under FRS 1 not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Dixons Carphone plc, a company incorporated in Great Britain that prepares consolidated accounts that are publicly available

#### **Going concern**

The company's activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 2

The company meets its day-to-day working capital requirements through cash resources. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its cash resources for the foreseeable future

After making enquiries, the directors have formed a judgement that, at the time of approving the financial statements, and having considered the company's forecasts and projections, there is reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements

#### **Intangible assets**

Intangible assets represent trademarks, which are capitalised at cost. Intangible assets are amortised on a straight line basis over their useful economic life of 20 years. Provision is made for any impairment

#### **Turnover**

Turnover is stated net of VAT and comprises royalty income earned on trademarks. Turnover is recognised as it falls due

## CPW Brands 2 Limited

### Notes to the financial statements For the 13 month period ended 02 May 2015

#### 1. Accounting policies (continued)

##### 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 or sale of losses by fellow group companies

#### 2. Turnover

Turnover is wholly attributable to the principal activity of the company, and originated in the United Kingdom

#### 3. Interest receivable

|                                  | 13 months<br>ended<br>02 May 2015<br>£'000 | Year ended<br>31 March<br>2014<br>£'000 |
|----------------------------------|--|---|
| Bank account interest receivable | 46   | 46                                      |

#### 4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging the following

|                                   | 13 months<br>ended<br>02 May<br>2015<br>£'000 | Year<br>ended 31<br>March<br>2014<br>£'000 |
|-----------------------------------|---|--|
| Amortisation of intangible assets | 2,795   | 2,580                                      |

# CPW Brands 2 Limited

## Notes to the financial statements For the 13 month period ended 02 May 2015

### 4 Profit on ordinary activities before taxation (continued)

The company was exempt from audit and therefore no audit fee was paid or accrued in the current or prior period. The auditors received no fees for non-audit work in the current or prior period.

### 5 Directors' remuneration and employees

The directors did not receive any remuneration in the year for services to the company. The company had no employees during the year.

### 6 Tax on profit on ordinary activities

|                                      | 13 months ended<br>02 May<br>2015<br>£'000 | Year ended<br>31 March<br>2014<br>£'000 |
|--------------------------------------|--|---|
| The tax charge comprises             |  |   |
| <b>Current tax</b>                   |  |   |
| UK corporation tax                   | -  | 722                                     |
| Adjustment in respect of prior years | -  | 565                                     |
| <b>Total current tax</b>             | -  | 1,287                                   |

There is no deferred tax charge in either year.

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

|  | 13 months<br>ended<br>02 May<br>2015<br>£'000 | Year ended<br>31 March<br>2014<br>£'000 |
|--|---|---|
| <b>Profit on ordinary activities before tax</b>  | 344   | 559                                     |
| Tax on profit on ordinary activities at standard UK corporation tax rate of 20.92% (2014: 23%) | 72  | 129                                     |
| Effects of:  |   |   |
| - items attracting no relief or liability  | 585   | 593                                     |
| - utilisation of group losses  | (657)   | -                                       |
| - adjustment in respect of prior years   | -   | 565                                     |
| <b>Total current tax</b>   | -   | 1,287                                   |

The company's tax liability has been offset by the surrender of losses from other group companies under the group relief provisions. No payment has been made to the surrendering companies.

The standard rate of corporation tax reduced from 23% to 21% from 1 April 2014 and then was reduced further to 20% from 1 April 2015 in accordance with Finance Act 2013. It was announced on 8 July 2015

# CPW Brands 2 Limited

## Notes to the financial statements For the 13 month period ended 02 May 2015

that the Finance Bill 2015 would further reduce the standard rate of corporation tax to 19% from 1 April 2017 and to 18% effective from 1 April 2020. This was substantively enacted on 26 October 2015.

### 7. Intangible fixed assets

|                       | Trademarks<br>£'000 |
|-----------------------|---------------------|
| <b>Cost</b>           |                     |
| At 1 April 2014       | 51,600              |
| At 02 May 2015        | 51,600              |
| <b>Amortisation</b>   |                     |
| At 1 April 2014       | (10,535)            |
| Charge for the year   | (2,795)             |
| At 02 May 2015        | 13,330              |
| <b>Net book value</b> |                     |
| At 31 March 2014      | 41,065              |
| At 02 May 2015        | 38,270              |

### 8. Debtors

|                     | 02 May<br>2015<br>£'000 | 31 March<br>2014<br>£'000 |
|---------------------|-------------------------|---------------------------|
| Trade debtors       | 21,271                  | 11,954                    |
| Interest receivable | -                       | 4                         |
|                     | 21,271                  | 11,958                    |

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

|                                  | 02 May<br>2015<br>£'000 | 31 March<br>2014<br>£'000 |
|----------------------------------|-------------------------|---------------------------|
| Corporation tax payable          | -                       | 722                       |
| Amount due to group undertakings | 15,838                  | 10,286                    |
|                                  | 15,838                  | 11,008                    |

## CPW Brands 2 Limited

### Notes to the financial statements For the 13 month period ended 02 May 2015

#### 10 Share capital

|  | 02 May<br>2015<br>£'000 | 31 March<br>2014<br>£'000 |
|--|-------------------------|---------------------------|
| <b>Called-up, allotted and fully paid:</b> |                         |                           |
| 51,600,000 ordinary shares of £1 each      | 51,600                  | 51,600                    |

#### 11. Reserves

|                       | Share<br>capital<br>£'000 | Profit and<br>loss<br>account<br>£'000 | Total<br>£'000 |
|-----------------------|---------------------------|--|----------------|
| At 31 March 2014      | 51,600                    | (675)                                  | 50,925         |
| Profit for the period | -                         | 344                                    | 344            |
| At 02 May 2015        | 51,600                    | (331)                                  | 51,269         |

#### 12. Reconciliation of movements in shareholders' funds

|                                     | 13 months<br>ended 02<br>May 2015<br>£'000 |
|-------------------------------------|--|
| Profit for the period               | 344  |
| Net movement in shareholders' funds | 344  |
| Opening shareholders' funds         | 50,925                                     |
| Closing shareholders' funds         | 51,269                                     |

#### 13. Parent undertaking and controlling party

The immediate and ultimate parent company of CPW Brands 2 Limited is Dixons Carphone plc, a company incorporated in Great Britain and registered in England and Wales, whose principal place of business is at 1 Portal Way, London, W3 6RS

On 6 August 2014 the Company's ultimate parent, Carphone Warehouse Group plc, completed an all share merger with Dixons Retail plc, one of the leading specialist electrical multi-channel retailing and services groups in Europe, by way of a scheme of arrangement of Dixons Retail plc. Carphone Warehouse Group plc changed its name to Dixons Carphone plc on the same date. This is the largest and smallest group in to which the accounts of the group are consolidated.

The consolidated accounts of this group, of which the company was a member, are available to the public and may be obtained from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ

## **CPW Brands 2 Limited**

### **Notes to the financial statements For the 13 month period ended 02 May 2015**

#### **14 Related party transactions**

The company has taken advantage of the exemption allowed by FRS 8 'Related Party Disclosures' not to disclose transactions with 100% group owned companies

The company had the following disclosable transactions with the Carphone Warehouse Group plc joint ventures

|  | <b>CPW Europe<br/>Limited and<br/>subsidiaries</b> |
|--|--|
|  | <b>2014<br/>£'000</b>                              |
| Royalty income                                   | 2,989  |
| Operating expenses - trademark development spend | (2,214)  |
| Amounts owed to the company                      | -  |