

Company Registration No. 7135355

CPW Brands 2 Limited

Report and Financial Statements

For the year ended 31 March 2014



CPW Brands 2 Limited

Report and financial statements 2014

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CPW Brands 2 Limited

Report and financial statements 2014

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 7 January 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 loss after taxation for the financial year was £728,000 (2013 profit of 536,000)

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

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



A Sunderland

Director

8 January 2015

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 year ended 31 March 2014

Dividends

The directors do not recommend the payment of a final dividend (2013 £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

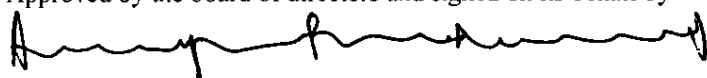
Audit Exemption

For the year ended 31 March 2014 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



A Sunderland

Director

8 January 2015

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 Year ended 31 March 2014

		Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
	Note		
Turnover	2	11,954	6,937
Operating expenses		(11,441)	(6,424)
Operating profit		513	513
Interest receivable	3	46	23
Profit on ordinary activities before taxation	4	559	536
Tax on profit on ordinary activities	6	(1,287)	-
(Loss) profit after taxation for the year		(728)	536

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

CPW Brands 2 Limited

Balance sheet

As at 31 March 2014

	Note	31 March 2014 £'000	31 March 2013 £'000
Fixed assets			
Intangible assets	7	41,065	43,645
Current assets			
Cash and cash equivalents		8,910	8,593
Debtors	8	11,958	895
Creditors: amounts falling due within one year	9	(11,008)	(1,480)
Net current assets		9,860	8,008
Net assets		50,925	51,653
Capital and reserves			
Called-up share capital	10	51,600	51,600
Profit and loss account	11	(675)	53
Shareholders' funds	12	50,925	51,653

For the year ended 31 March 2014 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 8 January 2015. They were signed on its behalf by



A Sunderland

Director

CPW Brands 2 Limited

Notes to the financial statements **Year ended 31 March 2014**

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. Trademarks are reviewed annually for impairment, by assessing the future cash flows associated with them. Where the future cash flows are less than the carrying value of the trademark, an impairment charge is recognised in the profit and loss account.

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 Year ended 31 March 2014

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

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Bank account interest receivable	46	23

4. Profit on ordinary activities before taxation

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

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Amortisation of intangible assets	2,580	2,580

CPW Brands 2 Limited

Notes to the financial statements Year ended 31 March 2014

4. Profit on ordinary activities before taxation (continued)

The company was exempt from audit in the current year and therefore no audit fee was paid or accrued. The company's audit fee in the previous year was borne by its parent company. 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

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
The tax charge comprises		
Current tax		
UK corporation tax	722	-
Adjustment in respect of prior years	565	-
Total current tax	<u>1,287</u>	<u>-</u>

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:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Profit on ordinary activities before tax	<u>559</u>	<u>536</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%)	129	129
Effects of:		
- items attracting no relief or liability	593	619
- utilisation of group losses	-	(748)
- adjustment in respect of prior years	565	-
Total current tax	<u>1,287</u>	<u>-</u>

The standard rate of corporation tax reduced from 24% to 23% from 1 April 2013 in accordance with the Finance Act 2012. The Finance Act 2013 was substantively enacted on 2 July 2013 and reduced the standard rate of UK corporation tax from 23% to 21% with effect from 1 April 2014, and then to further reduce it to 20% from 1 April 2015.

CPW Brands 2 Limited

Notes to the financial statements Year ended 31 March 2014

7. Intangible fixed assets

	Trademarks £'000
Cost	
At 1 April 2013	51,600
At 31 March 2014	51,600
Amortisation	
At 1 April 2013	(7,955)
Charge for the year	(2,580)
At 31 March 2014	(10,535)
Net book value	
At 31 March 2013	43,645
At 31 March 2014	41,065

8. Debtors

	31 March 2014 £'000	31 March 2013 £'000
Trade debtors	11,954	893
Interest receivable	4	2
	11,958	895

9. Creditors: amounts falling due within one year

	31 March 2014 £'000	31 March 2013 £'000
Corporation tax payable	722	-
Amount due to group undertakings	10,286	860
VAT creditors	-	620
	11,008	1,480

CPW Brands 2 Limited

Notes to the financial statements Year ended 31 March 2014

10. Share capital

	31 March 2014 £'000	31 March 2013 £'000
Called-up, allotted and fully paid:		
51,600,000 ordinary shares of £1 each	51,600	51,600

11 Reserves

	Share capital £'000	Profit and loss account £'000	Total £'000
At 31 March 2013	51,600	53	51,653
Retained profit for the year	-	(728)	(728)
At 31 March 2014	51,600	(675)	50,925

12. Reconciliation of movements in shareholders' funds

	Year ended 31 March 2014 £'000
Profit for the year	(728)
Net movement in shareholders' funds	(728)
Opening shareholders' funds	51,653
Closing shareholders' funds	50,925

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

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, Maindy, Cardiff CF14 3UZ

CPW Brands 2 Limited

Notes to the financial statements Year ended 31 March 2014

14 Related party transactions

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

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

	CPW Europe Limited and subsidiaries	CPW Europe Limited and subsidiaries
	2014 £'000	2013 £'000
Royalty income	2,989	6,937
Operating expenses - trademark development spend	(2,214)	(3,836)
Amounts owed to the company	-	893