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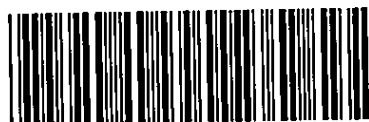
Company Registration No. 66547c

The Carphone Warehouse Resources Limited

Report and Financial Statements

For the 17 months ended 1 April 2006

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The Carphone Warehouse Resources Limited

Report and financial statements 2006

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The Carphone Warehouse Resources Limited

Report and financial statements 2006

Officers and professional advisers

Directors

C W Dunstone
R W Taylor
T S Morris
J H Dale

Secretary

J H Dale

Registered Office

49 Victoria Street
Douglas
Isle of Man
IM1 2LD

Registered UK branch

1 Portal Way
London
W3 6RS

Bankers

Deutsche Bank AG
6 Bishopgate
London
EC2N 4DA

Auditors

Deloitte & Touche
Chartered Accountants
Isle of Man

The Carphone Warehouse Resources Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditors' report for the 17 months ended 1 April 2006

Principal activity

The company was de-registered as an insurance company on 23 August 2004. On 18 October 2004 the company's central management and control was transferred to the Group's headquarters in the UK and the company became UK tax resident from that date.

Since 18 October 2004, the principal activity of the company has been to act as a 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 after taxation for the period was £4,638,483 (year ended 31 October 2004 - £3,465,298). The principal income for the company is intercompany interest, as a result the directors do not consider there to be any key performance indicators.

Dividends

The directors do not recommend the payment of a dividend (year ended 31 October 2004 - £3,100,000).

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 the Carphone Warehouse Group PLC, including The Carphone Warehouse Resources Limited is arranged centrally. The Group regularly monitors interest rate risk and does not trade or speculate in any financial instruments.

Directors and their interests

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

C W Dunstone, R W Taylor and J H Dale are directors of the ultimate parent company, The Carphone Warehouse Group PLC, and their interests are disclosed in the accounts of that company.

T S Morris's interests in the ordinary share capital of the ultimate parent company, The Carphone Warehouse Group PLC are as follows:

Interests in ordinary shares

	1 April 2006	31 October 2004
Director		
T S Morris	<u>257,500</u>	<u>132,500</u>

The Carphone Warehouse Resources Limited

Directors' report (continued)

Directors and their interests (continued)

Options over share capital

Director	At 31 October 2004	At 1 April 2006	Exercise price per share £	Exercisable from	Expiry date
T S Morris	80,000	80,000	1 25	21 May 2004	21 May 2011
	300,000	300,000	(i) 0 83	11 June 2005	11 June 2012
	266,666	266,666	(i) 0 90	06 June 2006	06 June 2013
	262,500	262,500	(ii) -	28 July 2007	28 July 2014
	262,500	262,500	(ii) -	28 July 2008	28 July 2015
	<u>1,171,666</u>	<u>1,171,666</u>			

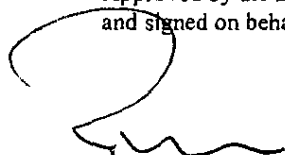
- (i) Options granted from June 2003 are subject to the performance conditions described in pages 26 to 32 of The Carphone Warehouse Group PLC annual report 2006
- (ii) Exercises of these awards are conditional upon the achievement of performance targets in relation to Performance Shares described in pages 26 to 32 of The Carphone Warehouse Group PLC annual report 2006

The market price of the ordinary shares at 1 April 2006 was 309 0p and the range during the period was 132 2p to 327 0p


Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors in accordance with Section 12(2) of the Isle of Man Companies Acts 1982

Approved by the Board of Directors
and signed on behalf of the Board



R W Taylor
Director
20 March 2007



T S Morris
Director
20 March 2007

The Carphone Warehouse Resources Limited

Statement of directors' responsibilities

Isle of Man company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. 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 to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. 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 Resources Limited

We have audited the financial statements of The Carphone Warehouse Resources Limited for the 17 month period ended 1 April 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 15 of the Companies Act 1982. 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 law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 Isle of Man Companies Acts 1931 to 2004. 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 period 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 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.

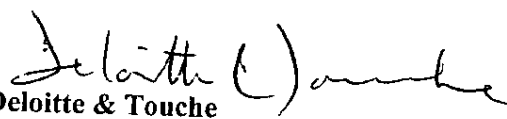
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of
The Carphone Warehouse Resources 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 1 April 2006 and of its profit for the period then ended, and
- the financial statements have been properly prepared in accordance with the Companies Acts 1931 to 2004


Deloitte & Touche

Chartered Accountants
Douglas
Isle of Man

22 March 2007

The Carphone Warehouse Resources Limited

Profit and loss account

For the 17 months ended 1 April 2006

		17 months ended 1 April 2006 £	Year ended 31 October 2004 £
	Note		
Underwriting profit		-	657,895
Administrative expenses		(6,372)	(692,230)
Operating loss		(6,372)	(34,335)
Interest receivable and similar income	2	4,694,855	3,499,633
Profit on ordinary activities before taxation	3	4,688,483	3,465,298
Tax on profit on ordinary activities	5	(50,000)	-
Profit on ordinary activities after taxation		4,638,483	3,465,298
Equity dividends	6	-	(3,100,000)
Retained profit for the financial period / year	11	4,638,483	365,298

Results in the prior year arose from discontinued operations Results in the current period arose from continuing operations

There are no recognised gains and losses in either period other than the profit for that period and therefore no statement of total recognised gains and losses has been presented

The Carphone Warehouse Resources Limited

Balance sheet As at 1 April 2006

	Note	1 April 2006 £	31 October 2004 £
Current assets			
Investments	7	56,002	56,002
Debtors	8	80,221,240	75,400,444
Cash at bank		-	125,313
		<u>80,277,242</u>	<u>75,581,759</u>
Creditors' amounts falling due within one year	9	<u>(61,583)</u>	<u>(4,583)</u>
Net assets		<u>80,215,659</u>	<u>75,577,176</u>
Capital and reserves			
Called-up share capital	10	100,000	100,000
Share premium	11	120,000	120,000
Profit and loss account	11	<u>79,995,659</u>	<u>75,357,176</u>
Total equity shareholders' funds	12	<u>80,215,659</u>	<u>75,577,176</u>

These financial statements were approved by the Board of Directors and signed on their behalf by



R W Taylor
Director
20 March 2007



T S Morris
Director
20 March 2007

The Carphone Warehouse Resources Limited

Notes to the accounts

For the 17 months ended 1 April 2006

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding period.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with applicable Isle of Man law, the Statement of Recommended Accounting Practice issued by the Isle of Man Society of Chartered Accountants and the Association of Chartered Certified Accountants, and with applicable United Kingdom Accounting Standards. As explained in the directors' report, the company was de-registered as an insurance company on 23 August 2004 and has ceased trading.

The company has taken advantage of the exemption under FRS1 not to present a cash flow statement as 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.

Investments

Unlisted investments are stated at cost less provision for impairment and listed investments at market value. Any unrealised gains and losses are taken to the profit and loss account in the year in which they arise.

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

Dividends

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 approved and paid.

The Carphone Warehouse Resources Limited

Notes to the accounts (continued) For the 17 months ended 1 April 2006

2 Interest receivable and similar income

	17 months ended 1 April 2006 £	Year ended 31 October 2004 £
Intercompany loan interest receivable	<u>4,694,855</u>	<u>3,499,633</u>

3. Profit on ordinary activities before taxation

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

	17 months ended 1 April 2006 £	Year ended 31 October 2004 £
Auditors' remuneration	<u>4,000</u>	<u>8,160</u>

4 Directors' remuneration

None of the directors were remunerated by the company during the period (2004 - nil) The company does not have any employees (2004 - nil)

The Carphone Warehouse Resources Limited

Notes to the accounts (continued) For the 17 months ended 1 April 2006

5. Tax on profit on ordinary activities

The company has been granted exemption from Isle of Man Tax up to 5 April 2006 under the Income Tax (Exempt Companies) Act 1984. Practice note 123/06 issued by Treasury on 21 February 2006 confirmed that a zero rate of income tax will apply to the company in the Isle of Man for 2006/2007 and subsequent years of assessment. This will replace the current exempt company regime. Accordingly, no provision for Isle of Man taxation has been included within these financial statements. The company is also resident in the UK for tax purposes, paying UK tax on its profits at rates of up to 30%.

The differences between the total current tax of £50,000 (2004 - £nil) and the amount calculated by applying the standard rate of UK corporation tax of 30% (2004 - 30%) to the profit before tax is as follows:

	17 months ended 1 April 2006 £	Year ended 31 October 2004 £
Profit on ordinary activities before tax	4,688,483	3,465,298
Profit on ordinary activities before taxation at standard UK corporation tax rate of 30% (2004 - 30%)	1,406,545	1,039,589
Effects of		
- items taxed at lower rate	-	989,170
- utilisation of tax losses within the group for no consideration	1,356,545	50,419
Current tax	<u>50,000</u>	<u>-</u>

6. Equity dividends

	17 months ended 1 April 2006 £	Year ended 31 October 2004 £
Dividend paid of £31.00 per ordinary share	-	3,100,000

7. Investments

At the end of the period the company held two minority shareholdings. The cost price of these investments was £705,002 with a provision of £649,000 resulting in a written down value of £56,002 at the end of the period.

The Carphone Warehouse Resources Limited

Notes to the accounts (continued) For the 17 months ended 1 April 2006

8 Debtors

	1 April 2006 £	31 October 2004 £
Amounts owed by group undertakings	80,221,240	75,400,444

9. Creditors, amounts falling due within one year

	1 April 2006 £	31 October 2004 £
Amounts owed to group undertakings	7,000	-
Corporation tax	50,000	-
Other creditors	4,583	4,583
	61,583	4,583

10. Called up share capital

	1 April 2006 £	31 October 2004 £
Authorised:		
100,000 Ordinary Shares of £1 each	100,000	100,000
Called up, allotted and fully paid.		
100,000 Ordinary Shares of £1 each	100,000	100,000

The Carphone Warehouse Resources Limited

Notes to the accounts (continued) For the 17 months ended 1 April 2006

11 Reserves

	Share capital account £	Share premium account £	Profit and loss account £	Total £
At 31 October 2004	100,000	120,000	75,357,176	75,557,176
Retained profit for the period	-	-	4,638,483	4,638,483
At 1 April 2006	<u>100,000</u>	<u>120,000</u>	<u>79,995,659</u>	<u>80,215,659</u>

12. Reconciliation of movements in shareholders' funds

	1 April 2006 £	31 October 2004 £
Profit for the financial period	4,638,483	3,465,298
Dividends	-	(3,100,000)
Net increase in shareholders' funds	<u>4,638,483</u>	<u>365,298</u>
Opening shareholders' funds	<u>75,577,176</u>	<u>75,211,878</u>
Closing shareholders' funds	<u>80,215,659</u>	<u>75,577,176</u>

13. Ultimate parent undertaking and controlling party

The immediate parent company is The Carphone Warehouse Limited a company incorporated in Great Britain

The ultimate parent company and controlling party is The Carphone Warehouse Group PLC, incorporated in Great Britain

The only group of which The Carphone Warehouse Resources 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, Crown Way, Cardiff, CF14 3UZ

The Carphone Warehouse Resources Limited

Notes to the accounts (continued)

For the 17 months ended 1 April 2006

14. 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.