

Registered number
03100176

The Mobile Phone Repair Company Limited

Report and accounts

31 December 2008



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The Mobile Phone Repair Company Limited
Report and accounts for the year ended 31 December 2008

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The Mobile Phone Repair Company Limited
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Directors and advisors

Directors

Martin O'Grady
Meinie Oldersma
Nicholas Smith

Secretary

Nicholas Smith

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Bankers

Barclays Bank PLC
PO Box 202
36 Town Road
Hanley
Stoke on Trent
ST1 2PJ

Solicitors

Halliwells LLP
3 Hardman Square
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Manchester
M3 3EB

Registered office

Weston Road
Crewe
Cheshire
CW1 6BU

Registered number

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The Mobile Phone Repair Company Limited
Report and accounts for the year ended 31 December 2008

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2008.

Principal activities

The company's principal activity during the year continued to be the servicing and repair of communication products. On 1 January 2009, the company's trade, assets and liabilities were transferred to 20:20 Mobile (UK) Limited (formerly 20:20 Logistics Limited), a company registered in England and Wales. (See note 22).

Review of business and future developments

The company's loss for the financial year was £1,414,402 (2007: loss £76,736), which will be deducted from reserves.

On 4 July 2008 the company's parent, Chicago Beta Limited, a company registered in England and Wales, successfully completed a refinancing which included a debt to equity swap and new funding of £30 million. This financing will enable the group to continue with its strategy of growing the business and expanding into new markets.

Both the level of business and the year end financial position are in line with expectations.

The key business risks and uncertainties affecting the company are considered to relate to competition, product availability and employee retention. Further discussion of these risks and uncertainties, in the context of the group as a whole is provided on page 2 within the group's annual report which does not form part of this report. The directors of Chicago Beta Limited manage the group's operations on an overall basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of the group which includes the company is discussed on page 2 within the group's annual report which does not form part of this report.

Dividends

No dividends were paid during the year (2007: £nil).

Donations

The company did not make any charitable or political donations in the year (2007: £nil).

Supplier payment policy

The company keeps to payment terms that have been agreed with suppliers. The ability to keep to these terms is dependent on suppliers sending accurate and adequate invoices on a timely basis.

Directors

The directors of the company who held office during the year and up to the date of signing of the financial statements are listed below:

Martin O'Grady	
Meinie Oldersma	(appointed 1 February 2008)
Nicholas Smith	(appointed 3 March 2008)
Matthew Moulding	(resigned 16 May 2008)

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Directors' report

Directors' indemnities

Chicago Holdings Limited has indemnified the company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such a qualifying third party indemnity provision was in force at the date of approving the directors' report.

Financial risk management objectives and policies

The company's principal financial instruments, other than derivatives, comprise overdrafts and short-term borrowings, and cash and short-term deposits. The main purpose of these financial instruments is to finance the company's operations. The company has various other financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the year under review, the group's policy that no trading in financial instruments be undertaken.

The main risks arising from the company's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

Cash flow interest rate risk

The company's exposure to the risk of changes in market interest rates relates to its overdraft and short-term borrowings, cash and short-term deposits, which have fixed and floating interest rates. All surplus funds are managed daily to ensure maximization of interest receivable or reduction of interest payable in the medium term.

Credit risk

The company extends credit only to recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade debtor balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Liquidity risk

The company aims to maintain a balance between continuity of funding and flexibility by ensuring that sufficient borrowing facilities are in place by reference to forecast debt levels.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved on behalf of the board on 24 April 2009.



Nicholas Smith
Secretary

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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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and all steps have been taken to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of that information.

The Mobile Phone Repair Company Limited
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Independent auditors' report to the members of The Mobile Phone Repair Company Limited

We have audited the financial statements of The Mobile Phone Repair Company Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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, in 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.

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 December 2008 and of its loss 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
24 April 2009



The Mobile Phone Repair Company Limited
Report and accounts for the year ended 31 December 2008
Profit and loss account
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	2	6,295,993	11,255,599
Cost of sales		(2,448,491)	(4,072,420)
Gross profit		<u>3,847,502</u>	<u>7,183,179</u>
Operating expenses	3	(4,381,230)	(6,378,572)
Exceptional operating expenses	4	<u>(930,655)</u>	<u>(272,765)</u>
Total operating expenses		(5,311,885)	(6,651,337)
Operating (loss)/profit	5	<u>(1,464,383)</u>	<u>531,842</u>
Interest receivable and similar income	8	49,981	51,263
(Loss)/profit on ordinary activities before taxation		<u>(1,414,402)</u>	<u>583,105</u>
Tax charge on ordinary activities	9	-	(659,841)
Loss for the financial year	16	<u><u>(1,414,402)</u></u>	<u><u>(76,736)</u></u>

All amounts relate to continuing operations.

The company has no recognised gains and losses other than those included in the (loss) above, and therefore no separate statement of recognised gains and losses has been presented.

The notes on pages 8 to 14 form an integral part of the financial statements.

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Balance sheet
as at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	10	-	277,998
Current assets			
Stocks	11	-	240,201
Debtors	12	462,092	703,296
Cash at bank and in hand		1,071,906	2,213,688
		<u>1,533,998</u>	<u>3,157,185</u>
Creditors: amounts falling due within one year	13	(1,023,484)	(1,510,267)
Net current assets		<u>510,514</u>	<u>1,646,918</u>
Net assets		<u>510,514</u>	<u>1,924,916</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	510,512	1,924,914
Total shareholders' funds	17	<u>510,514</u>	<u>1,924,916</u>

The financial statements on pages 6 to 14 were approved by the board of directors on 24 April 2009 and were signed on its behalf by:



Nicholas Smith
Director



Meinie Oldersma
Director

The notes on pages 8 to 14 form an integral part of the financial statements.

The Mobile Phone Repair Company Limited
Report and accounts for the year ended 31 December 2008

Notes to the financial statements
for the year ended 31 December 2008

1 Accounting policies

The accounts have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently throughout the year, is set out below.

Tangible fixed assets

Tangible fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, so as to write off the cost or valuation over the expected useful economic life of the assets concerned. The principal annual rates for this purpose are:

Leasehold improvements	- over the shorter of the term of the lease or 25% per annum straight line
Computers and fixtures and fittings	- 25% - 50% per annum straight line

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Work in progress is valued at the cost of direct materials.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Chicago Beta Limited and is included in the consolidated financial statements of Chicago Beta Limited which are publicly available and its cash flows are included in the consolidated group cash flow statement of that company. Consequently, the company has taken advantage of the exemption under the terms of FRS 1 'Cash Flow Statements' (Revised 1996) from disclosing a cash flow statement.

The company has also taken advantage of the exemption granted under the terms of paragraph 3(c) of FRS 8 'Related party disclosures' from disclosing related party transactions with entities that are part of the Chicago Beta Limited group or investees in that group.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more or a right to pay less tax.

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 an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse.

Leases

Rentals paid under operating leases are charged or credited to the profit and loss account on a straight line basis over the lease term.

Exceptional items

Exceptional items are items that in the opinion of the directors, should be disclosed separately on the basis that they are material, either by their nature or by their size.

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Notes to the financial statements
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1 Accounting policies (continued)

Defined contribution pension scheme

The company contributes to a group pension scheme operated by 20:20 Mobile Group Limited. Pension costs are accounted for on the basis of contributions payable during the year. All expenditure is charged to the profit and loss account in the year to which it relates.

Foreign currencies

Transactions in foreign currencies are converted into sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied, recognised upon completion of the service supplied.

2 Turnover

The company operates in one principal area of activity, that of the servicing and repair of communication products within the UK.

3 Net operating expenses	2008	2007
	£	£
Distribution costs	-	188,724
Administrative expenses	4,441,230	6,249,853
Other operating income	(60,000)	(60,005)
Net operating expenses before exceptional items (see note 4)	<u>4,381,230</u>	<u>6,378,572</u>

4 Exceptional items

The (loss) / profit before taxation is arrived at after charging the following exceptional items, all relating to operating expenses.

	2008	2007
	£	£
Reorganisation costs	<u>930,655</u>	<u>272,765</u>

The reorganisation costs represent employee related restructuring costs.

5 Operating (loss) / profit	2008	2007
	£	£
Operating (loss) / profit is stated after charging:		
Depreciation of owned fixed assets	105,190	185,320
Auditors' remuneration - audit	<u>-</u>	<u>5,000</u>

Auditors' remuneration relating to the company is borne by the company's parent undertaking.

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6 Staff costs	2008	2007
	£	£
Wages and salaries	2,559,665	3,657,033
Social security costs	215,475	362,266
Other pension costs (note 18)	1,721	5,433
	<u>2,776,861</u>	<u>4,024,732</u>

Average number of employees during the year	2008	2007
	Number	Number
Management and supervision	11	28
Other employees	111	185
	<u>122</u>	<u>213</u>

7 Directors' emoluments

There were no directors emoluments paid in 2007 or 2008.

The awards of the directors for services to the group as a whole are disclosed as presented within the aggregate directors emoluments for services to the group within the annual report and accounts of 20:20 Mobile Group Limited.

8 Interest receivable and similar income	2008	2007
	£	£
From other group companies	49,981	51,263
	<u>49,981</u>	<u>51,263</u>

9 Tax charge on (loss) / profit on ordinary activities	2008	2007
	£	£

(a) Analysis of profit and loss account tax charge

Current tax:

UK corporation tax on profit/(loss) for the year	-	-
Adjustment in respect of prior periods	-	572,478
Total current tax	-	<u>572,478</u>

Deferred tax:

Origination and reversal of timing differences		
Current year	-	69,622
Prior years	-	17,741
Total deferred tax (note 14)	-	<u>87,363</u>

Tax charge on profit on ordinary activities	-	<u>659,841</u>
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Notes to the financial statements
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9 Tax charge on (loss) / profit on ordinary activities (continued)

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

The tax assessed for the year is lower (2007: higher) than the standard rate of corporation UK corporation tax 28.5% (2007: 30%). The differences are explained below:

	2008 £	2007 £
(Loss)/profit on ordinary activities before tax	(1,414,402)	583,105
(Loss) / Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2006: 30%)	(403,105)	174,932
Effects of:		
Expenses not deductible for tax purposes	-	4,596
Depreciation for year less than/(in excess) of capital allowances	-	67,439
Adjustments to tax charge in respect of previous years	-	572,478
Losses arising in year not relieviable against current tax	403,105	(246,967)
Current tax charge for year	-	572,478

(c) Factors that may affect the future tax charge

The directors are not aware of any other significant factors that may affect the future tax charge.

10 Tangible assets

	Plant machinery and office equipment £
Cost	
At 1 January 2008	1,959,746
Additions	29,826
Disposals	(1,884,117)
Transfers to group companies	(105,455)
At 31 December 2008	-
Accumulated depreciation	
At 1 January 2008	1,681,748
Charge for the year	105,190
On disposals	(1,741,424)
Transfers to group companies	(45,514)
At 31 December 2008	-
Net book value	
At 31 December 2008	-
At 31 December 2007	277,998

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11 Stocks	2008	2007
	£	£
Raw materials and consumables	-	172,894
Work in progress	-	67,307
	<u>-</u>	<u>240,201</u>
12 Debtors	2008	2007
	£	£
Trade debtors	136,416	456,259
Amounts owed by group undertakings:		
Parent company and fellow subsidiary undertakings	274,245	28,094
Other debtors	51,431	-
Prepayments and accrued income	-	218,943
	<u>462,092</u>	<u>703,296</u>
13 Creditors: amounts falling due within one year	2008	2007
	£	£
Trade creditors	183,265	424,179
Amounts owed to group undertakings:		
Parent company and fellow subsidiary undertakings	163,445	269,724
Group relief payable	502,695	481,431
Taxation and social security	-	176,341
Accruals and deferred income	174,079	158,592
	<u>1,023,484</u>	<u>1,510,267</u>
14 Deferred tax asset	2008	2007
	£	£
At 1 January	-	87,363
Charged to the profit and loss account	-	(87,363)
At 31 December	<u>-</u>	<u>-</u>

There is an unrecognised deferred tax asset in respect of tax losses of approximately £743,000 (2007: £340,000). This amount has not been recognised since in the opinion of the directors this is not recoverable.

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15 Called up share capital	2008	2007
	£	£
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2008	2007
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>
-value (£)		
	<u>2</u>	<u>2</u>
-number of shares		
	<u>2</u>	<u>2</u>
16 Profit and loss reserves	2008	2007
	£	£
At 1 January	1,924,914	2,001,650
Loss for the financial year	<u>(1,414,402)</u>	<u>(76,736)</u>
At 31 December	<u>510,512</u>	<u>1,924,914</u>
17 Reconciliation of movement in shareholders' funds	2008	2007
	£	£
At 1 January	1,924,916	2,001,652
Loss for the financial year	<u>(1,414,402)</u>	<u>(76,736)</u>
At 31 December	<u>510,514</u>	<u>1,924,916</u>

18 Pension costs

The company participates in a group defined contribution pension scheme operated by 20:20 Mobile Group Limited. See note 6 for amounts charged during the year.

19 Contingent liabilities

The company is party to a credit agreement with the group agent bank in respect of loans and overdrafts held within the group. These arrangements are fully secured and guaranteed over the assets of the company.

20 Related party transactions

The company has taken advantage of the exemption granted under paragraph 3(c) of FRS 8 and not disclosed any transactions with other group companies.

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21 Ultimate parent undertaking

The largest UK group from within which the results of the company are consolidated is that of Chicago Beta Limited, a company registered in England and Wales. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Weston Road, Crewe, Cheshire, CW1 6BU. On 4 July 2008 following on from the refinancing of the group, the directors regard Chicago Holdings Limited, a company registered in the Isle of Man as the ultimate holding company, this company will be preparing its first financial statements for the period ended 31 December 2008.

22 Post balance sheet events

On 1 January 2009, the company's trade, assets and liabilities were transferred at their net book value to 20:20 Mobile (UK) Limited (formerly 20:20 Logistics Limited), a company registered in England and Wales.

