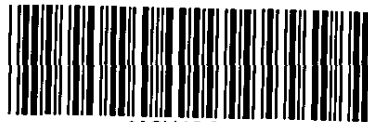


Registered No 3065866

**Cellphones Direct (Holdings) Limited**

**Annual Report and Financial Statements  
Year ended 31 December 2012**

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**Cellphones Direct (Holdings) Limited**  
**Company information**

**Registered No 3065866**

**Directors**

Robert Harwood  
Jesus Perez de Urquien

**Secretary**

O2 Secretaries Limited

**Registered office**

260 Bath Road  
Slough  
Berkshire  
SL1 4DX

# **Cellphones Direct (Holdings) Limited**

## **Directors' Report**

Registered No 3065866

The Directors present their annual report and the unaudited financial statements for the year ended 31 December 2012

### **Corporate structure**

Cellphones Direct (Holdings) Limited is a private limited company registered in England and Wales under the registered number 3065866. The registered address is 260 Bath Road, Slough, Berkshire SL1 4DX. It is a wholly owned subsidiary of Telefonica Europe plc, its ultimate UK parent, incorporated in England and Wales, which is itself a wholly owned subsidiary of Telefónica, S A, a company incorporated in Spain.

### **Business review and future developments**

The Company has not traded during the year to 31 December 2012 and has made neither profit nor loss. The Directors do not anticipate any changes in the foreseeable future.

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integral to the principal risks and uncertainties of the Group and are not managed separately. A comprehensive analysis of the principal risks and uncertainties which impact the Group are disclosed in the consolidated Annual Report and financial statements of mmO2 plc, the Company's intermediate parent Company.

### **Going Concern**

The Directors believe that the Company is well placed to manage its business risk successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Dividend**

The Directors do not recommend the payment of a dividend for the year ended 31 December 2012 (31 December 2011: £nil).

### **Directors and Secretary**

The Directors who held office during the year were as follows:

Robert Harwood

David Melcon Sanchez-Friera (resigned on 7 September 2012)

Jesus Perez de Urguen (appointed on 7 September 2012)

The Secretary who held office during the year was O2 Secretaries Limited.

**Cellphones Direct (Holdings) Limited**  
**Directors' Report (continued)**

Registered No 3065866

**Directors' liability insurance and indemnities**

Telefonica Europe plc, the Company's ultimate UK parent company, has granted an indemnity in the form permitted by UK Company Law to Directors appointed to subsidiary companies. This indemnity remains in place and continues until such time as any relevant limitation periods for bringing claims (as defined in the indemnity) against the Director has expired, or for so long as the past Director, where relevant, remains liable for any losses (as defined in the indemnity).

**Political and charitable contributions**

The Company made no political or charitable contributions during the year (31 December 2011 £nil)

**Auditor**

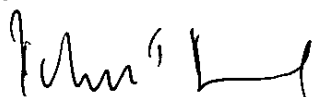
For the year ended 31 December 2012 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

**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.

By Order of the Board



Robert Harwood  
Authorised signatory  
for and on behalf of O2 Secretaries Limited  
Company Secretary  
17 September 2013

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**Cellphones Direct (Holdings) Limited**  
**Statement of comprehensive income**  
**Year ended 31 December 2012**

Registered No 3065866

The Company did not trade in the year ended 31 December 2012 or the year ended 31 December 2011 and accordingly no statement of comprehensive income or statement of cash flow is presented

**Cellphones Direct (Holdings) Limited**  
**Statement of financial position**  
**Year ended 31 December 2012**

Registered No 3065866

	<i>Note</i>	<b>31 December 2012 £'000</b>	<b>31 December 2011 £'000</b>
<b>Non-current assets</b>			
Investments	3	-	-
<b>Trade and other payables</b>	4	<b>(2,343)</b>	<b>(2,343)</b>
<b>Net liabilities</b>		<b><u>(2,343)</u></b>	<b><u>(2,343)</u></b>
<b>Equity</b>			
Ordinary share capital	5	2,083	2,083
Share premium account		394	394
Retained earnings		<b>(4,820)</b>	<b>(4,820)</b>
<b>Total equity</b>		<b><u>(2,343)</u></b>	<b><u>(2,343)</u></b>

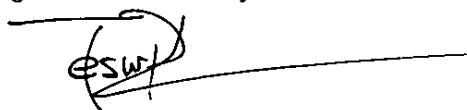
The accompanying notes are an integral part of these financial statements

For the year ending 31 December 2012 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant 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, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the board of directors on 17 September 2013 and were signed on its behalf by



Jesus Perez de Uriguen  
Director

**Cellphones Direct (Holdings) Limited**  
**Statement of changes in equity**  
**Year ended 31 December 2012**

Registered No 3065866

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
<b>At 1 January 2011</b>	<b>2,083</b>	<b>394</b>	<b>(4,820)</b>	<b>(2,343)</b>
Total comprehensive income for year	-	-	-	-
<b>At 31 December 2011</b>	<b>2,083</b>	<b>394</b>	<b>(4,820)</b>	<b>(2,343)</b>
Total comprehensive income for year	-	-	-	-
<b>At 31 December 2012</b>	<b>2,083</b>	<b>394</b>	<b>(4,820)</b>	<b>(2,343)</b>

The accompanying notes are an integral part of these financial statements



## **1 Accounting policies**

### **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as adopted for use in the EU. In addition the financial statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared using historical cost principles except that, as disclosed in the accounting policies below, certain items are measured at fair value.

The principal accounting policies of the Company applied in the preparation of these financial statements are set out below. The IFRS accounting policies have been applied consistently to all periods presented.

### *Consolidated financial statements*

In accordance with s400 of the Companies Act 2006, consolidated financial statements have not been prepared as the Company and its subsidiaries are included in the group financial statements of mmO2 plc.

### *Investments*

Investments are stated at cost less provision for impairment. An impairment loss is recognised for the amount by which the investments carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and value in use.

### *New IFRS and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)*

New IFRS and IFRICs adopted during the year did not have any impact on the Company's financial position in the initial period of application. Full details of new IFRS and IFRICs adopted during the year and those that have been published, but their application is not mandatory, are included in the financial statements of an intermediate parent company, O2 Holdings Limited.

## **2 Directors emoluments and employees**

None of the Directors received any emoluments in respect of their services to the Company for the year ended 31 December 2012 (31 December 2011: £nil). The Company had no employees in the current or prior year.

**3. Investment in subsidiary undertakings**

	<b>Shares in subsidiary undertakings £'000</b>
<b>Cost</b>	
At 1 January 2011 and 31 December 2011	4,500
Additions	-
Disposals	-
<b>At 31 December 2012</b>	<b>4,500</b>
<b>Impairment</b>	
At 1 January 2011 and 31 December 2011	4,500
Charge for the period	-
<b>At 31 December 2012</b>	<b>4,500</b>
<b>Net book value</b>	
<b>At 31 December 2012</b>	<b>-</b>
At 31 December 2011	-

The principal subsidiary undertakings are detailed below

<b>Name</b>	<b>Country of incorporation and operation</b>	<b>Activity</b>	<b>Portion of ordinary shares held %</b>
Cellphone Direct (Investments) Limited	England and Wales	Dormant	100%
Cellphone Direct Limited	England and Wales	Dormant	67%

The accounting reference date of the principal subsidiary undertakings is 31 December

**4. Trade and other payables**

	<b>31 December 2012 £'000</b>	<b>31 December 2011 £'000</b>
Amounts owed to fellow subsidiaries and related parties	2,298	2,298
Accruals and deferred income	45	45
	<b><u>2,343</u></b>	<b><u>2,343</u></b>

**5. Equity**

	31 December 2012 £'000	31 December 2011 £'000
<i>Authorised</i>		
1,750,000 A Ordinary shares of £1 each	1,750	1,750
333,333 B Ordinary shares of £1 each	<u>333</u>	<u>333</u>
	<u>2,083</u>	<u>2,083</u>
<i>Issued</i>		
1,750,000 A Ordinary shares of £1 each	1,750	1,750
333,333 B Ordinary shares of £1 each	<u>333</u>	<u>333</u>
	<u>2,083</u>	<u>2,083</u>

The Company has two classes of authorised and issued share capital, comprising A ordinary shares of £1 each and B ordinary shares of £1 each. Subject to the Company's articles of association, and applicable law, both classes of shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding up of the Company and an entitlement to receive any dividend declared on ordinary shares. The shares rank *pari passu* in all respects with one exception: the holders of each class of shares have the right to appoint one person as director of the Company, but do not have the right to vote on the removal from office of the director appointed by the holders of the other class.

**Capital management**

The Company's capital comprises share capital, reserves and retained earnings.

The Company's objectives when managing capital are to safeguard the Company's ability to continue to operate as a going concern, to maintain optimal capital structure commensurate with risk and return and to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may pay dividends to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce debt or draw down more debt.

**6 Financial risk factors and management**

The principal financial risks of the Company and how the Company managed these risks are discussed below.

*Liquidity risk*

Management of the Company's liquidity risk is achieved mostly through being a part of the larger Telefónica group, which operates group wide policies in this area.

*Fair value of financial instruments*

The carrying value and fair value of the Company's financial assets and financial liabilities are not deemed to be materially different at 31 December 2012 and 31 December 2011.

**7. Parent company and controlling party**

At the end of the period, the immediate parent company was O2 Redwood Limited (formerly called Lumina Limited). The ultimate parent company and controlling party was Telefónica, S A, a company incorporated in Spain. Copies of the financial statements of Telefónica, S A may be obtained from its registered office at Gran Vía 28, Madrid, Spain.