

**Company Registration No. 05200716**

**Ratebuster Limited**

**Directors' Report and Financial Statements**

**For the period ended 30 November 2005**

TUESDAY



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# **Ratebuster Limited**

## **Directors' report and financial statements 2005**

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# Ratebuster Limited

## Directors' report

The directors present their annual report on the affairs of Ratebuster Limited ("the company"), together with the financial statements and auditors' report for the period ended 30 November 2005.

### Principal activities and business review

This is the first period of accounts for this company. The company was incorporated on 9 August 2004.

The company's principal activity is to provide low cost international phone calls from within the UK via an international simple voice resale service. Customers dial a non-geographic access number to use this service. In the early months after incorporation the company made the strategic decision to have the cheapest rates available in the market to destinations such as South Africa and New Zealand. However recent price rises and a more stable market has resulted in a profit of £79,000 for the period ended November 2005. In December 2005, Ratebuster Limited was bought by The Carphone Warehouse Group PLC as part of its acquisition of certain subsidiaries of Centrica plc including Onetel Telecommunications Limited (formerly known as Centrica Telecommunications Limited) and Telco Global Limited.

### Financial results

The results of the company are set out on page 6.

The company recorded a profit after tax of £79,000 for the period ended 30 November 2005.

### Dividends

No dividend was paid or declared in the period ended 30 November 2005.

### Directors

The following served as directors during the full period, unless otherwise stated:

I R S El-Mokadem	(Appointed 9 August 2005 and Resigned 30 December 2005)
R Leclercq	(Appointed 9 August 2005 and Resigned 30 December 2005)
N Langstaff	(Appointed 30 December 2005)
T Morris	(Appointed 30 December 2005)

### Secretary

T O' Gorman	(Appointed 30 December 2005, resigned 22 December 2006)
Centrica Secretaries Limited	(Resigned 30 December 2005)
S Kazeneh	(Appointed 22 December 2006)

### Directors' interests

At no time during the period did any director have any interest in the shares of the company or any other company within the Centrica plc group except for interests in shares and options over the shares of the ultimate parent company, Centrica plc.

The directors with interests in, and options over, the ordinary shares of Centrica plc at the period end were as follows:

### Directors' interests in shares

(As defined by section 325 of the Companies Act 1985)

### Beneficial interest in ordinary shares

I R S El-Mokadem

R Leclercq

As at  
30 November  
2005  
62,579

-

The above figures include shares held under the terms of the Centrica Share Incentive Plan.

# Ratebuster Limited

## Directors' report (continued)

### Directors' interests (continued)

#### Centrica Sharesave Scheme

	As at 9 August 2004	Granted during the period	Exercised during the period	Lapsed during the period	As at 30 November 2005
I R S El-Mokadem	6,332	-	-	-	6,332
R Leclercq	8,823	-	-	-	8,823

#### Long-term Incentive Scheme ("LTIS")

	As at 9 August 2004	Granted during the period	Exercised during the period	Lapsed during the period	As at 30 November 2005
I R S El-Mokadem	283,690	68,226	(99,404)	(54,278)	198,234
R Leclercq	144,173	44,404	(45,900)	(14,621)	128,056

Total allocations as at 30 November 2005 shown above include allocations of shares that are subject to performance conditions and allocation of shares that have reached the conclusion of the relevant three-year performance period but are subject to a two-year retention period.

A conditional allocation of shares was made under the terms of the scheme on 1 April 2005 at a price of 228.65 pence per share.

#### Centrica Executive Share Option Scheme

	As at 9 August 2004	Granted during the period	Exercised during the period	Lapsed during the period	As at 30 November 2005
I R S El-Mokadem	398,612	142,138	-	-	540,750
R Leclercq	159,334	96,881	-	-	256,215

Under the terms of the scheme a further grant of options was made on 1 April 2005 at an option price of 228.65 pence per share.

Options were granted under the terms of the Centrica plc Sharesave scheme and Executive Share Option scheme, and allocations made under the terms of the Long-term Incentive scheme. Details of these schemes and the Share Incentive Plan can be found in the 2005 accounts of Centrica plc, copies of which can be obtained from the Secretarial Department of Centrica plc or from [www.centrica.com](http://www.centrica.com).

The middle market price of a Centrica plc ordinary share on the last day of trading of 2005 (30 November) was 230.00 pence. The range during the period was 264.75 pence (high) and 217.50 pence (low).

As at 30 November 2005, nil shares were held by the trustee of the employee share trust under the LTIS rules. The directors are deemed to have a potential interest in those shares, being beneficiaries under the trust.

There were no contracts of significance during or at the end of the financial period to which the company is a party and in which any director is or was materially interested.

## **Ratebuster Limited**

### **Directors' report (continued)**

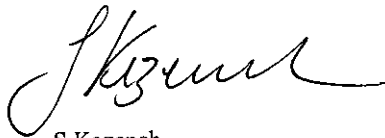
#### **Political and charitable donations**

The company made no political or charitable donations during the period.

#### **Auditors**

The company has passed an elective resolution to dispense with the need to hold Annual General Meetings and the laying of accounts before them and with the need to reappoint auditors annually.

This report was approved by the Board on 6 March 2007.



S Kazeneh  
Company Secretary

## **Ratebuster Limited**

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for the financial year.

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, 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 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.

## **Independent auditors' report to the members of Ratebuster Limited**

We have audited the financial statements of Ratebuster Limited ("the company") for the period ended 30 November 2005, which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

### **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 (United Kingdom Generally Accepted Accounting Practice).

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 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 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 judgments 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 30 November 2005 and of its profit for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

*6 March 2007*

## Ratebuster Limited

### Profit and loss account For the period ended 30 November 2005

	Note	2005 £'000
Turnover	2	889
Cost of sales		<u>(773)</u>
Gross profit		116
Administrative expenses		<u>(37)</u>
Profit on ordinary activities before tax	3	79
Tax on profit on ordinary activities	5	<u>-</u>
Profit for the financial period	9	<u><u>79</u></u>

All results arise from continuing activities.

There have been no other gains or losses recognised during the period aside from those shown in the profit and loss account above year and therefore no statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit as stated above and their historical cost equivalent.

The notes on pages 8 to 10 form part of these financial statements.



# Ratebuster Limited

## Balance sheet As at 30 November 2005

	Note	2005 £'000
<b>Current assets</b>		
Debtors	6	<u>79</u>
<b>Net assets</b>		<u>79</u>
<b>Capital and reserves</b>		
Called-up share capital	7	-
Profit and loss account	8	<u>79</u>
<b>Total equity shareholders' funds</b>	9	<u>79</u>

The financial statements were approved by the board of directors and signed on their behalf by:



N Langstaff  
Director  
6 March 2007

The notes on pages 8 to 10 form part of these financial statements.

# Ratebuster Limited

## Notes to the financial statements For the period ended 30 November 2005

### 1. Accounting policies

#### *Basis of preparation*

The directors believe that the going concern basis is applicable for the preparation of the accounts as the directors have received confirmation from the parent company, The Carphone Warehouse Group PLC, of its intention to provide financial support to the company as required to enable it to meet its liabilities as they fall due.

#### *Accounting principles*

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention and Companies Act 1985.

#### *Exemptions*

As at 30 November 2005 the company was a wholly owned subsidiary of GB Gas Holdings Limited, itself a wholly owned subsidiary of Centrica plc, and was included in the consolidated accounts of Centrica plc for the year ended 31 December 2005. Consequently, the company has taken advantage of the exemptions within FRS 1, Cash Flow Statements, from presenting a cash flow statement; and within FRS 8, Related Party Disclosures, from disclosing transactions with other Centrica plc group companies.

#### *Turnover*

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised on the basis of telephony services provided to customers in the financial period.

Adjustments are made to defer the relevant portion of unearned amounts billed in advance or amounts unbilled for services provided at the end of each period.

#### *Cost of sales*

Cost of sales include line rental and carrier costs, in order to process customer calls to their final destination.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at closing rates of exchange. Exchange differences are taken to the profit and loss account.

#### *Taxation*

Current tax, including UK corporation 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 the obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

# Ratebuster Limited

## Notes to the financial statements (continued) For the period ended 30 November 2005

### 2. Turnover

Turnover relates to the principal activity of the business and arose wholly in the United Kingdom.

### 3. Profit on ordinary activities before taxation

In the current period, auditors' remuneration for audit and non-audit services was paid on behalf of the company by another group company.

### 4. Directors and Employees

#### *Emoluments of Directors*

The directors who served during the period were also directors of Onetel Telecommunications Limited (formerly known as Centrica Telecommunications Limited) and other fellow subsidiary undertakings of Centrica plc during the period. All of the directors' remuneration for their services to the company and fellow subsidiary undertakings of Centrica plc was borne by Onetel Telecommunications Limited and it is not practical to allocate such services to the Centrica plc subsidiary undertakings to whom they served as directors.

#### *Employee information*

There were no employees in the current period.

### 5. Taxation on profit on ordinary activities

#### a) Analysis of tax charge in the period

There was no current or deferred tax charge in the period.

#### b) Factors affecting the tax charge for the period

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

	2005 £'000
<b>Profit on ordinary activities before tax</b>	79
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	24
Effects of:	
- Group relief	(24)
<b>Current tax charge for the period</b>	-

#### c) Deferred tax

The company had no provided or unprovided deferred tax as at 30 November 2005.

### 6. Debtors

	2005 £'000
Amounts owed by group undertakings	79
Amounts owed by group undertakings are unsecured, interest free and repayable on demand.	

## Ratebuster Limited

### Notes to the financial statements (continued) For the period ended 30 November 2005

#### 7. Called-up share capital

	2005 £'000
<b>Authorised:</b>	
100,000 ordinary shares of £1 each	100
<b>Allotted, called-up and fully paid:</b>	
1 ordinary shares of £1 each	-

#### 8. Reserves

	Profit and loss account £'000
Retained profit for the period	79
As at 30 November 2005	79

#### 9. Reconciliation of movement in equity shareholders' funds

	2005 £'000
Profit for the period	79
Opening equity shareholders' funds	-
Closing equity shareholders' funds	79

#### 10. Commitments and contingencies

There were no commitments or contingencies as at 30 November 2005.

#### 11. Ultimate parent company

The immediate parent company is Onetel Telecommunications Limited (formerly known as Centrica Telecommunications Limited), a company incorporated in Great Britain.

As at 30 November 2005, Centrica plc was the company's ultimate parent undertaking and the only group company to consolidate the accounts of the company. Copies of the Annual Report of Centrica plc may be obtained from the Company Secretary, Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.

#### 12. Post balance sheet events

In December 2005, the share capital of Onetel Telecommunications Limited (formerly Centrica Telecommunications Limited) and its subsidiaries, was acquired by The Carphone Warehouse Group PLC. As part of this transaction the loan to Centrica Plc was repaid.