

Company Registration No. 03827277

**The Carphone Warehouse UK
Limited**

**Report and Financial Statements
For the 52 weeks ended 2 April 2011**

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The Carphone Warehouse UK Limited

Report and financial statements

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The Carphone Warehouse UK Limited

Report and financial statements

Officers and professional advisers

Director

I Kenyon

Secretary

F Bembridge
A Sunderland

Registered office

1 Portal Way
London
W3 6RS

Bankers

Deutsche Bank AG
1 Great Winchester Street
London
EC2N 2DB

Auditors

Deloitte LLP
Chartered Accountants
London, United Kingdom

The Carphone Warehouse UK Limited

Director's report

The director presents his annual report on the affairs of the Company, together with the audited financial statements and auditors' report for the 52 weeks ended 2 April 2011

Business review and principal activities

The principal activity of the Company is the management of commercial property. All turnover is generated within the group comprising Best Buy Europe Distributions Limited and its subsidiaries.

The principal income for the Company is intercompany rental income and the principal expense is costs associated with the maintenance of those rental properties.

The Best Buy Europe Distributions Limited group manages its operations on a divisional basis. For this reason, the Company's director believes that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance, or position of the business. The performance of the Distribution division, which includes the Company, is discussed in the Group's Annual Report, which does not form part of this Report.

Results

The profit for the financial period was £148,000 (2010 – £226,000)

Dividends

The director does not recommend the payment of a dividend (2010 – Nil)

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 director considers relevant to this company is interest rate risk. Funding for all subsidiaries of Best Buy Europe Distributions Limited, including The Carphone Warehouse UK Limited, is arranged centrally. The group regularly monitors interest rate risk and does not trade or speculate in any financial instruments.

Going concern basis

After making enquiries, the director has 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 director continues to adopt the going concern basis in preparing the financial statements.

Director

The director who served throughout the period and subsequently, is shown on page 1.

The company had qualifying third party indemnity insurance for the benefit of its Directors throughout the year and at the date of this report.

Donations

The Company made no charitable or political donations during the period (2010 - Nil)

Environment

A full analysis of the key regulatory and social risks of the industry in which Best Buy Europe Distributions Limited operates is described in the Group's Annual Report, which does not form part of this report. As a subsidiary entity, The Carphone Warehouse UK Limited operates in accordance with group policies.

The Carphone Warehouse UK Limited

Director's report (continued)

Statement regarding the disclosure of information to auditors

In accordance with s418 of the Companies Act 2006, the Director confirms that

- i so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- ii he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

Approved and signed by the director



I Kenyon
Director
16 November 2011

The Carphone Warehouse UK Limited

Statement of director's responsibilities

The Director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Director 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 Director 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 Director is 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 auditor's report to the members of The Carphone Warehouse UK Limited

We have audited the financial statements of The Carphone Warehouse UK Limited for the 52 weeks ended 2 April 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 2 April 2011 and of its profit for the 52 week period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

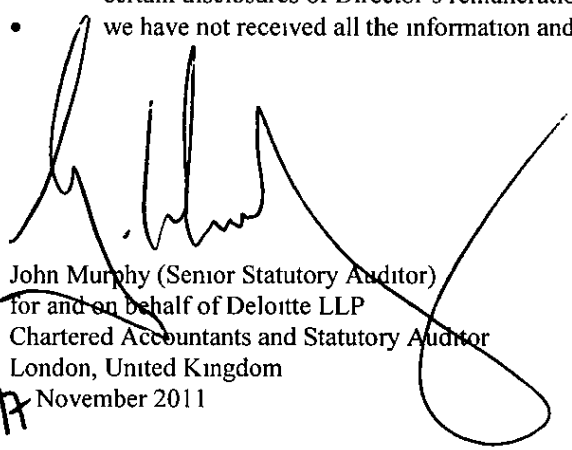
In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of The Carphone Warehouse UK Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Murphy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
November 2011

The Carphone Warehouse UK Limited

Profit and loss account

For the 52 weeks ended 2 April 2011

	Note	52 weeks ended 2 April 2011 £'000	52 weeks ended 3 April 2010 £'000
Turnover	2	4,046	6,529
Cost of sales		(3,854)	(6,218)
Gross profit		192	311
Administrative expenses		(78)	(107)
Profit before interest and taxation	3	114	204
Interest receivable and similar income	6	34	22
Profit on ordinary activities before taxation	3	148	226
Tax on profit on ordinary activities	7	-	-
Profit for the financial year	12	148	226

There are no recognised gains and losses in either period other than the profit for the period, accordingly no separate statement of total recognised gains and losses is presented

All results for both periods arise from continuing activities

The Carphone Warehouse UK Limited

Balance sheet As at 2 April 2011

	Note	2 April 2011 £'000	3 April 2010 £'000
Current assets			
Debtors	9	7,081	7,039
Creditors: amounts falling due within one year	10	-	(106)
Net assets		<u>7,081</u>	<u>6,933</u>
Capital and reserves			
Called-up share capital	11	5,000	5,000
Profit and loss account	12	<u>2,081</u>	<u>1,933</u>
Total shareholder's funds	13	<u>7,081</u>	<u>6,933</u>

The financial statements of The Carphone Warehouse UK Limited, registered number 03827277, were approved and signed by the director on 16 November 2011



I Kenyon
Director

The Carphone Warehouse UK Limited

Notes to the accounts

For the 52 weeks ended 2 April 2011

1. Accounting policies

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

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 from the requirement of FRS1 "Cash Flow Statements" to prepare a cash flow statement as it is a wholly owned subsidiary of Best Buy Europe Distribution Ltd, which prepares consolidated accounts that include a consolidated cash flow statement, including the results of the Company for the period, 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 Director's Report on page 2.

The Company meets its day to day working capital requirements through its debtors balance shown in note 9.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show the Company should be able to operate within the level of its current debtor balance.

After making enquiries, the director has formed a judgement that, at the time of approving the financial statements, and having considered the Company's forecasts and projections that there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, the director continues to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover is stated net of VAT and other sales related taxes, and comprises management of commercial property. All such revenue is recognised as it is earned over the life of the relevant contracts.

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 director considers 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.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

The Carphone Warehouse UK Limited

Notes to the accounts (continued) For the 52 weeks ended 2 April 2011

1. Accounting policies (continued)

Dividends

Dividends receivable from the Company's subsidiaries are recognised only when they are approved by shareholders, or in the case of interim dividends, when paid

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 paid

2. Turnover

Turnover, which originates in the UK, is wholly attributable to the principal activity of the Company

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging / (crediting) the following

	52 weeks ended 2 April 2011 £'000	52 weeks ended 3 April 2010 £'000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	8	8
Rentals under operating leases – land and buildings	2,550	3,635
Rents receivable	(181)	(78)
	<u> </u>	<u> </u>

4. Director's remuneration

The director did not receive any remuneration in respect of his services to the Company for the 52 weeks ended 2 April 2011 (2010– £nil)

5. Employee costs

There were no employees during the current or prior period

6 Interest receivable and similar income

	52 weeks ended 2 April 2011 £'000	52 weeks ended 3 April 2010 £'000
Interest receivable from group undertakings	34	22
	<u> </u>	<u> </u>

The Carphone Warehouse UK Limited

Notes to the accounts (continued) For the 52 weeks ended 2 April 2011

7. Tax on profit on ordinary activities

There was no current or deferred tax charge in either the current or preceding period

The difference between the total current tax of £nil (2010- £nil) and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	52 weeks ended 2 April 2011 £'000	52 weeks ended 3 April 2010 £'000
Profit on ordinary activities before tax	148	226
Profit on ordinary activities before tax at standard UK corporation tax rate of 28% (2010- 28%)	41	63
Effects of - tax losses utilised within the group	(41)	(63)
Current tax	-	-

No payment was made to the surrendering company for the losses claimed

8 Dividends

There were no dividend payments made during the period (2010 Nil)

The Carphone Warehouse UK Limited

Notes to the accounts (continued) For the 52 weeks ended 2 April 2011

9. Debtors

	2 April 2011 £'000	3 April 2010 £'000
Amounts owed by group undertakings	7,081	7,039

The above debtors balance represents an intercompany deposit upon which interest is received at a rate of LIBOR with no margin. Interest is either paid or capitalised as appropriate.

10. Creditors: amounts fall due within one year

	2 April 2011 £'000	3 April 2010 £'000
Other creditors	-	(106)

11. Share capital

	2 April 2011 £'000	3 April 2010 £'000
Authorised:		
10,000,000 ordinary shares of £1 each	10,000	10,000
Called-up, allotted and fully-paid:		
5,000,000 ordinary shares of £1 each	5,000	5,000

The Carphone Warehouse UK Limited

Notes to the accounts (continued) For the 52 weeks ended 2 April 2011

12. Reserves

	Share capital £'000	Profit and loss account £'000	Total £'000
At 3 April 2010	5,000	1,933	6,933
Profit for the financial year	-	148	149
At 2 April 2011	5,000	2,081	7,082

13. Reconciliation of movements in shareholder's funds

	2 April 2011 £'000	3 April 2010 £'000
Profit for the financial year	148	226
Dividends	-	-
Net movement in shareholder's funds	148	226
Opening shareholder's funds	6,933	6,707
Closing shareholder's funds	7,081	6,933

14. Financial commitments

Annual commitments under non-cancellable operating leases all of which relate to land and buildings are as follows

	2 April 2011 £'000	3 April 2010 £'000
Operating leases which expire		
- within one year	52	156
- between one and five years	1,510	912
- after five years	307	379
	1,869	1,447

The Carphone Warehouse UK Limited

Notes to the accounts (continued) For the 52 weeks ended 2 April 2011

15 Parent undertaking and controlling party

Until 30 June 2008 the immediate and ultimate parent company and controlling party was The Carphone Warehouse Group PLC

On 30 June 2008 a group restructuring took place whereby The Carphone Warehouse Group PLC transferred all direct subsidiaries of its retail and distribution business, including this company to a new holding company under its ownership, Best Buy Europe Distributions Ltd. On the same date The Carphone Warehouse Group PLC sold 50% of the issued share capital of Best Buy Europe Distributions Ltd to Best Buy Distributions Ltd, part of the Best Buy Co., Inc Group

Until 30 June 2008 the parent company of the smallest and largest group to consolidate these financial statements was The Carphone Warehouse Group PLC

From 30 June 2008 the parent company of smallest group to consolidate these financial statements was Best Buy Europe Distributions Ltd and the parent company of the largest group to consolidate these financial statements was Best Buy Co., Inc

In preparation for its demerger on 26 March 2010, The Carphone Warehouse Group PLC transferred its 50% shareholding in Buy Europe Distributions Ltd on 25 March 2010 to Carphone Warehouse Group plc, a company incorporated in Great Britain

Copies of the consolidated financial statements of Best Buy Co., Inc are available at www.bestbuy.com. The financial statements of The Carphone Warehouse Group PLC and Carphone Warehouse Group plc are available from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ

16. 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 100% of the voting rights are controlled within the group. The immediate parent company, Best Buy Europe Distributions Limited, has prepared consolidated accounts, which include the results of the Company for the period and are available to the public