

Company Registration No.3847921

**DIXONS RETAIL GROUP LIMITED
(FORMERLY DIXONS RETAIL PLC)**

Annual Report and Financial Statements

year ended 30 April 2016



**DIXONS RETAIL GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2016**

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DIXONS RETAIL GROUP LIMITED OFFICERS AND PROFESSIONAL ADVISORS

Directors

S R E C James (resigned 17 February 2016)
H S M Singer (resigned 17 February 2016)
K Bickerstaffe (resigned 17 February 2016)
D M E Page (appointed 14 August 2015, resigned 17 February 2016)
P A James (appointed 14 August 2015)
B M Richardson (appointed 17 February 2016)

Secretary

K L Atterbury (resigned 14 August 2015)
J H C Foo (appointed 14 August 2015)

Registered office

1 Portal Way
London
United Kingdom
W3 6RS

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

DIXONS RETAIL GROUP LIMITED

STRATEGIC REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2016. Comparative figures are for the year ended 2 May 2015.

PRINCIPAL ACTIVITY

The Company is the holding company of a group of subsidiaries whose principal activities are the retail sale of high technology consumer electronics, personal computers, domestic appliances, photographic equipment, communications products and related financial and after-sales services. The Company's subsidiaries also undertake business to business sales in the computer and communication sectors and also provide financial and after-sales services and investment in other Dixons Retail plc subsidiary companies. The directors anticipate that these activities and the financial position of the Company will be maintained.

BUSINESS REVIEW AND RESULTS

Objective and strategy

The objective of the Company is to deliver value to its shareholder.

Principal risks to achieving the Company's objective

(i) Impairment risk

The Company holds a direct investment in one subsidiary company and indirect investments in several others. The principal risk faced by the Company is an impairment in the value of its direct subsidiary. A review is carried out at least annually to identify any such potential impairment.

(ii) Legislative, contractual, reputational and regulatory risks

The Company's operations and those of its subsidiaries are subject to certain regulatory requirements, particularly in relation to the activities of its subsidiaries in terms of the products and services which they sell, their advertising, marketing and sales practices, their employment and pensions policies and planning and environmental issues. The principal risk is that a change in legislation, a decision by a regulatory authority or exposure in compliance activities may lead to reputational or financial damage or a need to adapt businesses or processes (e.g. competition, consumer rights, intellectual property, contractual obligations, health and safety or compromise of confidential customer data).

Such potential amendments and their application to the Company or its subsidiaries are monitored regularly and, if relevant and appropriate, actions taken to ensure ongoing efficiency. This includes approval by the Dixons Carphone plc (the ultimate parent company) Group Compliance Committee of activity that may impact the terms of credit facilities.

Corporate Governance

Through its ultimate parent company, Dixons Carphone plc, the Company operates a robust corporate governance structure whereby trading divisions of the group as a whole are managed by separate management teams. Separate Audit, Nominations, and Remuneration Committees exist for which terms of reference are included on the corporate website, www.dixonscarphone.com. Reports on the operations of these committees are included in the 2015/16 annual report and accounts of Dixons Carphone plc.

DIXONS RETAIL GROUP LIMITED

STRATEGIC REPORT

Key performance indicators

The directors of Dixons Retail Group Limited manage the Company's operations on a group basis and so the directors of the Company believe that analysis using key performance indicators for the Company is not necessary for an understanding of the development, performance or position of the business of the Company. The Group's development, performance and position is discussed in the Dixons Carphone plc Annual Report and Accounts which does not form part of this report.

Results and financial position

The results of the Company are shown on page 9 and comprise mainly interest on loans with Dixons Carphone plc Group companies together with Non-Headline items. The assets of the Company comprise mainly investments in its subsidiary companies and intra-group debtors. The financial position of the Company at the year end was satisfactory.

During the year, the Company received dividends from subsidiary companies of £nil (2014/15 £nil).

On behalf of the Board



B M Richardson
Director

28 October 2016

Registered office:
1 Portal Way
United Kingdom
London
W3 6RS
Company Registration No. 3847921

DIXONS RETAIL GROUP LIMITED

DIRECTORS' REPORT

PRINCIPAL RISKS AND FUTURE DEVELOPMENTS

Details of principal risks and future developments can be found in the Strategic Report and form part of this report by cross-reference.

CHANGE OF NAME

On 8 June 2016 the company changed its name from Dixons Retail Plc to Dixons Retail Group Limited and re-registered as a Private Limited Company.

DIVIDENDS

The directors recommend that no dividend be paid (2014/15 £nil).

GOING CONCERN

The financial statements are prepared under the going concern basis as the Company has received commitments from its ultimate parent company that it will provide financial support if required to ensure that the company can meet its liabilities as they fall due.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS

The directors of the Company during the period were:

	Appointed	Resigned
S R E C James		17 February 2016
H S M Singer		17 February 2016
K Bickerstaffe		17 February 2016
D M E Page	14 August 2015	17 February 2016
P A James	14 August 2015	
B M Richardson	17 February 2016	

Unless otherwise stated, the directors served throughout the period.

DIXONS RETAIL GROUP LIMITED
DIRECTORS' REPORT continued

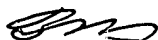
AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor in the absence of an Annual General Meeting.

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the directors at the date of approval of this report confirms that having made appropriate enquiries of other officers of the Company:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board



B M Richardson
Director

28 October 2016

Registered office:
1 Portal Way
London
United Kingdom
W3 6RS
Company Registration No. 3847921

DIXONS RETAIL GROUP LIMITED

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), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors 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 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; 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 adequate accounting records that are sufficient to show and explain the Company's transactions 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 Act 2006. 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.

DIXONS RETAIL GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the member of Dixons Retail Group Limited

We have audited the financial statements of Dixons Retail Group Limited for the year ended 30 April 2016 which comprise the income statement, the balance sheet, the statement of changes in equity and the related notes 1 to 15. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's member, 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 member those matters we are required to state to them in an auditor's 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are 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 and express an opinion on 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 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 directors; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions

Financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2016 and of its loss for the year 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

DIXONS RETAIL GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andy Siddons

Andy Siddons (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
28 October 2016

DIXONS RETAIL GROUP LIMITED
INCOME STATEMENT
For the year ended 30 April 2016

		2015/16			2014/15		
	Note	Headline results £million	Non-Headline* items £million	Total £million	Headline results £million	Non-Headline* items £million	Total £million
Operating (loss) / profit	2	(1.1)	3.0	1.9	(4.8)	(18.1)	(22.9)
Finance income	4	-	-	-	1.3	-	1.3
Finance costs	4	(15.9)	-	(15.9)	(18.6)	(42.6)	(61.2)
		(15.9)	-	(15.9)	(17.3)	(42.6)	(59.9)
(Loss) / profit before taxation		(17.0)	3.0	(14.0)	(22.1)	(60.7)	(82.8)
Income tax	6	-	-	-	-	-	-
(Loss) / profit for the period		(17.0)	3.0	(14.0)	(22.1)	(60.7)	(82.8)

All operating results are derived from continuing operations in the UK.

There are no other items of comprehensive income or expense other than the loss for the current and preceding periods.

* Non-Headline items comprise restructuring charges and other one-off, non-recurring items. Further information on such items is shown in note 3.

DIXONS RETAIL GROUP LIMITED
BALANCE SHEET
As at 30 April 2016

	Note	2016 £million	2015 £million
Fixed assets			
Investments	7	1,743.8	1,743.8
		1,743.8	1,743.8
Current assets			
Trade and other receivables	8	44.3	40.7
Cash and cash equivalents		3.1	-
		47.4	40.7
Total assets		1,791.2	1,784.5
Current liabilities			
Bank overdrafts		-	(576.2)
Trade and other payables	9	(621.3)	(24.5)
Provisions	10	(1.2)	(1.1)
		(622.5)	(601.8)
Net current liabilities		(575.1)	(561.1)
Total assets less current liabilities		1,168.7	1,182.7
Total liabilities		(622.5)	(601.8)
Net assets		1,168.7	1,182.7
Capital and reserves			
Share capital	11	92.8	92.8
Share premium account		182.3	182.3
Capital redemption reserve		5.0	5.0
Retained earnings		888.6	902.6
Total equity		1,168.7	1,182.7

These financial statements were approved by the directors on 28 October 2016 and signed on their behalf by:



B M Richardson
Director
Company Registration No. 3847921

DIXONS RETAIL GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2016

	Share capital £million	Share premium £million	Capital redemption reserve £million	Investment in own shares £million	Retained earnings £million	Total equity £million
As at 30 April 2014	91.5	179.3	5.0	(0.3)	984.3	1,259.8
Loss for the period	-	-	-	-	(82.8)	(82.8)
Ordinary shares issued	1.3	3.0	-	-	-	4.3
Transfer	-	-	-	0.3	(0.3)	-
Net movement in relation to share-based payments	-	-	-	-	1.4	1.4
As at 2 May 2015	92.8	182.3	5.0	-	902.6	1,182.7
Loss for the period	-	-	-	-	(14.0)	(14.0)
At 30 April 2016	92.8	182.3	5.0	-	888.6	1,168.7

Own shares held by the Company in 2014/15 represented shares in the Company held by Dixons Retail Employee Share Trust.

DIXONS RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 April 2016 the Company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the Financial Reporting Council in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Dixons Carphone plc.

The financial statements have been presented in UK Sterling, the functional currency of the Company, and on the historical cost basis.

The financial statements are prepared under the going concern basis as the Company has received commitments from its ultimate parent company that it will provide financial support if required to ensure that the company can meet its liabilities as they fall due.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The Company's income statement identifies separately Headline performance measures and Non-Headline items. Headline performance measures reflect an adjustment to total performance measures to exclude the impact of Non-Headline items. Headline performance measures comprise profits and losses incurred as part of the day-to-day ongoing activities of the Company. The directors consider 'Headline' performance measures to be a more accurate reflection of the ongoing trading performance of the Company and believe that these measures provide additional useful information for shareholders on the Company's performance and are consistent with how business performance is measured internally.

Non-Headline items may comprise restructuring and business impairment charges, profit on sale of investments and other one off, non-recurring items. Items excluded from Headline results can evolve from one financial year to the next depending on the nature of re-organisation or one-off type activities described above.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Dixons Carphone plc. The group accounts of Dixons Carphone plc are available to the public and can be obtained as set out in note 14.

There are no new accounting standards, amendments to standards or IFRIC interpretations which are effective for the Company for the first time during the current financial period which have had an impact on the Company's results or net assets.

The principal accounting policies are set out below.

1.2 Translation of foreign currencies

Transactions in foreign currencies are initially recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. Exchange gains and losses arising on settlement or retranslation of monetary assets and liabilities are included in the income statement.

DIXONS RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES continued

1.3 Share-based payments

The ultimate parent company issues equity settled share-based payments to certain employees of the Company which are measured at fair value at the date of grant, and expensed on a straight line basis over the vesting period, based on an estimate of the number of shares that will eventually vest.

Where share-based payments are subject only to service conditions or internal performance criteria (such as EPS targets), fair value is measured using either a Binomial model or a Black Scholes model. Where share-based payments have external performance criteria (such as TSR targets) a Monte Carlo model is used to measure fair value.

For all schemes, the number of options expected to vest is recalculated at each balance sheet date, based on expectations of leavers prior to vesting. For schemes with internal performance criteria, the number of options expected to vest is also adjusted based on expectations of performance against target. No adjustment is made for expected performance against external performance criteria. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in reserves.

Charges also arise on loans that are provided to employees to fund the purchase of shares as part of long term incentive plans. To the extent to which the loans are not, in certain circumstances, repayable, the cost of the relevant part of such loans is expensed over the course of the relevant incentive plans.

1.4 Investments and other financial assets

The Company's financial assets comprise cash and cash equivalents and those receivables which involve a contractual right to receive cash from other parties. Financial assets comprise cash at bank and all items shown in note 8 with the exception of prepayments. Under the classifications stipulated by IAS 39 cash and cash equivalents and trade and other receivables are classified as "loans and receivables".

Investments

Investments are stated at cost less any provision for impairment in value.

Other receivables

Other receivables, which comprise amounts due from subsidiary undertakings and other debtors, are recorded at cost less an allowance for estimated irrecoverable amounts and any other adjustments required to align cost to fair value. Bad debts are written off when identified.

1.5 Tax

Current tax

Current taxation is the expected tax payable on the taxable income for the period, using prevailing tax rates and adjusted for any tax payable in respect of previous periods.

Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is charged or credited in the income statement.

Deferred tax is measured based on tax rates and laws that have been enacted, or substantially enacted by the balance sheet date. Deferred tax balances are not discounted.

1.6 Other financial liabilities

The Company's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise all items shown in note 9. Under the classifications stipulated by IAS 39, borrowings and all other payables are classified as "financial liabilities measured at amortised cost".

Other payables

Other payables are recorded at cost.

DIXONS RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES continued

1.7 Post retirement benefits

The Company is a member of the DSG Retirement and Employee Security Scheme, which comprises both a defined benefit and defined contribution section.

The defined benefit section is closed to future accrual. All contributions to the scheme, including obligations under the 'recovery plan' for the defined benefit scheme's deficit, are met by DSG Retail Limited, a subsidiary undertaking of the Company. As such, the liability for the defined benefit scheme calculated in accordance with IAS 19 is included in the financial statements of DSG Retail Limited.

The Company's contributions to the defined contribution section of the pension scheme are charged to the income statement on an accruals basis as they become payable.

1.8 Estimates, judgements and critical accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available. The most critical accounting policies in determining the financial condition and results of the Company are those requiring the greatest degree of subjective or complex judgements. These relate to valuation of investments as set out below.

Investment impairment reviews

Investments are reviewed on an ongoing basis to determine whether any potential impairment exists. For trading companies such calculations can require judgement relating to the appropriate discount factors and long term growth prevalent in a particular market as well as short and medium term business plans. The directors draw upon experience as well as external resources in making these judgements.

2. OPERATING (LOSS) / PROFIT

The operating (loss) / profit comprises administrative expenses.

	2015/16 £'000	2014/15 £'000
Operating (loss) / profit is stated after charging:		
Auditor's remuneration – audit services	-	35

Auditor's remuneration for 2015/16 of £2,112 was borne by another group company.

DIXONS RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. NON-HEADLINE ITEMS

	Note	2015/16 £million	2014/15 £million
Included in operating loss:			
Merger transaction costs	(i)	-	11.9
Merger integration costs	(i)	1.5	5.9
Costs associated with disposal transactions	(ii)	-	(3.2)
Share issue costs	(iii)	-	3.5
Share option recharges to Group companies	(iv)	(4.5)	-
		(3.0)	18.1
Included in finance costs:			
2015 and 2017 Notes redemption costs and fees	(v)	-	42.1
Accelerated amortisation of facility fees	(vi)	-	0.5
		-	42.6
Total impact on loss after tax		(3.0)	60.7

- (i) On 6 August 2014, an all-share merger (the Merger) of the Company and Carphone Warehouse Group plc (Carphone) was completed, which was implemented by way of a scheme of arrangement of Dixons. The Merger has given rise to the following costs which have been treated as Non-Headline items:

- Merger transaction costs comprise banking and professional fees in relation to the transaction.
- Merger integration costs relate to the reorganisation of the Dixons Carphone plc Group of companies following the Merger and comprise the rationalisation of certain operational and support functions. These costs mainly comprise professional fees and employee severance associated with the integration process.

- (ii) The gain arising in 2014/15 related to the release of surplus provisions in previous periods, for costs of disposal of operations previously held by subsidiary undertakings.

- (iii) These costs in 2014/15 were in respect of the acceleration of share-based payment awards which vested on the Merger.

- (iv) £4.5 million of gains on share options by Group employees in Dixons Retail Group Limited, which vested at the date of Merger, have subsequently been recharged to other group companies in 2015/16.

- (v) On 21 August 2014 the Company repurchased £100.6 million in nominal amount of its 8.75% Guaranteed Notes 2015 (the 2015 Notes) and £150 million in nominal amount of its 8.75% Guaranteed Notes 2017 (the 2017 Notes), representing all amounts outstanding.

As a result of the repurchase of the 2015 Notes and 2017 Notes, charges were incurred relating to the acceleration of the amortisation of fees from the 2015 Notes and 2017 Notes which would otherwise have been charged evenly over the period to the 2015 Notes' maturity in August 2015 and the 2017 Notes' maturity in September 2017, together with a redemption premium.

- (vi) 2014/15: As a result of the Merger, the Company's £150 million revolving credit facility (the New Facility) was cancelled in August 2014. This triggered the acceleration of the amortisation of fees related to this facility which would otherwise have been charged evenly over the period to the New Facility's maturity in June 2019, and therefore were charged in 2014/15.

DIXONS RETAIL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. NET FINANCE COSTS

	2015/16 £million	2014/15 £million
Bank and other interest receivable	-	0.9
Interest receivable from group undertakings	-	0.4
Finance income	-	1.3
8.75% Guaranteed Notes 2015 interest and related charges	-	(2.7)
8.75% Guaranteed Notes 2017 interest and related charges	-	(4.1)
Bank loans, overdrafts and other finance costs	(14.9)	(7.6)
Interest payable to group undertakings	(1.0)	(4.2)
Accelerated amortisation of facility fees	*	(0.5)
2015 and 2017 Notes redemption costs and fees	*	(42.1)
Finance costs	(15.9)	(61.2)
Total net finance costs	(15.9)	(59.9)
Headline total net finance costs	(15.9)	(17.3)

Headline total net finance costs exclude items marked *. See note 3 for a description of such items.

5. EMPLOYEES AND DIRECTORS

The Company had no employees during the period (2014/15 none).

All remuneration payments for directors' services to the Company during the period were recharged to the Company's subsidiary undertakings, with no charge (2014/15 £nil) included in the income statement.

No directors exercised options over shares in the Company during the period (2014/15 three).

DIXONS RETAIL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. TAX

	2015/16 £million	2014/15 £million
Current tax		
UK corporation tax at 20% (2014/15 20.91%)	-	-
Income tax credit	-	-

The UK corporation tax rate for the period was 20% (2014/15 21% for the period up to 31 March 2015 and 20% thereafter).

A reconciliation of the notional to the actual income tax credit is set out below:

	2015/16 £million	2014/15 £million
Loss before tax	(14.0)	(82.8)
Tax on loss at UK corporation tax rate of 20% (2014/15 20.91%)	(2.8)	(17.3)
Group relief surrendered free of charge	3.6	13.8
Other permanent differences	(0.8)	3.5
Income tax credit	-	-

7. INVESTMENTS

	2016 £million	2015 £million
Investments in subsidiary undertakings		
Cost		
At beginning of year	1,743.8	1,736.8
Additions	-	7.0
At end of year	1,743.8	1,743.8

Additions comprise the fair value of share-based payment arrangements provided to employees of subsidiary undertakings during the prior year.

Details of the subsidiary undertakings are set out in note 15.

DIXONS RETAIL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS

8. TRADE AND OTHER RECEIVABLES

	2016 £million	2015 £million
Amounts due from subsidiary undertakings	44.2	39.9
Other debtors	0.1	0.3
Prepayments	-	0.5
	44.3	40.7

9. TRADE AND OTHER PAYABLES

	2016 £million	2015 £million
Amounts due to subsidiary undertakings	616.0	13.9
Accruals	5.3	10.6
	621.3	24.5

10. PROVISIONS

	2016 £million	2015 £million
At beginning of year	1.1	6.7
Additions	1.5	17.8
Utilisation	(1.4)	(20.2)
Release	-	(3.2)
	1.2	1.1

Additions during the year relate to merger transaction and merger integration costs. Utilisation relates to these merger costs. The release in the prior year relates to surplus provisions for disposal costs in previous periods. Provisions are expected to be utilised over the next financial year.

11. SHARE CAPITAL

	2016 £million	2015 £million
Authorised		
4,980,252,496 ordinary shares of 2.5p each	124.5	124.5
Allotted and fully paid		
	Number million	Number million
Number of shares	3,712.3	3,712.3
	2016 £million	2015 £million
Ordinary shares of 2.5p each	92.8	92.8

During the year no shares (2014/15 51,198,591) were issued in respect of options exercised under employee share option and ownership schemes.

DIXONS RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. SHARE BASED PAYMENTS

Equity-settled

Share option plans

Save As You Earn (SAYE)

Dixons offered to all of the Company's employees, having completed the relevant period of service, share-based savings plans whereby amounts could be contributed up to a specified limit per plan and per employee. Three year plans were offered annually, with exercise prices set at a 20% discount to the market share price on the date of grant. Exercise was conditional upon employees remaining employed by the Company for the full term of the plan unless specific circumstances applied to a participant as determined by the Rules of the Scheme. Employees could choose to withdraw their contributions in full from the plan at any time, together with any interest earned.

On completion of the Merger, participants in the Dixons SAYE scheme had the opportunity to rollover their awards into options over shares in the merged entity, Dixons Carphone. Employees who chose to rollover received 0.155 options in Dixons Carphone in exchange for each Dixons option held. The savings period and exercise date of these options remained unchanged. If employees chose not to rollover their options, they could exercise the value saved within six months of the Merger in return for 0.155 Dixons Carphone shares for each Dixons option held.

In February 2015 and February 2016, Dixons Carphone offered a new share-based savings plan which allows participants, including employees of the Company, to save up to £500 per month for either three or five years. At the end of the savings period participants can purchase shares in Dixons Carphone based on a discounted share price determined at the commencement of the scheme.

Dixons Carphone share option scheme

This scheme allows Dixons Carphone to offer nil-priced options to senior employees who are not participants in the Dixons Carphone Share Plan. The options are subject to continuing employment and are subject to performance conditions based on a combination of absolute TSR performance and relative TSR performance against the FTSE 250 or FTSE 350.

Prior to the Merger, all share option plans were granted to employees of DSG Retail Limited by Dixons Retail plc. Subsequent to the Merger, all share option plans are granted to employees of DSG Retail Limited by Dixons Carphone plc.

No (2014/15 28,263,459) share options were exercised during the period. The weighted average exercise price for share options exercised in 2014/15 was £0.24 per share.

No share options were outstanding at 30 April 2016 or 2 May 2015.

During the period ended 2 May 2015, 87,966,908 awards vested at £nil exercise price under the Dixons Performance Share Plan (PSP). All PSP awards vested or lapsed on Merger.

DIXONS RETAIL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS

13. CONTINGENT LIABILITIES

	2016	2015
	£million	£million
Contingent liabilities	-	0.5

14. PARENT COMPANY

The Company's immediate parent is New CPW Ltd.

The Company's ultimate parent and controlling entity is Dixons Carphone plc, a company incorporated in Great Britain and which is registered in England and Wales. Dixons Carphone plc is the parent of the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. Copies of its financial statements may be obtained from its registered office at 1 Portal Way, London, W3 6RS.

DIXONS RETAIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings at 30 April 2016 are listed below:

Adiumentum OY (Finland)*
Codic GmbH (Germany)*
Currys Group Limited*
DISL Limited (formerly DSG international Insurance Services Limited) (Isle of Man)*
DISL 2 Limited (Isle of Man)*
DISL UK Limited* (in liquidation)
Dixons Carphone CoE, s.r.o. (formerly Dixons Retail SSC s.r.o.) (Czech Republic)*
Dixons Group Limited*
Dixons Sourcing Limited (Hong Kong)*
Dixons South East Europe AVEE (Greece)*
Dixons Stores Group Retail Norway AS (Norway)*
Dixons Travel srl (Italy)* (in liquidation)
DSG Boxmoor Limited*
DSG Card Handling Services Limited*
DSG Corporate Services Limited*
DSG European Investments Limited*
DSG Fleet Management Limited* (in liquidation)
DSG Hong Kong Sourcing Limited (Hong Kong)*
DSG international Belgium BVBA (Belgium)* (in liquidation)
DSG international Holdings Limited
DSG international Retail Properties Limited*
DSG international Treasury Management Limited*
DSG Ireland Limited*
DSG KHI Limited*
DSG Overseas Investments Limited*
DSG Retail Ireland Limited (Ireland)*
DSG Retail Ireland Pension Trust Limited (Ireland)*
DSG Retail Limited*
Elgiganten A/S (Denmark)*
Elgiganten AB (Sweden)*
Elgiganten Logistik AB (Sweden)*
Elkj p Kleverenga AS (Norway)*
Elkj p Nordic AS (Norway)*
Elkj p Norge AS (Norway)*
Epoq Holding AB (Sweden)*
Epoq Logistic DC k.s. (Czech Republic)*
Gigantti Oy (Finland)*
Infocare CS AB (Sweden)*
Infocare Workshop AS (Norway)*
Infocare Workshop Holding AS (Norway)*
Infocare Workshop Oy (Finland)
Kereru Limited*
Lefdal Electromarked AS (Norway)*
Leverstock Investments Limited*
Markan talo Oy (Finland)*
Mastercare Service and Distribution Limited*
Mohua Limited*
NSS Financials A/S (Denmark)*
PC City (France) SNC (France)*
PC City Norge AS (Norway)*
Petrus Insurance Company Limited (Gibraltar)*
Smarthouse Spain, S.A. (formerly PC City Spain S.A.) (Spain)*

* Indirect subsidiaries of the Company

DIXONS RETAIL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS

15. SUBSIDIARY UNDERTAKINGS continued

Unless otherwise indicated all subsidiary undertakings are wholly-owned, are incorporated and operate in Great Britain and are registered in England and Wales.

In the opinion of the directors the aggregate value of the shares in and amounts due from the Company's subsidiary undertakings are not less than the aggregate of the amounts at which these assets are included in the Company's balance sheet.