

Company Registration No 07866062

New BBED Limited

**Report and Financial Statements
For the 52 weeks ended 30 March 2013**



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Officers and Professional Advisors

Directors

Andrew Harrison	(Appointed 21/1/2012)
Marcus Roy	(Appointed 31/7/2012)
Ian Kenyon	(Appointed 30/11/2011, Resigned 31/7/2012)
Nigel Langstaff	(Appointed 30/11/2011, Resigned 25/1/2012)
Timothy Morris	(Appointed 30/11/2011, Resigned 25/1/2012)
Oval Nominees Limited	(Appointed 30/11/2011, Resigned 30/11/2011)

Secretary

Timothy Morris	(Appointed 30/11/2011)
Oval Sec Limited	(Appointed 30/11/2011, Resigned 30/11/2011)

Registered office

1 Portal Way
London
W3 6RS
United Kingdom

Bankers

HSBC Bank Plc
8 Canada Square
London
E14 5HQ
United Kingdom

Auditor

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

Directors' Report

The directors of the Company ("Directors") present their annual report on the affairs of New BBED Limited (formerly Oval (2247) Limited), ("the Company") and its subsidiaries, together ("the Group"), with the audited financial statements and auditor's report. The Company was incorporated in England and Wales on 30 November 2011. On 23 January 2012, New CPWM Limited, a company incorporated in England and Wales, transferred Best Buy Europe Distributions Limited ("Best Buy Europe Distributions") along with its subsidiaries and associates ("Best Buy Europe Group") to the Company to form the Group ("the Group Reorganisation"). In return, the Company issued new share capital to the shareholders of New CPWM Limited, being Carphone Warehouse Group plc ("Carphone Warehouse") and Best Buy Distributions Limited in equal proportion to their shareholding in New CPWM Limited, being 50% each.

The Directors' Report contains certain forward looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

The financial statements reflect the Group's results for the 52 week period ended 30 March 2013 ("the year"). Comparative information is provided for the 52 week period ended 31 March 2012.

Business review and principal activities

The Group Business Description

The Group operates "Carphone Warehouse" and "Phone House" retail and online propositions (together "CPW Europe") across a range of European markets. Additionally it operated Best Buy branded stores and an online consumer electronics channel in the UK ("Best Buy UK") but this business ceased trading in January 2012.

The Group offers mobile phone connections from the majority of Western European networks in the territories in which it operates. Being independent of the networks, these businesses are able to provide impartial advice to consumers on the relative merits of different mobile tariffs and options. This independence and the resulting ability to provide customers with impartial advice is at the core of the retail proposition and differentiates the Group from network operator stores and single-network dealers.

The principal activities of the Group are the provision of mobile handsets and connections, smartphones, mobile broadband, tablets, accessories and insurance products (covering loss, theft or damage to mobile handsets, tablets and laptops).

Strategy

The Group is focused on the following strategic objectives:

- providing outstanding value and service across a broad range of connected services,
- helping consumers simplify complex areas of technology,
- enhancing multi-channel platforms to improve customer choice,
- leveraging global scale to build strategic relationships with key suppliers and partners,
- replicating the success of Best Buy Mobile in the US by partnering with retailers in target markets, and
- leveraging expertise and systems capabilities to provide managed services to third parties.

Performance in 2013

CPW Europe

CPW Europe generated revenues of £3,694m, an increase of 11.5% year-on-year (2012: £3,313m). This increase was driven principally by growth of approximately £250m in our dealer business, together with strong like-for-like revenue growth in our retail and online channels. Additional growth in non-like-for-like revenues largely offset the effects of a weaker Euro and the absence of revenues from Phone House Belgium, which was sold in December 2011.

Full year like-for-like revenue growth was 4.6%, with particularly strong performance in the second half of the year. This performance was driven primarily by significant postpay growth in our UK business, which recorded significant year-on-year market share gains in this category. Alongside growth in the high-end smartphone category, the UK business has been particularly successful in driving volume in the low-tier postpay segment, bringing new postpay customers into the segment for the first time.

Outside the UK, several of our businesses performed strongly, despite a highly challenging consumer environment and mobile market. In France, however, our business faced the combined challenges of a difficult consumer and regulatory backdrop, and an intensely competitive mobile market. As a result of these challenges, the prospects of positive cash generation in that market have become increasingly remote, and we therefore took the decision after the end of the financial year to exit the French market on a progressive basis in the coming months.

Directors' Report (continued)

Performance in 2012/13 (continued)

As anticipated, the prepay market remained subdued throughout the year, reflecting reduced subsidies from network operators following regulatory cuts to mobile termination rates in 2011. While increasingly attractive prepay smartphone propositions have started to permeate this segment, the network operators remain principally focused on the postpay. Against this backdrop, CPW Europe increased its share of the prepay market year-on-year. Overall, EBITDA before exceptional items decreased to £207m (2012 £210m).

CPW Europe opened 127 stores and acquired 38 stores and closed 181 stores during the year. The total store base was 2,377 at the year end (2012 2,393), including 340 franchise stores (2012 338). During the year the Group disposed of its interest in Mobile Money Network Limited (MNN) in exchange for shares in AIM listed security shares, of which 45% of the shares have been disposed by the year end.

CPW Europe undertook a review of its UK and Group organisational structure during the year, with a view to simplifying Group functions and giving more autonomy and accountability to individual business units. The business also reviewed its European operations during the year and announced plans to reduce its store portfolio and operating cost base across certain markets. As a result of this exercise, the business booked an exceptional charge of £25m in relation to redundancies, lease exit costs and other cash restructuring costs. We expect these programmes to provide ongoing annualised pre-tax savings of between £20m and £25m.

The large majority of store closures within this exercise were in France, reflecting highly challenging mobile market conditions there, and the provision includes the costs of exiting approximately 75 stores. A strategic review was undertaken in the second half of the year, involving extensive employee consultation, as a result of which the closure programme has not yet been completed. We announced in April 2013 that we had concluded the strategic review, as a result of which we intend to pursue an orderly exit from the French retail market by means of store disposals and some further store closures. As a result there has been an exceptional impact in relation to the French retail operations resulting in a charge of £100m, comprising of an overall impairment charge of £94m and restructuring charges of £6m.

Best Buy UK

During the prior year the total operating loss for the year before tax was £220m of which £73m related to the period until the business was closed and a further £147m related to the costs of closing the business. Further details are provided in note 3 on page 25.

Principal risks and uncertainties

The key risks facing CPW Europe, and the ways the Group seeks to mitigate them, are summarised below.

- there is an uncertain economic outlook and low levels of economic growth across several of the markets in which the Group operates. The Group has continued to focus on maintaining an appropriate structure and strong cost control in order to ensure that it is well positioned to deal with this uncertainty.
- the Group has key relationships with certain mobile network operators and suppliers. The Group has previously moved towards commercial arrangements that provide a closer alignment of interests with network operators and has focused on post pay and smartphone sales to drive economic value for the networks. The Group also continues to increase and leverage the scale of its operations to support global strategic relationships.
- the Group operates in markets that are highly competitive. In order to differentiate itself from its competitors the Group has focused on innovative propositions, high quality customer service and reliable supply of key products. The Group is also working to build partnerships with other retailers in certain territories in order to achieve scale.
- the Group is subject to regulation in a number of areas and has built appropriate internal control structures to manage these requirements.
- the Group's operations are dependent on key IT systems. The Group continues to invest in the IT infrastructure of the business.
- a material component of the Group's trading operations is based in the Eurozone giving rise to exposure to foreign currency fluctuations and has hedged a proportion of such earnings to provide certainty of their value.

Directors' Report (continued)

Results and financial position

The loss after taxation for the year was £5m (2012 loss of £109m) The profit after tax and before exceptional items after tax for the year from continuing operations was £102m (2012 profit of £99m) The Group's net assets increased by £4m to £840m during the year (2012 decreased by £102m to £836m)

Future outlook

We expect the consumer environment in Europe to remain challenging in the year ahead, and anticipate the continued effects on the mobile market of regulation and competition Against this, the more widespread development and promotion of 4G services may provide a stimulus to the handset replacement cycle and an opportunity for network operators to develop pricing structures to reflect higher quality services and higher levels of data consumption CPW's investment in expert consultants and in its store formats positions the business well to help customers through this additional choice and complexity

We plan to continue to drive volume growth, particularly in the postpay segment, and anticipate further like-for-like revenue growth in the coming year We also plan to continue to develop the tablet category, both through standalone sales and handset/tablet bundled propositions The development of 4G services is expected to improve download speeds significantly and therefore to stimulate demand for tablets with connectivity to mobile networks as well as Wi-Fi services

Dividends

No dividends were paid during the year (2012 £nil)

Risk management

The Group's activities expose it to a number of financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk The use of financial derivatives is governed by the Group's policies, approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks The Group does not use derivative financial instruments for speculative purposes

Foreign exchange risk

The Group undertakes certain transactions that are denominated in foreign currencies and as a consequence has exposure to exchange rate fluctuations These exposures primarily arise from stock purchases The currency in which the Group's main exposures arise is the Euro The Group uses forward foreign exchange contracts to mitigate these exposures The Group's net cash foreign exchange position is calculated daily and any positions are closed out immediately unless the exposure is immaterial

Interest rate risk

The Group's interest rate risk arises primarily on cash and cash equivalents and loans and other borrowings, all of which are at floating rates of interest and thus expose the Group to cash flow interest rate risk These floating rates are linked to LIBOR and other interest rate bases as appropriate to the instrument and currency Future cash flows arising from these financial instruments depend on the future curves of the relevant interest bases The Group's effective interest rate is reviewed by management on a regular basis

Credit risk

The Group's financial assets include bank balances, cash, trade receivables and derivative financial instruments used for hedging the Group's foreign exchange risk

Trade receivables primarily comprise balances due from network operators and balances due from individual mobile customers Network operators are generally major multi-national enterprises with whom the Group has well established relationships and are consequently not considered to add significantly to the Group's credit risk exposure Provision is made for any receivables that are considered to be irrecoverable

The credit risks on cash at bank, bank deposits, money market fund investments and derivative financial instruments are closely monitored and credit ratings are used in determining maximum counterparty credit risk The Board approves minimum ratings and maximum exposures, currently minimum ratings of A-1/P-1 (short term) are required

The Group's funding is reliant on the £400m revolving credit facility that is provided by six banks We believe all these institutions to be adequately capitalised to continue to meet their obligations under the facility

Directors' Report (continued)

Risk management (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk framework for the management of the Group's funding and liquidity. The Group manages liquidity risk by maintaining adequate cash balances and borrowing facilities and by continuously monitoring forecast and actual cash flows.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has facilities, excluding overdrafts and finance lease repayable on demand, totalling £400m (total available facility 2013 £389m and 2012 £400m). Details of these facilities are provided in note 20 to the consolidated financial statements.

The funding position of the Group is below

	Available facility 2013 £m	Net funds/(debt) 2013 £m	Headroom 2013 £m	Available facility 2012 £m	Net funds/(debt) 2012 £m	Headroom 2012 £m
Cash and cash equivalents	-	123	123	-	165	165
Revolving credit facility *	389	-	389	400	(189)	211
Finance leases obligations	3	(3)	-	5	(5)	-
Bank overdrafts & uncommitted money market lines**	83	-	83	78	(1)	77
Total facilities	475	(3)	472	483	(195)	288
Net funds/(debt)		120	595		(30)	453

*The Revolving credit facility includes the option to draw ancillary facilities and so the total available facility amount shown in the table above is after deducting £11m in respect of the ancillary facilities currently drawn on the facility during the current year.

** The Bank overdrafts & uncommitted money market lines are repayable on demand.

Of the above cash and cash equivalents, £28m (2012 £37m) was required to cover regulatory reserve requirements of the Group's insurance business. As such, these funds are not available to offset other Group borrowings. No ancillary facilities were drawn at March 2012.

Directors

The Directors who served throughout the year and subsequently (except as noted) are shown on page 3.

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

Employees

The Group places emphasis on its employees' involvement in the business at all levels. Managers are remunerated according to results wherever possible and all employees are kept informed of issues affecting the Group through formal and informal meetings and through internal magazines and a Group intranet.

It is the Group's policy to assist the employment of disabled people, their training and career development, having regard to particular aptitudes and abilities. Every endeavour is made to find suitable alternative employment and to re-train any employee who becomes disabled while serving the Group.

Environment

The Group's businesses are not, by their nature, particularly high impact in terms of carbon emissions and waste, but the Group is still committed to reducing its impact on the environment. The Group has taken a range of actions to do business differently and to make a contribution to environmental sustainability.

Supplier payment policy

The Group's policy is to agree terms of transactions, including payment terms, with suppliers and, provided that suppliers perform in accordance with the agreed terms, it is the Group's normal practice that payment is made accordingly. Details of the average credit period taken on trade payables are provided in note 19 to the consolidated financial statements.

Directors' Report (continued)

Capital structure and funding

Details of the authorised share capital, together with details of the movements in the Group's issued capital are provided in note 24 to the consolidated financial statements. The Group has two classes' of shares being ordinary and deferred shares none of which carry rights to fixed income.

Donations

The Company made charitable donations during the year of £0.9m (2012: £0.1m). No political donations were made during the year (2012: £nil).

Post balance sheet events

On 10 April 2013 the Group completed the sale of the Switzerland telecoms business for a cash consideration of £17m.

Having completed a strategic review of its French operations, the Group announced on 30 April 2013 that it had decided to pursue an orderly exit by means of store disposals and some store closures. A number of third party buyers have expressed an interest in a number of stores and the transfer of some employees. Subsequently the Group has commenced a consultation process with affected employees and their representatives.

On 25 June 2013 the Company carried out a capital reduction whereby the shares owned by the Best Buy Group were cancelled and in return the Company agreed to pay £500m. The consideration was settled through the payment of £370m of cash, funding of which was provided by Carphone Warehouse Group plc. Carphone Warehouse Group plc settled a further £80m of consideration on behalf of the Company, through issuing ordinary shares to Best Buy Group. Deferred consideration of £50m is payable by the Company in two equal instalments of £25m in June 2014 and June 2015. Upon completion of this transaction the Company will become a wholly owned subsidiary of Carphone Warehouse Group plc, which will result in 50% of the tax losses being extinguished under German 'change of control' tax provisions amounting to £10.9m of tax losses extinguished and a write off of the deferred tax asset in respect of German losses of £3.0m.

Going concern

The Directors have a reasonable expectation the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The shareholder transaction set out above is not expected to impact on the Group's ability to continue as a going concern.

Statement regarding the disclosure of information to Auditor

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

- so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and
- the Director 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 Auditor is aware of that information.

Auditor

Deloitte LLP have been appointed as the first auditors of the Company.

Deloitte LLP has indicated its 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.

By order of the Board



Andrew Harrison
Director
25 June 2013

Directors' Responsibilities Statement

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 Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing the Company financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom 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.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are 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 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.

Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW BBED LIMITED

We have audited the financial statements of New BBED Limited for the 52 week period ended 30 March 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 31, and the Company Balance Sheet and related notes 1 to 7. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company financial statements 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 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 members as a body, 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 Directors' Responsibilities Statement, 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 Group's and 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 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 misstatement or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 30 March 2013 and of the Group's loss for the 52 week period then ended,
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the Group financial statements, the Group in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006

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

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Company 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



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

25 June 2013

Consolidated Income Statement

For the 52 weeks ended 30 March 2013

		2013	2013	2013	2012	2012	2012
	Notes	Before exceptional items £m	Exceptional items* £m	After exceptional items £m	Before exceptional items £m	Exceptional items* £m	Total £m
Continuing operations							
Revenue		3,694	-	3,694	3,313	-	3,313
Cost of sales		(2,780)	-	(2,780)	(2,365)	-	(2,365)
Gross profit		914	-	914	948	-	948
Net operating expenses excluding depreciation, amortisation and impairment	2	(716)	(25)	(741)	(735)	(27)	(762)
Share of results of associates	15	9	-	9	(3)	-	(3)
EBITDA		207	(25)	182	210	(27)	183
Depreciation		(38)	-	(38)	(42)	-	(42)
Amortisation and impairment		(41)	(94)	(135)	(43)	-	(43)
Profit before interest and taxation		128	(119)	9	125	(27)	98
Finance expense	8	(9)	-	(9)	(14)	(1)	(15)
Finance income	8	9	-	9	9	-	9
Profit before taxation		128	(119)	9	120	(28)	92
Taxation	9	(26)	12	(14)	(21)	(6)	(27)
Profit (loss) for the year from continuing operations		102	(107)	(5)	99	(34)	65
Loss for the year from discontinued operations	3	-	-	-	(53)	(121)	(174)
Profit (loss) for the year		102	(107)	(5)	46	(155)	(109)

*Refer to note 4

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 30 March 2013

	2013 £m	2012 £m
Loss for the year	(5)	(109)
Exchange differences on translation of foreign operations	4	(17)
Unrealised gain on available-for-sale financial assets	2	-
Cash flow hedges re-classification adjustments for gains included in profit	-	(3)
Tax relating to cash flow hedges recorded through comprehensive income	-	1
Other comprehensive income (loss) for the year	6	(19)
Total comprehensive income (loss) for the year	1	(128)

Consolidated Balance Sheet

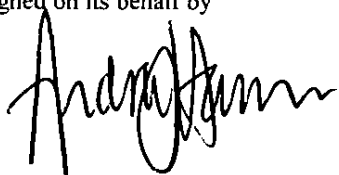
As at 30 March 2013

	Notes	2013	2012
		£m	£m
Non-current assets			
Goodwill	11	148	214
Other intangible assets	12	119	135
Property, plant and equipment	13	112	145
Interest in associate	15	-	1
Deferred tax assets	9	20	24
Trade and other receivables	18	149	143
		548	662
Current assets			
Stock	17	254	273
Trade and other receivables	18	874	721
Available for sale financial assets	16	9	-
Cash and cash equivalents	20	123	165
		1,260	1,159
Total assets		1,808	1,821
Current liabilities			
Trade and other payables	19	(873)	(666)
Current tax liabilities		(51)	(46)
Finance lease obligations	21	(2)	(2)
Loans and other borrowings	20	-	(1)
Provisions	23	(27)	(68)
		(953)	(783)
Non-current liabilities			
Trade and other payables	19	(14)	(10)
Finance lease obligations	21	(1)	(3)
Loans and other borrowings	20	-	(189)
		(15)	(202)
Total liabilities		(968)	(985)
Net assets		840	836
Equity			
Share capital	24,25	3	3
Merger reserve	25	-	501
Share premium	25	501	-
Reconstruction reserve	25	119	119
Translation reserve	25	35	31
Accumulated profits	25	182	182
Funds attributable to equity shareholders		840	836

The accompanying notes are an integral part of this Consolidated Balance Sheet

The consolidated financial statements of the Company (Company number 07866062) on pages 12 to 44 were approved by the Board on 25 June 2013 and signed on its behalf by

Andrew Harrison
Director



Consolidated Statement of Changes in Equity

For the 52 weeks ended 30 March 2013

	Share capital £m	Merger reserve £m	Share premium £m	Reconstruction reserve £m	Translation reserve £m	Accumulated profits £m	Total £m
Balance at 1 April 2012	3	501	-	119	31	182	836
Loss for the year	-	-	-	-	-	(5)	(5)
Other comprehensive loss for the year	-	-	-	-	4	2	6
Total comprehensive loss for the year	-	-	-	-	4	(3)	1
Capitalisation of merger reserve	-	(501)	501	-	-	-	-
Credit to equity for equity-settled share-based payments	-	-	-	-	-	3	3
Balance as 30 March 2013	3	-	501	119	35	182	840

	Share capital £m	Merger reserve £m	Share Premium £m	Reconstruction reserve £m	Translation reserve £m	Accumulated profits £m	Total £m
Balance at 3 April 2011	-	-	-	590	56	292	938
Loss for the year	-	-	-	-	-	(109)	(109)
Other comprehensive loss for the year	-	-	-	-	(17)	(2)	(19)
Total comprehensive loss for the year	-	-	-	-	(17)	(111)	(128)
Movements in reconstruction reserve	-	-	-	33	-	-	33
Issue of share capital	3	501	-	(504)	-	-	-
Credit to equity for equity-settled share-based payments	-	-	-	-	-	1	1
Translation reserve recycled to income statement	-	-	-	-	(8)	-	(8)
Balance as 31 March 2012	3	501	-	119	31	182	836

All equity is attributable to the equity holders of the Company

Consolidated Cash Flow Statement

For the 52 weeks ended 30 March 2013

	Notes	2013 £m	2012 £m
Operating activities			
Profit before interest and taxation – continuing operations		9	98
Loss before interest and taxation – discontinued operations		-	(220)
		9	(122)
Adjustments for non-cash items			
Depreciation	2,13	38	45
Amortisation expense	2,12	41	43
Impairment of property, plant and equipment and intangible assets	2	94	67
Loss/(profit) on disposal of subsidiary and non-current assets	2	4	(4)
Group's share of MMN losses		2	3
Share-based payment charge		3	1
Gain from sale of associate	15	(11)	-
Operating cash flows before movements in working capital		180	33
Increase in trade and other receivables		(142)	(121)
Decrease (increase) in stock		25	(8)
Increase (decrease) in trade and other payables		203	(25)
(Decrease) increase in provisions		(41)	33
Cash flows from operations		225	(88)
Taxation paid		(6)	(13)
Net cash flows from operating activities		219	(101)
Investing activities			
Interest received		9	9
Proceeds from sale of investment and subsidiary	14,15	7	16
Amounts loaned to associate		(3)	(4)
Acquisition of intangible assets		(43)	(43)
Acquisition of property, plant and equipment		(26)	(66)
Cash flows from investing activities		(56)	(88)
Financing activities			
(Repayment) drawdown of borrowings		(189)	177
Cash flows reflected in the reconstruction reserve		-	45
Facility arrangement fees paid		-	(3)
Repayment of obligations under finance leases		(2)	-
Interest paid		(9)	(11)
Cash flows from financing activities		(200)	208
(Decrease) increase in cash and cash equivalents		(37)	19
Cash and cash equivalents at the start of the year		164	146
Effect of exchange rate fluctuations		(4)	(1)
Cash and cash equivalents at the end of the year		123	164
Cash and cash equivalents for the purposes of this statement comprise:			
Cash and cash equivalents	20	123	165
Bank overdrafts	20	-	(1)
		123	164

Notes to the Consolidated Financial Statements

1 Accounting policies

General information

New BBED Limited (formerly Oval (2247) Limited) ("the company") was incorporated in England and Wales on 30 November 2011. On 23 January 2012, New CPWM Ltd, a company incorporated in England and Wales, transferred Best Buy Europe Distributions Limited along with its subsidiaries and associates to the Company to form the Group. In return, the Company issued new share capital to the shareholders of New CPWM Limited, being Carphone Warehouse Group plc and Best Buy Distributions Limited in equal proportion to their shareholding in New CPWM Ltd, being 50% each. The nature of the Group's operations and its principal activities are set out in the Directors' Report on pages 4 to 8.

a) Basis of preparation

The consolidated financial statements of the Group have been prepared both in accordance with International Financial Reporting Standards ("IFRSs") and also IFRSs as adopted for use in the European Union as applied in accordance with the provisions of the Companies Act 2006. These financial statements therefore comply with Article 4 of the European Union International Accounting Standard Regulation. The Company applies United Kingdom GAAP ("UK GAAP") in the preparation of its individual financial statements, which are contained on pages 45 to 47.

On 16 December 2011, the Best Buy Europe Distributions Limited Group undertook a group reorganisation in preparation for the disposal of its profit share interests in Best Buy Mobile, being Best Buy's retail operations in respect of mobile phones and other connected devices. Best Buy Europe Distributions Limited sold the entities comprising the Best Buy Mobile profit share to New CPWM Limited, a joint venture between Carphone Warehouse Group plc and Best Buy Distributions Limited and the immediate parent of Best Buy Europe Distributions Limited at that time, with these transfers being made at book value for cash consideration. As the Best Buy Mobile profit share remained under common ownership before and after this transaction, this represents a common control transaction. On 23 January 2012 New BBED Limited issued share capital to Carphone Warehouse Group plc and Best Buy Distributions Limited in exchange for a 100% shareholding in Best Buy Europe Distributions Limited as part of a capital reduction demerger of New CPWM Limited.

For the 52 weeks ended 31 March 2012, Best Buy Europe Distributions Limited continued to produce consolidated financial statements, reflecting the results of the entity and its subsidiaries for this period, including the Best Buy Mobile profit share. New BBED Limited did not produce financial statements for the year ended 31 March 2012, with the year ended 30 March 2013 representing its first accounting year end.

As the group reorganisation was a common control transaction, this does not fall within the scope of IFRS 3 'Business Combinations'. Instead, in the absence of any alternative guidance under IFRS, the Company has applied the principles of merger accounting from UK GAAP. As a result, the consolidated financial statements of New BBED Limited for the 52 weeks ended 30 March 2013 present the results of the Group as if they had always existed in its current structure. The comparative figures for the Group comprise the results of Best Buy Europe Distributions Limited and its subsidiaries for the 52 weeks ended 31 March 2012 as presented in the consolidated financial statements of that entity, except for the exclusion of the results of the Best Buy Mobile profit share.

The Best Buy Mobile profit share has been treated as though it was never part of the Group. Certain companies forming part of the Group received income associated with Best Buy Mobile profit share. These companies would not have received this income had the Group been a separate, standalone Group during this time. Any such income and associated tax expense, amounting to £33m in 2012, has been excluded from the income statement of the Group and recognised in equity described as "movements in the reconstruction reserve". The cash received from this income, excluding the associated tax expense of £12m, has been reflected in the cash flow statement within "cash flows reflected in reconstruction reserve". In addition, the issued share capital and share premium account, reflect the position of the Company.

Except as noted above, the results of subsidiaries acquired or sold during the year are included from or to the date on which control passed. Intercompany transactions and balances are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries, joint ventures and associates to bring accounting policies used into line with those used by the Group.

Notes to the Consolidated Financial Statements (continued)

* 1 Accounting policies (continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 4 to 8. In addition, note 22 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its exposures to liquidity risk.

The Directors, in their consideration of going concern, have reviewed the Group's future cash forecasts and revenue projections, which they believe are based on prudent market data, and past experience. The Directors are of the opinion that the Group's forecasts and projections, which both reflect the current uncertain economic outlook and take account of reasonably possible changes in trading performance, show that the Group should be able to operate within its current facilities and comply with its banking covenants for the foreseeable future. In arriving at their conclusion that the Group has adequate financial resources, the Directors were mindful that the Group has a robust policy towards liquidity and cash flow management and that it is financed through facilities, excluding overdrafts repayable on demand, totalling a maximum of £400m (£400m available at 31 March 2012) committed to July 2015. The Group's operations are financed by these committed facilities (further described in note 20), retained profits and equity and the overall strategy for managing capital remains unchanged from 2012.

The Directors have also considered the potential for the company to become a wholly owned subsidiary of Carphone Warehouse Group plc (as described in Note 31 - Post Balance Sheet Events), and reasonably expect that the existing facilities will continue to be available to the Group and the future cash forecasts and revenue projections of the Group to be materially the same.

Funding of subsidiaries, both in the United Kingdom and elsewhere, is arranged centrally with an emphasis on tight cash control and efficient cash management. All cross-border funding is provided on an arm's length basis and currency risk is hedged using foreign exchange swaps, forward exchange contracts or currency borrowings, as appropriate, at all times.

The funding position of the Group is detailed in the Directors' Report on page 7.

Accordingly the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future and consequently the Directors continue to adopt the going concern basis in the preparation of the financial statements.

b) Foreign currency translation and financial instruments

The individual financial statements of each Group company are maintained in the currency of the primary economic environment in which it operates (its "functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each Group company are translated to Pounds Sterling which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

On consolidation, the results of overseas operations are translated into sterling at the average foreign exchange rates for the year, and their balance sheets are translated at the rates prevailing at the balance sheet date. Goodwill is held in the currency of the operations to which it relates. Exchange differences arising on the translation of opening net assets, goodwill and results of overseas operations are recognised in the translation reserve.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, material monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date with the corresponding exchange difference recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the year in which they arise except as follows:

- Where the Group designates financial instruments held for the purpose of hedging the foreign currency exposures that result from material transactions undertaken in foreign currencies as cash flow hedges, hedge accounting as defined by IAS 39 'Financial Instruments: Recognition and Measurement' is applied. The effective portion of changes in the fair value of financial instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement. At 30 March 2013 no financial instruments held by the Group were designated as cash flow hedges.

In the event that a foreign operation is disposed of, the gain or loss on disposal recognised in the income statement is determined after taking into account the cumulative currency translation differences that are attributable to the operation.

Notes to the Consolidated Financial Statements (continued)

b) Foreign currency translation and financial instruments (continued)

The principal exchange rates against Sterling used in these financial statements are as follows

	Average 2013	Closing 2013	Average 2012	Closing 2012
Euro	1 22	1 19	1 16	1 20
Swedish Krona	10 52	9 91	10 47	10 60
Swiss Franc	1 48	1 44	1 40	1 44
United States Dollar	1 58	1 52	1 60	1 60

c) Revenue

Revenue is stated net of VAT and other sales-related taxes

The following accounting policies are applied to the Group's revenue streams

- revenue arising on the sale of mobile and other products and services is recognised when the relevant products or services are provided to the customer,
- revenue generated from the provision of mobile network services is recognised as it is earned over the period for which the services are provided,
- commission receivable on sales, being commission which is contractually committed, and for which there are no ongoing performance criteria, is recognised when the sales to which the commission relates are made, net of any provision for promotional offers and network operator performance penalties. Commission includes ongoing revenue (share of customers airtime spend and customer revenue and retention bonuses) to the extent that it can be reliably measured and there are no ongoing service obligations – see 'Use of critical accounting estimates and assumptions' on page 22,
- volume bonuses receivable from network operators are recognised as the conditions on which they are expected to be earned are met. Volume bonuses received from suppliers of products are recognised as an offset to product cost as the conditions on which they are earned are met, and are recognised within cost of sales when the products to which the volume bonuses relate have been sold,
- insurance premiums are typically paid either monthly or quarterly in advance. Sales commission paid by third parties is recognised when the insurance policies to which it relates are sold, to the extent that it can be reliably measured and there are no ongoing service obligations. Insurance premium income for the provision of ongoing insurance services is recognised over the lives of the relevant policies,
- revenue from the sale of prepaid credits is deferred until the customer uses the airtime or the credit expires,
- all other revenue is recognised when the relevant goods or services are provided, and
- where the time value of money has a material impact, an appropriate discount is applied such that revenue is recognised at an amount equal to the present value of the future consideration received. The unwinding of the discount is recognised within finance income.

d) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant, and expensed over the vesting period, based on the estimate of the number of shares that will eventually vest.

For schemes with internal performance criteria, the number of options expected to vest is recalculated at each balance sheet date, based on expectations of performance against target and of option holders leaving prior to vesting. The movement in the cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in reserves.

For schemes with external performance criteria, the number of options expected to vest is adjusted only for expectations of option holders leaving prior to vesting. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Notes to the Consolidated Financial Statements (continued)

e) Pensions

Contributions to defined contribution schemes are charged to the income statement as they become payable in accordance with the rules of the schemes

f) Dividends

Dividend income is recognised when payment has been received. Dividends paid are recognised in the period in which they are approved by the Group's shareholders

g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

Rental payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Lease incentives and rent-free periods are amortised through the income statement on a straight-line basis over the period of the lease

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease

h) Taxation

Current tax, including UK corporation tax and overseas 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 provided in full on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base

Deferred tax liabilities represent tax payable in future periods in respect of taxable temporary differences. Deferred tax assets represent tax recoverable in future periods in respect of deductible temporary differences, and the carry-forward of unused tax losses and credits. Deferred tax is determined using the tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Current and deferred tax is recognised in the income statement except where it relates to an item recognised directly in reserves, in which case it is recognised directly in equity

Deferred tax assets and liabilities are offset where there is a legal right to do so in the relevant jurisdictions

Notes to the Consolidated Financial Statements (continued)

i) Intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is recognised initially as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. At the acquisition date, goodwill is allocated to each of the cash-generating units ("CGUs") expected to benefit from the combination and held in the currency of the operations to which the goodwill relates. Goodwill is reviewed at least annually for impairment, or more frequently where there is an indication that goodwill may be impaired. Impairment is determined by assessing the future cash flows of the CGUs to which the goodwill relates. Where the future cash flows are less than the carrying value of goodwill, an impairment charge is recognised in the income statement. Any impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

On disposal of a subsidiary undertaking, the relevant goodwill is included in the calculation of the profit or loss on disposal.

Software and licences

Software and licences includes internal infrastructure and design costs incurred in the development of software for internal use. Internally generated software is recognised as an intangible asset only if it can be separately identified, the asset is expected to generate future economic benefits, and the development cost can be measured reliably. Where these conditions are not met, development expenditure is recognised as an expense in the period in which it is incurred. Software and licences are amortised on a straight-line basis over their estimated useful economic lives of up to eight years.

Key money

Key money paid to enter a property is stated at cost, net of amortisation and any provision for impairment. Amortisation is provided on key money at rates calculated to write off the cost, less estimated residual value, on a straight-line basis over the shorter of ten years or the lease term.

j) Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life from the date it is brought into use, as follows:

Short leasehold costs	10% per annum or the lease term if less
Computer hardware	20-50% per annum
Fixtures and fittings	20-25% per annum
Motor vehicles	25% per annum

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

k) Recoverable amount of non-current assets

At each reporting date, an assessment is made of whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, a formal estimate is made of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down through an accelerated amortisation or depreciation charge to its recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Notes to the Consolidated Financial Statements (continued)

l) Investments

All investments are initially recognised at cost, being the fair value of the consideration given plus any transaction costs associated with the acquisition

The Group's investments are categorised as available-for-sale and are then recorded at fair value. Changes in fair value, together with any related taxation, are taken directly to equity, and recycled to the income statement when the investment is sold or determined to be impaired

m) Interests in associates

Interests in associates are accounted for using the equity method. The consolidated income statement includes the Group's share of the post-tax profits or losses and attributable taxation of the associates based on their financial statements for the period. In the consolidated balance sheet, the Group's interests in associates are shown as a non-current asset, representing the Group's gross investment in the share capital of the associates, and loans advanced to it by the Group, together with any goodwill associated with the investment, plus or minus the Group's share of profits or losses arising

n) Stock

Stock is stated at the lower of cost and net realisable value. Cost, net of discounts and volume bonuses from product suppliers (see note 1c), includes all direct costs incurred in bringing stock to its present location and condition and represents finished goods and goods for resale. Net realisable value is based on estimated selling price, less further costs expected to be incurred to disposal. Provision is made for obsolete, slow moving or defective items where appropriate

o) Cash and cash equivalents

Cash and cash equivalents represent cash in hand and at bank and short-term, highly liquid investments that are readily convertible to known amounts of cash

p) Loans, other borrowings and borrowing costs

Loans and other borrowings represent bank overdrafts and borrowing facilities. Bank fees associated with the securing of external financing are capitalised and amortised over the term of the relevant facility. Borrowing costs attributable to qualifying assets are included in the cost of the asset. All other borrowing costs are recognised in the income statement in the period in which they are incurred

q) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are discounted where the time value of money is considered to be material

Insurance

Full provision is made for the estimated cost of all claims notified but not settled at the balance sheet date. Provision is also made for the estimated cost of claims incurred but not reported at the balance sheet date, based on historical experience of the value of such claims. Any differences between original claims provisions and subsequent settlements are reflected in the income statement in the relevant period

Reorganisation

Reorganisation provisions relate principally to redundancy costs, the costs of onerous leases and other onerous contracts and are only recognised where plans are demonstrably committed and where appropriate communication to those affected has been undertaken at the balance sheet date

Sales

Sales provisions relate to "cash-back" and similar promotions, product warranties, product returns, and network operator performance penalties. The anticipated costs of these items are assessed by reference to historical trends and any other information that is considered to be relevant

Notes to the Consolidated Financial Statements (continued)

q) Provisions (continued)

Other

Other provisions relate to dilapidations and similar property costs, unresolved tax issues and legal disputes and costs associated with onerous contracts. All such provisions are assessed by reference to the best available information at the balance sheet date.

r) Business combinations

The cost of the acquisition of subsidiaries is measured as the fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities assumed in the business combination are recognised at their fair value at the acquisition date.

s) Discontinued operations

A discontinued operation is a separate major line of business or geographic area of operations that has either been disposed of, has been abandoned or meets the criteria for classification as held-for-sale. The comparative income statement is restated to show the operation as discontinued from the start of the comparative period.

t) Exceptional items

Exceptional items are those items that in the Directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance. In the current year exceptional items have solely arisen as a consequence of the Group's restructuring programme and the impairment of the goodwill and non-current assets in France.

u) Use of critical accounting estimates and assumptions

Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary. Whilst every effort is made to ensure that such estimates and assumptions are reasonable, by their nature they are uncertain, and as such, changes in estimates and assumptions may have a material impact in the financial statements. The principal balances in the financial statements where changes in estimates and assumptions may have a material impact are as follows:

Recoverable amount of non-current assets

All non-current assets, including goodwill and other intangible assets are reviewed for potential impairment using estimates of the future economic benefits attributable to them. Any estimates of future economic benefits made in relation to non-current assets may differ from the benefits that ultimately arise, and materially affect the recoverable value of the assets. Refer to notes 1, 12, 13, 15 and 18 for details of the Group's non-current assets.

Trade and other receivables

Provisions for irrecoverable receivables are based on extensive historical evidence, and the best available information in relation to specific issues, but are nevertheless inherently uncertain. Refer to note 18 for details of the Group's trade and other receivables.

Recognition of ongoing revenue

Commission receivable within the Group depends for certain transactions on customer behaviour after the point of sale. Assumptions are therefore required, particularly in relation to levels of customer default within the contract period, expected levels of customer spend and customer behaviour beyond the initial contract period. Such assumptions are based on extensive historical evidence, and provision is made for the risk of potential changes in customer behaviour, but are nonetheless inherently uncertain. Changes in estimates may be made where, for example, more reliable information is available and any such changes are reported through the income statement. Changes of estimates, recognised as an increase to revenue during the year in relation to commission receivable after the initial contract term for sales originating in previous years totalled £21m (2012: £17m). Total ongoing revenue receivables in trade and other receivables are £550m (2012: £474m).

Current taxation

The complex nature of tax legislation across the tax jurisdictions in which the Group operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed. Current tax payables are £51m (2012: £46m).

Deferred taxation

The extent to which tax losses can be utilised depends on the extent to which taxable profits are generated in the relevant jurisdictions in the foreseeable future, and on the tax legislation then in force, and as such the value of associated deferred tax assets is uncertain. Refer to note 9 for details of the deferred tax assets and liabilities.

Notes to the Consolidated Financial Statements (continued)

u) Use of critical accounting estimates and assumptions (continued)

Provisions

The Group's reorganisation provisions are based on the best information available to management at the balance sheet date. However, the future costs assumed are inevitably only estimates, which may differ from those ultimately incurred.

Sales provisions are based on historical patterns of redemption of promotions, product return rates for returns and warranties, and penalty rates from network operators. The Group has extensive data in all areas, however, if the historical patterns on which the provisions are based change significantly in the future, the financial statements may be materially impacted.

Provisions relating to the disposal of excess property necessitate assumptions in respect of period to disposal and exit costs, which may differ from the ultimate cost of disposal. Refer to note 23 for details of the Group's provisions.

v) New and Revised Accounting Standards

The impacts of new and revised standards are set out below differentiating between those changes impacting presentation and disclosure, those impacting reported results and financial position and those having no significant impact on the reported results or financial position.

Standards affecting presentation and disclosure

No new or revised standards impacting the presentation and disclosure have been adopted in the current year. IAS 24 (2009) Related Party Disclosures was adopted last year in line with the early application provisions.

Standards not affecting the reported results and financial position

The following new and revised Standards and Interpretations have been adopted, where applicable, in the current year. Their adoption has not had any significant impact on the results or financial position reported for the year ended 30 March 2013.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU).

IFRS 1 (amended)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
IFRS 7 (amended)	Disclosures – Transfers of Financial Assets
IFRS 9	Financial Instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income
IAS 19 (revised)	Employee Benefits
IAS 27 (revised)	Separate Financial Statements
IAS 28 (revised)	Investments in Associates and Joint Ventures
IAS 32 (amended)	Offsetting Financial Assets and Financial Liabilities

The Directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group in future periods, except as follows:

- IFRS 9 will impact both the measurement and disclosures of Financial Instruments, and

- IFRS 13 will impact the measurement of fair value for certain assets and liabilities as well as the associated disclosures.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Notes to the Consolidated Financial Statements (continued)

2 Profit before interest and taxation

Profit before interest and taxation is stated after charging (crediting)

	2013 £m	2012 £m
Depreciation of property, plant and equipment (see note 13) – continuing operations	38	42
Depreciation of property, plant and equipment (see note 13) – discontinued operations	-	3
Amortisation of intangible fixed assets (see note 12)	41	43
Impairment of property, plant and equipment and intangible assets	94	67
(Profit)/Loss on disposal of property, plant and equipment and intangible assets	(3)	4
Profit on disposal of subsidiary (see note 14b)	-	(8)
Profit on disposal of AIM listed shares (see note 16)	(1)	-
Amounts written off stock	61	57
Cost of goods sold	2,485	2,201
Restructuring expense (see note 4)	25	-
Impairment of trade receivables (see note 18)	6	1
Net foreign exchange gains	(1)	(1)
Reclassification of translation reserve to income statement on disposal of subsidiary	-	(8)
Share-based payments (see note 7)	3	1
Other employee costs (see note 5)	395	475
Rentals under operating leases – property		
- Fixed rent expense	125	136
- Variable rent expense	1	3
- Rent income	(2)	(2)
Auditor's remuneration (see below)	1	2

Amortisation includes £8m (2012 £11m) of amortisation of internally developed software

Analysis of operating expenses – continuing operations

	2013 £m	2012 £m
Operating expenses excluding depreciation, amortisation and impairment	741	762
Depreciation expense	38	42
Amortisation expense	41	43
Impairment of property, plant and equipment and intangible assets	94	-
	914	847

Auditor remuneration

	2013 £m	2012 £m
Statutory services		
- Audit of Company's accounts	0.2	0.2
- Audit of the accounts of the Company's subsidiaries	0.7	0.8
Total statutory services	0.9	1.0
Taxation services		
- Compliance services	0.2	0.4
- Advisory services	0.1	0.1
Total taxation services	0.3	0.5
Audit related assurance services	-	0.1
Corporate Finance related services	0.1	-
	1.3	1.6

Notes to the Consolidated Financial Statements (continued)

3 Discontinued operations

Best Buy UK

During the prior year the Group announced the closure of its Best Buy UK business. The last Best Buy UK store was closed on 14 January 2012 and the business was classified as a discontinued operation. The results of the discontinued operation, which have been included in the consolidated income statement, were as follows

	2013	2013	2013	2012	2012	2012
	£m	£m	£m	£m	£m	£m
	Before exceptional items	Exceptional items	After exceptional items	Before exceptional items	Exceptional items	After exceptional items
Revenue	-	-	-	90	-	90
Cost of sales	-	-	-	(94)	-	(94)
Gross loss	-	-	-	(4)	-	(4)
Operating expenses excluding depreciation and amortisation	-	-	-	(66)	(147)	(213)
EBITDA	-	-	-	(70)	(147)	(217)
Depreciation and amortisation	-	-	-	(3)	-	(3)
Loss before tax	-	-	-	(73)	(147)	(220)
Tax	-	-	-	20	26	46
Loss after tax	-	-	-	(53)	(121)	(174)

During the prior period the Group's operating cash outflow attributed to Best Buy UK was £120m and Best Buy UK spent £5m on investing activities

4 Exceptional items

	2013	2012
	£m	£m
A) Continuing operations		
Operating expenses	(25)	(27)
Impairment of property, plant and equipment and intangible assets	(94)	-
Interest	-	(1)
Loss before tax	(119)	(28)
Exceptional tax credit on above exceptional items	12	7
Impact of restructuring on German tax assets and liabilities	-	(13)
Loss for the year from continuing operations	(107)	(34)
B) Discontinued operations		
Non-current asset impairment (net of write-back of landlord contributions)	-	(46)
Lease exit costs	-	(57)
Impairment of stock	-	(7)
Staff costs	-	(10)
Contract exit costs	-	(25)
Professional fees	-	(2)
Loss before tax	-	(147)
Tax credit on above	-	26
Loss for the year from discontinued operations	-	(121)

Notes to the Consolidated Financial Statements (continued)

4 Exceptional items (continued)

In the current year operating expenses include £25m of restructuring costs across the Group and an impairment charge of £94m relating to the Group's retail business in France. This impairment charge is split between goodwill £70m, property, plant and equipment £14m and intangibles £10m. The related tax credit associated with the exceptional items is £12m.

In the prior year administration expenses include costs associated with disposals. These include changes to the Group's long-term and short-term incentive plans of £6m and the cost of an executive share gift of £21m (refer to note 5). In addition, the Group incurred bank facility costs associated with the disposal of £1m.

In the prior year Best Buy UK ceased trading in January 2012 which resulted in an exceptional closure cost of £147m and related tax credit of £26m.

5 Employee costs

The average monthly number of employees (including Executive Directors) was

	2013 Number	2012 Number
Administration	1,932	2,480
Sales and customer management	10,925	11,428
	12,857	13,908

Their aggregate remuneration (including Executive Directors) recognised in the income statement comprised

	2013 £m	2012 £m
Wages, salaries and performance bonuses	338	405
Social security costs	52	65
Other pension costs	5	5
	395	475
Share-based payments (see note 7)	3	1
	398	476

In addition to the costs recognised in the income statement, employee costs of £4m (2012: £3m) were capitalised in the year in relation to internally developed software.

Compensation earned by key management, comprising the executive management team, was as follows

	2013 £m	2012 £m
Salaries and fees and compensation for loss of office	3.4	3.0
Loss of office fees and termination fees	0.5	0.3
Performance bonuses	5.0	16.2
Social security costs	0.4	2.3
Contributions to defined contributions schemes	0.2	0.2
Share-based payments (see note 7)	3.1	0.9
	12.6	22.9

The average number of employees included within the definition of key management is 11 (2012: 11).

During the prior year Carphone Warehouse Group plc gifted 7m shares to certain members of the Group's senior management team. Certain recipients of the share gifts also received a cash bonus from the Group to discharge the associated taxes. The total cost to the Group of both of these elements was £21.4m comprising £11.7m in respect of the cost of the shares and £9.7m in respect of the cash bonuses and associated employer social security. The element of this amount relating to the executive management team has been included within the performance bonuses figure above.

Notes to the Consolidated Financial Statements (continued)

6 Directors' remuneration

Remuneration of Directors

	2013 £m	2012 £m
Emoluments and compensation for loss of office	1.5	7.5
Share-based payments (see note 7)	0.1	0.4
	1.6	7.9

Remuneration of the highest paid Director

	2013 £m	2012 £m
Emoluments	0.7	5.7

No Directors exercised share options during the year (2012: nil) and 2 Directors (2012: 2) participate in long-term incentive plans offered by the Group (refer to note 7).

Directors' remuneration includes only the remuneration of Directors who are paid by the Group. Those Directors whose remuneration is borne by the shareholders (Best Buy Co., Inc. and Carphone Warehouse Group plc) have not been included as it is not feasible to apportion the remuneration between services for the different companies. The remuneration of these Directors has been disclosed in the consolidated financial statements of Best Buy Co., Inc. and Carphone Warehouse Group plc as applicable.

7 Share-based payments

Value enhancement scheme (LTIP)

During the prior year the Group's existing LTIP was heavily geared towards the performance of Best Buy UK. Following the closure of Best Buy UK, an agreement was reached with the Group's shareholders during the prior accounting period to cancel the existing LTIP. In addition, it was agreed that a new LTIP would be created to incentivise employees.

The new scheme comprises share awards in respect of New BBED Limited shares which are subject to performance conditions measured over the period from 5 April 2009 to 31 March 2015. Subject to the performance targets being reached over the performance period, in September 2015 participants will be required to sell these shares which will be purchased by the Group's shareholders (Carphone Warehouse Group plc and Best Buy Co., Inc.) in equal proportions, in exchange for cash or shares. At the vesting date, the shares will be valued based on specified performance measures. However, if a participant leaves the Group before the vesting date, the shares must be transferred for zero value.

The fair value of the share awards that will be granted has been agreed with the Group's shareholders at £10.9m and the Group has, accordingly, recognised a charge of £3.2m (2012: £0.6m) in respect of the new scheme, relating to the period since board approval in January 2012. In the prior year the Group also recognised the cost of the cancelled scheme in full, resulting in an accelerated charge of £0.7m which has been classified within exceptional items.

8 Finance expense and finance income

Finance expense is analysed as follows:

	2013 £m	2012 £m
Interest on overdrafts and loans	8	9
Exceptional bank facility costs (see note 4)	-	1
Interest on loans from related parties	-	1
Amortisation of capitalised loan arrangement fees	1	4
	9	15

Notes to the Consolidated Financial Statements (continued)

8 Finance expense and finance income (continued)

Finance income is analysed as follows

	2013 £m	2012 £m
Interest on cash and cash equivalents	-	1
Unwinding of discount on trade receivables	9	8
	9	9

9 Taxation

The tax charge comprises

	Before exceptional items 2013 £m	Exceptional items 2013 £m	After exceptional items 2013 £m	Before exceptional items 2012 £m	Exceptional items 2012 £m	After exceptional items 2012 £m
Current tax						
UK corporation tax	17	(2)	15	27	(6)	21
Overseas tax	13	(1)	12	7	(2)	5
	30	(3)	27	34	(8)	26
Adjustments in respect of prior periods						
UK corporation tax	4	-	4	1	4	5
Overseas tax	(21)	-	(21)	(9)	(3)	(12)
	(17)	-	(17)	(8)	1	(7)
Total current tax	13	(3)	10	26	(7)	19
Deferred tax						
Origination and reversal of temporary differences	7	(7)	-	(8)	13	5
Adjustments in respect of prior periods	6	(2)	4	3	-	3
Total deferred tax	13	(9)	4	(5)	13	8
Total tax charge	26	(12)	14	21	6	27

Notes to the Consolidated Financial Statements (continued)

9 Taxation (continued)

The principal differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 24% (2012 26%) to profit before taxation are as follows

	Before exceptional items 2013 £m	Exceptional items 2013 £m	After exceptional items 2013 £m	Before exceptional items 2012 £m	Exceptional items 2012 £m	After exceptional items 2012 £m
Profit before taxation	128	(119)	9	120	(28)	92
Taxation at 24 % (2012 26%)	31	(29)	2	31	(7)	24
Items attracting no tax relief or liability	4	17	21	(3)	(1)	(4)
Income taxed at lower rates	(1)	-	(1)	(6)	-	(6)
Adjustments in respect of prior periods	(11)	(2)	(13)	(5)	1	(4)
Other temporary differences not recognised or subsequently recognised in deferred tax	1	2	3	2	-	2
Change in tax rate	1	-	1	1	-	1
Other foreign tax	1	-	1	1	-	1
Exceptional write off of tax assets and liabilities	-	-	-	-	13	13
Total tax charge	26	(12)	14	21	6	27

Tax on items recognised directly in reserves is as follows

	Before exceptional items 2013 £m	Exceptional items 2013 £m	After exceptional items 2013 £m	2012 £m
Credit to equity in respect of deferred tax	-	-	-	1
Total	-	-	-	1

Items recognised directly in equity are primarily in respect of the tax treatment on exercise of shares and share options previously granted to employees of the Group by Carphone Warehouse Group plc and the treatment of gains on cash flow hedges recognised within equity

Notes to the Consolidated Financial Statements (continued)

9 Taxation (continued)

The major deferred tax assets and liabilities recognised by the Group and movements thereon during the year are as follows

	Temporary differences on capitalised costs £m	Tax losses £m	Other temporary differences £m	Total £m
At 1 April 2012	17	3	4	24
Charge to income statement	(3)	(4)	(6)	(13)
Exceptional credit	-	8	1	9
At 30 March 2013	14	7	(1)	20

Deferred tax comprises the following balances

	Temporary differences on capitalised costs £m	Tax losses £m	Other temporary differences £m	Total £m
Deferred tax assets	14	7	-	21
Deferred tax liabilities	-	-	(1)	(1)
At 30 March 2013	14	7	(1)	20

The major deferred tax assets and liabilities recognised by the Group and movements thereon during the comparative year are as follows

	Temporary differences on capitalised costs £m	Tax losses £m	Other temporary differences £m	Total £m
At 3 April 2011	(4)	14	6	16
Credit/(charge) to income statement	21	2	(2)	21
Exceptional derecognition of tax losses	-	(13)	-	(13)
Credit to other comprehensive income	-	-	1	1
Exchange differences	-	-	(1)	(1)
At 31 March 2012	17	3	4	24

Deferred tax comprises the following balances

	Temporary differences on capitalised costs £m	Tax losses £m	Other temporary differences £m	Total £m
Deferred tax assets	17	3	4	24
Deferred tax liabilities	-	-	-	-
At 31 March 2012	17	3	4	24

The UK statutory rate of corporation tax applicable during the accounting year is 24%. A further 1% reduction in the UK statutory rate of corporation tax applicable from 1 April 2013 was announced in the March 2012 Budget, reducing the rate from 24% to 23%. On 17 July 2012 the relevant legislation for the additional 1% was substantively enacted when Finance Act 2012 received Royal Assent. Accordingly, the UK tax assets and liabilities recognised at 30 March 2013 take account of these changes. A further reduction of 2% to reduce the rate to 21% from 1 April 2014 has also been announced but deferred tax has not been recognised at this rate as it had not been substantively enacted at the balance sheet date.

No deferred tax assets and liabilities have been offset in the year except where there is a legal right to do so in the relevant jurisdictions.

Notes to the Consolidated Financial Statements (continued)

9 Taxation (continued)

At 30 March 2013, the Group had unused tax losses of £127m (2012 £76m) available for offset against future taxable profits. A deferred tax asset of £7m (2012 £3m) has been recognised in respect of £26m (2012 £11m) of such losses. The level of deferred tax asset recognised is based upon management projections of available profits against which the losses may be recovered, in the foreseeable future. Deferred tax assets have been recognised in respect of available losses of the Group's German and Swedish entities, both of which have made a loss during the current year, to the extent that management projections indicate that there will be available profits against which the losses may be recovered in the foreseeable future.

No deferred tax asset has been recognised in respect of tax losses of £53m (2012 £65m) as there is insufficient evidence that there will be suitable taxable profits in the foreseeable future against which these losses could be recovered. Included within the Group's tax losses are amounts of £19m (2012 £26m) that will expire between 2014 and 2020. All other losses may be carried forward indefinitely.

10 Equity dividends

The Group did not pay dividends during either the current or prior year. No dividends have been proposed for the current year.

11 Goodwill

	2013 £m	2012 £m
Opening net carrying amount	214	226
Foreign exchange	4	(10)
Impairment (note 4)	(70)	-
Derecognised on disposal of subsidiary	-	(2)
Closing net carrying amount	148	214
Cost	222	218
Accumulated impairment and goodwill expense	(74)	(4)
Net carrying amount	148	214

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination, which are generally based on geographical location. The carrying amount of goodwill by geographical location is as follows:

	2013 £m	2012 £m
UK	12	12
France	-	67
Germany	38	38
Spain	36	35
Other	62	62
Total goodwill	148	214

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs or group of CGUs are determined from value in use calculations. The Group prepares cash flow forecasts, derived from the most recent financial budgets approved by management for the next three years, and extrapolates cash flows in perpetuity based on a country-specific growth rate ranging from 1.5% to 4.5% (2012 1.25% to 4.6%). This rate does not exceed the average long-term growth rate for the relevant markets. The pre-tax rates used to discount the forecast cash flows were market specific and in the range 7.7% to 10.2% (2012 8.5% to 11.8%).

The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period, all of which are based on historical patterns and expectations of future market developments. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

Notes to the Consolidated Financial Statements (continued)

11 Goodwill (continued)

Reflecting highly challenging mobile market conditions In France, a strategic review was undertaken in the second half of the year, involving extensive employee consultation. The Group announced in April 2013 that the Directors had concluded the strategic review, and intended to pursue an orderly exit from the French retail market by means of store disposals and some further store closures. In light of this situation, the goodwill associated with the French business was written off during the year, alongside various other fixed assets in the business. Together with asset write-downs associated with the store closures committed during the year, total non-cash asset write-downs of £94m were booked in the year (see note 4).

Germany was the only CGU for which a reasonably possible change during the next year in key assumptions would cause the recoverable amount of the CGU to which the goodwill is allocated to fall below its carry amount. At 30 March 2013, the recoverable amount exceeded the carrying value by £94m in Germany, incorporating a long term growth rate of 1.5% and a pre-tax discount rate of 7.7% as key assumptions. If the pre-tax discount rate increased above 11.8% or the forecast EBITDA reduced by more than 40%, the recoverable amount in Germany would fall below its carrying amount.

12 Other intangible assets

Other intangible assets are analysed as follows:

	Software and licences £m	Key money £m	Total £m
At 1 April 2012	101	34	135
Additions	37	1	38
Disposals	(2)	(1)	(3)
Impairments (note 4)	(1)	(9)	(10)
Amortisation	(38)	(3)	(41)
Foreign exchange	-	-	-
At 30 March 2013	97	22	119
At 30 March 2013			
Cost	333	64	397
Accumulated amortisation	(236)	(42)	(278)
Net carrying amount	97	22	119
	Software and licences £m	Key money £m	Total £m
At 3 April 2011	133	31	164
Additions	45	2	47
Disposals	-	(3)	(3)
Impairments	(37)	-	(37)
Reclassifications	-	9	9
Amortisation	(40)	(3)	(43)
Foreign exchange	-	(2)	(2)
At 31 March 2012	101	34	135
At 31 March 2012			
Cost	302	65	367
Accumulated amortisation	(201)	(31)	(232)
Net carrying amount	101	34	135

Software and licences include assets with a cost of £7m (2012: £8m) on which amortisation has not been charged as the assets have not yet been brought into use. Internally developed software with a net book value of £15m (2012: £19m) is included within software and licences.

Notes to the Consolidated Financial Statements (continued)

13 Property, plant and equipment

	Short leasehold costs £m	Computer hardware £m	Fixtures and fittings £m	Motor Vehicles £m	Total £m
At 1 April 2012	54	28	63	-	145
Additions	5	3	14	-	22
Disposals	(1)	(1)	(2)	-	(4)
Impairments (note 4)	-	(3)	(11)	-	(14)
Depreciation	(11)	(9)	(18)	-	(38)
Foreign exchange	-	1	-	-	1
At 30 March 2013	47	19	46	-	112
At 30 March 2013					
Cost	126	146	251	-	523
Accumulated depreciation	(79)	(127)	(205)	-	(411)
Net carrying amount	47	19	46	-	112

	Short leasehold costs £m	Computer hardware £m	Fixtures and fittings £m	Motor Vehicles £m	Total £m
At 3 April 2011	76	23	66	-	165
Additions	16	22	36	-	74
Disposals	(3)	(1)	(2)	-	(6)
Impairments	(16)	(4)	(10)	-	(30)
Reclassification	(7)	-	(2)	-	(9)
Depreciation	(11)	(11)	(23)	-	(45)
Foreign exchange	(1)	(1)	(2)	-	(4)
At 31 March 2012	54	28	63	-	145
At 31 March 2012					
Cost	123	144	248	3	518
Accumulated depreciation	(69)	(116)	(185)	(3)	(373)
Net carrying amount	54	28	63	-	145

The net book value of computer hardware assets held under finance leases was £3m (2012 £5m)

14 Non-current asset investments

a) Principal Group investments

The Group has investments in the following subsidiary undertakings, which principally affected the profits or losses or net assets of the Group. All holdings are in equity share capital and give the Group an effective holding of 100% on consolidation.

Name	Country of incorporation or registration	Nature of business
Best Buy Europe Distributions Limited*	England and Wales	Holding Company
The Carphone Warehouse Limited	England and Wales	Distribution
The Phone House SAS	France	Distribution
The Phone House Spain S L U	Spain	Distribution
The Phone House Deutschland GmbH	Germany	Distribution
The Phone House Holdings (UK) Limited	England and Wales	Holding Company

*held directly by the Company

Notes to the Consolidated Financial Statements (continued)

14 Non-current asset investments (continued)

a) Principal Group investments (continued)

The following companies registered in England and Wales intend to take advantage of the audit exemption available under Section 394c of the Companies Act 2006 for the year ended 30 March 2013

Best Buy Limited company registration number 2441554, The Carphone Warehouse UK Limited company registration number 3827277 and Best Buy UK CP Limited company registration number 06585457

b) Disposals

During the prior year the Group disposed of the trade and assets of the Belgian business for a gross cash consideration of £18m, resulting in the disposal of £2m of goodwill. The carrying value of net assets at disposal was £10m (including £2m of cash) resulting in a profit on sale of £8m recognised within net operating expenses. In addition the Group recognised a receivable of £2m reflecting the value of insurance commitments relating to the disposal, recognised within net operating expenses. The results of the Belgian business, during the period from the signing of the agreement in March 2011 and the completion in December 2011 were adversely impacted by the reduction in the levels of support from certain network operators, partially offsetting the gain on disposal.

15 Interest in associate

During the year the Group disposed of its 44.3% (2012: 47.5%) investment in Mobile Money Network Limited (MMN) in return for shares in an AIM listed company, resulting in a profit on disposal of £11m. The Group's share of MMN's losses during the year was £2m (2012: £3m) resulting in a net profit from associate of £9m. The AIM listed shares have been recorded as an 'available-for-sale' investment in the Group's balance sheet (see note 16). The carrying value of the MMN investment held in the balance sheet at 31 March 2012 was £1m.

The Group had provided a loan to Mobile Money Network Limited of £8m (2012: £5m) on which interest was receivable at a rate of LIBOR +3% (refer to note 29). This loan was capitalised prior to the disposal.

16 Available-for-sale financial asset

	2013 £m	2012 £m
Listed Securities		
AIM listed shares	9	-

The Group received AIM listed shares as consideration for the disposal of its interest in MMN (see Note 15). The Group disposed of 45% of the shares during the year for consideration of £7m resulting in a gain of £1m being recorded in net operating expenses. Movements in fair value amounting to £2m in the year ended 30 March 2013 were recognised through the statement of comprehensive income. The fair value of the AIM listed securities at year end was £9m based on quoted market prices.

17 Stock

	2013 £m	2012 £m
Finished goods and goods for resale	254	273

The directors consider that the carrying value of stock is approximately equal to their fair value.

Notes to the Consolidated Financial Statements (continued)

18 Trade and other receivables

	2013 £m	2012 £m
Current		
Trade receivables	811	681
Less provision for impairment	(21)	(22)
Trade receivables net of provision for impairment	790	659
Prepayments and other receivables	70	56
Accrued income	14	6
	874	721
Non-current		
Trade receivables	149	143
Trade and other receivables	1,023	864

The average credit period taken on trade receivables, calculated by reference to the amount owed at the year end as a proportion of total revenue in the year was 79 days (2012 75 days)

Non-current receivables are the long term element of capitalised ongoing revenue

Trade and other receivables are discounted using discount rates which reflect relevant costs of financing when the receivable is recognised where the time value of money is considered material

The Group's gross trade receivables are denominated in the following currencies

	2013 £m	2012 £m
Sterling	685	545
Euro	261	232
US dollar	-	27
Other	14	20
	960	824

The ageing of gross trade receivables is as follows

	2013 £m	2012 £m
Not yet due	673	578
0 to 2 months	184	158
2 to 4 months	34	29
Over 4 months	69	59
	960	824

The ageing of provisions for impairment of trade receivables is as follows

	2013 £m	2012 £m
Not yet due	(2)	(2)
0 to 2 months	(3)	(2)
2 to 4 months	(4)	(3)
Over 4 months	(12)	(15)
	(21)	(22)

Notes to the Consolidated Financial Statements (continued)

18 Trade and other receivables (continued)

Movements in provisions for impairment of trade receivables are as follows

	2013 £m	2012 £m
Opening balance	(22)	(26)
Charge to the income statement	(6)	(1)
Receivables written off as irrecoverable	6	4
Foreign exchange	1	1
Closing balance	(21)	(22)

At 30 March 2013, trade receivables of £269m (2012 £226m) were past due but not impaired. The Group has made provision based on historical rates of recoverability and all unprovided amounts are considered to be recoverable. The ageing analysis of these trade receivables is as follows:

	2013 £m	2012 £m
0 to 2 months	181	156
2 to 4 months	30	26
Over 4 months	58	44
	269	226

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

19 Trade and other payables

	2013 £m	2012 £m
Current		
Trade payables	569	369
Other taxes and social security costs	107	90
Other payables	58	43
Accruals	136	154
Deferred income	3	10
	873	666
Non-current		
Accruals and deferred income	14	10
Trade and other payables	887	676

The average credit period taken on trade payables, calculated by reference to the amounts owed at the year end as a proportion of the amounts invoiced by suppliers in the year, adjusted to take account of the timing of acquisitions, was 55 days (2012 37 days).

Non-current amounts relate to inducements from landlords in respect of property leases.

The Group's trade and other payables are denominated in the following currencies:

	2013 £m	2012 £m
Sterling	516	409
Euro	355	221
Other	16	46
	887	676

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Notes to the Consolidated Financial Statements (continued)

20 Cash and cash equivalents, loans and other borrowings

Cash and cash equivalents comprise

	2013 £m	2012 £m
Cash at bank and in hand	42	116
Short-term bank deposits and money market liquidity funds	81	49
	123	165

All cash and cash equivalents are available on demand. The effective average interest rate on bank deposits, money market liquidity funds and deposits was 0.7% (2012: 0.7%). Within cash and cash equivalents, £28m (2012: £37m) is held by the Group's insurance business to cover regulatory reserve requirements. As such, these funds are not available to offset against other Group borrowings. The Directors consider that the carrying amount of these assets approximates to their fair value.

Loans and other borrowings comprise

	2013 £m	2012 £m
Current		
Bank overdrafts	-	1
Finance leases (note 21)	2	2
	2	3
Non-current		
Borrowings	-	189
Finance leases (note 21)	1	3
	1	192
Loans and borrowings	3	195

Details of the borrowing facilities of the Group are set out on the next page.

Bank overdrafts and uncommitted facilities

The Group has overdraft facilities at various banks and in various currencies as operationally necessary. These total approximately £28m (2012: £23m). Interest is charged at a margin of 1% (2012: 1%) over UK base rate and other margins over EONIA as appropriate for the relevant currencies and the appropriate periods (2012: 2%).

In addition, the Group has £55m (2012: £55m) of uncommitted money market lines at various banks to assist in efficient cash management.

Revolving credit facility

During the prior year, the Group arranged a four-year £400m multi-currency revolving credit facility, which matures in July 2015. The facility was provided by six relationship banks and the borrowers are New BBED Ltd, Best Buy Europe Distributions Ltd, The Carphone Warehouse Ltd and Ise-Net Solutions Ltd with these companies also being guarantors to the facility. The interest rate payable in respect of drawings under this facility is at a margin over LIBOR for the relevant currency and the appropriate period. The actual margin applicable to any drawing depends on the fixed charges (interest and operating lease expenditure) cover ratio calculated in respect of the most recent period. A non-utilisation fee is payable in respect of amounts available but undrawn under this facility. Covenants are included in this facility that limit the ratio of net debt to EBITDA and fixed charges cover. The Group was in compliance with these covenants throughout the year.

Receivables financing agreement

The Group recognised the amortisation of the remaining capitalised arrangement fees on this facility, which was cancelled in the prior year.

Weighted average interest rate

The weighted average interest rate on bank overdrafts and borrowings over the year was 2.2% (2012: 2.6%).

Notes to the Consolidated Financial Statements (continued)

20 Cash and cash equivalents, loans and other borrowings (continued)

Functional currency

The functional currency of individual companies within the Group varies with the territory in which they operate. The currencies in which subsidiary companies prepare their accounts are Sterling, Euro, Swiss Franc and Swedish Krona.

Analysis of changes in net funds

	At 1 April 2012	Cash flows	Non-cash movements	Exchange differences	At 30 March 2013
	£m	£m	£m	£m	£m
Cash and cash equivalents	165	(38)	-	(4)	123
Bank overdrafts	(1)	1	-	-	-
	164	(37)	-	(4)	123
Revolving credit facility	(189)	189	-	-	-
Finance leases obligations	(5)	2	-	-	(3)
	(194)	191	-	-	(3)
Net (debt) funds	(30)	154	-	(4)	120

	At 3 April 2011	Cash flows	Non-cash movements	Exchange differences	At 31 March 2012
	£m	£m	£m	£m	£m
Cash and cash equivalents	147	19	-	(1)	165
Bank overdrafts	(1)	-	-	-	(1)
	146	19	-	(1)	164
Current borrowings on receivables financing agreement	(10)	10	-	-	-
Non-current borrowings on receivables financing agreement	(5)	5	-	-	-
Revolving credit facility	-	(189)	-	-	(189)
Finance leases obligations	-	-	(5)	-	(5)
	(15)	(174)	(5)	-	(194)
Net funds (debt)	131	(155)	(5)	(1)	(30)

21 Obligations under finance leases

	Minimum lease payments 2013	Interest 2013	Principal 2013	Minimum lease payments 2012	Interest 2012	Principal 2012
	£m	£m	£m	£m	£m	£m
Less than one year	2	-	2	2	-	2
Between one and five years	1	-	1	3	-	3
	3	-	3	5	-	5

The fair value of the Group's finance lease obligations approximate to their carrying value. The implicit interest rate is 6.1% (2012: 6.1%).

Notes to the Consolidated Financial Statements (continued)

22 Financial risk management and derivative financial instruments

The book values and fair values of the Group's financial assets and liabilities are as follows

	2013 Book value £m	2013 Fair value £m	2012 Book value £m	2012 Fair value £m
Cash and cash equivalents	123	123	165	165
Trade and other receivables	975	975	824	824
Available-for-sale financial asset	9	9	-	-
Trade and other payables	(869)	(869)	(655)	(655)
Bank overdrafts	-	-	(1)	(1)
Finance lease	(3)	(3)	(5)	(5)
Borrowings	-	-	(189)	(189)

Trade and other receivables and trade and other payables in the table above exclude non-financial assets of £48m (2012 £40m) and non-financial liabilities of £17m (2012 £21m)

The fair values of financial assets and financial liabilities are determined as follows

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes) (tier 1 instruments)
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments (tier 2 instruments)
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts (tier 3 instruments)

Financial risk management policies

The Group's activities expose it to a variety of financial risks including market risk (such as foreign exchange risk and interest rate risk, credit risk and liquidity risk). The Group Treasury function uses certain financial instruments to mitigate potentially adverse effects on the Group's financial performance from these risks. These financial instruments primarily consist of bank loans and deposits, spot and forward foreign exchange contracts, and foreign exchange swaps.

Foreign exchange risk

The Group undertakes certain transactions that are denominated in foreign currencies and as a consequence has exposures to exchange rate fluctuations. These exposures primarily arise from stock purchases. The currencies in which the Group's main exposures arise are Euro. The Group uses forward foreign exchange contracts to mitigate some of these exposures.

The translation risk on consolidating overseas results is not hedged and these have been converted into sterling at average exchange rates through the year.

The Group's net foreign exchange position is calculated daily and any positions are closed out immediately unless the exposure is immaterial.

Notes to the Consolidated Financial Statements (continued)

22 Financial risk management and derivative financial instruments (continued)

Foreign exchange risk

The fair value gains and losses associated with currency contracts designated as cash flow hedges are initially recorded in equity and are transferred to the income statement when the transactions occur. Hedge accounting is not applied to other outstanding currency contracts and so gains or losses are recognised directly in the income statement. All outstanding currency contracts will mature within the next month.

No contracts with embedded derivatives have been identified and, accordingly, no such derivatives have been accounted for separately.

Foreign exchange contracts, currency loans and deposits are sensitive to movements in foreign exchange rates. This sensitivity can be analysed in comparison to year-end rates (assuming all other variables remain constant) as follows:

	2013 Income statement movement £m	2013 Other comprehensive income movement £m	2012 Income statement movement £m	2012 Other comprehensive income movement £m
10% movement in the Sterling/Euro exchange rate	4	3	1	(13)
10% movement in the Sterling/US Dollar exchange rate	-	-	-	(1)
10% movement in the Sterling/Swiss Franc exchange rate	-	(1)	-	(1)

The currency profile of borrowings follows the currency of the external loans (refer note 20).

Interest rate risk

The Group's interest rate risk arises primarily on cash and cash equivalents and loans and other borrowings all of which are at floating rates of interest and thus expose the Group to cash flow interest rate risk. These floating rates are linked to LIBOR and other interest rate bases as appropriate to the instrument and currency. Future cash flows arising from these financial instruments depend on the future LIBOR curve.

The sensitivity of cash and cash equivalents, loans and other borrowings and derivative financial instruments to movements in interest rates has been analysed below by calculating the effect on the income statement and equity of 1% movements in the interest rate for the currencies in which most Group cash and cash equivalents, loans and other borrowings are denominated and on which the valuation of most derivative financial instruments is based. This hypothetical analysis has been prepared on the assumption that the year-end positions prevail throughout the year, and therefore may not be representative of fluctuations in actual levels of cash and cash equivalents, loans and other borrowings.

	2013 Income statement movement £m	2013 Other comprehensive income movement £m	2012 Income statement movement £m	2012 Other comprehensive income movement £m
1% movement in the Sterling interest rate	1	1	-	-
1% movement in the Euro interest rate	1	1	(1)	(1)

Credit risk

The Group's exposure to credit risk is monitored regularly. Debt, investments, foreign exchange and derivative transactions are all spread amongst a number of banks, all of which have short-term or long-term credit ratings appropriate to the Group's policies and exposures. The investments made by the Group's insurance companies are reviewed regularly by the appropriate boards and judged against existing investment policies and counterparty credit risk policies.

Notes to the Consolidated Financial Statements (continued)

22 Financial risk management and derivative financial instruments (continued)

Credit Risk (continued)

Trade receivables primarily comprise balances due from network operators and balances due from individual mobile customers. Network operators are generally major multi-national enterprises with whom the Group has well established relationships and are consequently not considered to add significantly to the Group's credit risk exposure. The Group does not hold any collateral or other credit enhancements in respect of the credit risk associated with trade receivables. Provision is made for any receivables that are considered to be irrecoverable.

Liquidity risk

The Group manages its exposure to liquidity risk by regularly reviewing the long-term and short-term cash flow projections for the business against facilities and other resources available to it. Headroom is assessed based on historical experience as well as by assessing current business risks, including foreign exchange movements.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows assuming the interest rates remain constant and that borrowings are paid in full in the year of maturity.

2013	<1 year £m	1-2 years £m	2-3 years £m	>3 years £m	Total £m
Finance lease	(2)	(1)	-	-	(3)
Derivative financial instruments – payable	(11)	-	-	-	(11)
Derivative financial instruments – receivable	11	-	-	-	11
Trade and other payables	(869)	-	-	-	(869)
2012	<1 year £m	1-2 years £m	2-3 years £m	>3 years £m	Total £m
Borrowings	(4)	(4)	(4)	(189)	(201)
Finance lease	(2)	(3)	-	-	(5)
Derivative financial instruments – payable	(81)	-	-	-	(81)
Derivative financial instruments – receivable	81	-	-	-	81
Trade and other payables	(655)	-	-	-	(655)

23 Provisions

	Insurance £m	Reorganisation £m	Sales £m	Other £m	Total £m
At 1 April 2012	-	54	9	5	68
Charge to income statement	-	27	2	1	30
Utilised in the year	-	(68)	(1)	(2)	(71)
At 30 March 2013	-	13	10	4	27
	Insurance £m	Reorganisation £m	Sales £m	Other £m	Total £m
At 3 April 2011	4	11	15	7	37
Charge to income statement	(4)	99	28	3	126
Utilised in the year	-	(52)	(34)	(3)	(89)
Released in the year	-	(4)	-	(2)	(6)
At 31 March 2012	-	54	9	5	68

Notes to the Consolidated Financial Statements (continued)

23 Provisions (continued)

Provisions are categorised as follows

Insurance:

Insurance provisions represent the anticipated costs of all policyholder claims notified but not settled and claims incurred but not reported at the balance sheet date. Following a restructuring of insurance arrangements during the prior year the majority of insurance policies previously insured by the Group were placed with a third party underwriter and, accordingly, the insurance provision has decreased.

Reorganisation:

Reorganisation provisions relate to the Best Buy UK business closure, ongoing Group restructuring and store closure programmes. The reorganisation and redundancy provisions are expected to be utilised within 1 year, with store closure provisions being fully utilised over remaining lease periods.

Sales:

Sales provisions relate to "cash-back" and similar promotions, product warranties, product returns, and network operator performance penalties. Sales provisions are expected to be used within the following year.

Other:

Other provisions relate to dilapidations and similar property costs, unresolved tax issues and legal disputes, and costs associated with onerous contracts.

24 Share capital

	2013 million	2013 £m	2012 million	2012 £m
Allotted, called-up and fully paid				
Ordinary shares of £0.01 each	309	3	309	3
Deferred shares of £0.01 each	-	-	-	-

During the year the Group reclassified the capital structure of the Group into two classes of shares being ordinary and deferred shares. The issued and paid share capital of the Group is detailed below:

- Ordinary shares (309,326,004 ordinary shares of £0.01 each) (2012: £3m)
- Deferred shares (2 deferred shares of £0.01 each) (2011: £0)

The ordinary shares have full voting, dividend and capital distribution (including on winding up) rights attached to them; they do not confer any right of redemption. Deferred shares have been issued at a premium of £250m per share; they do not have any dividend or any other income rights and do not confer any rights of redemption and are non-voting.

Notes to the Consolidated Financial Statements (continued)

25 Reserves and accumulated profits

	Share capital £m	Merger reserve £m	Share premium £m	Reconstruction reserve £m	Translation reserve £m	Accumulated profits £m	Total £m
Balance at 1 April 2012	3	501	-	119	31	182	836
Loss for the year	-	-	-	-	-	(5)	(5)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	3	3
Translation reserve recycle to income statement	-	-	-	-	4	-	4
Capitalisation of merger reserve	-	(501)	501	-	-	-	-
Unrealised gain on available for sale financial assets	-	-	-	-	-	2	2
Balance as 30 March 2013	3	-	501	119	35	182	840

	Share capital £m	Merger reserve £m	Reconstruction reserve £m	Translation reserve £m	Accumulated profits £m	Total £m
At 3 April 2011	-	-	590	56	292	938
Loss for the year	-	-	-	-	(109)	(109)
Currency translation	-	-	-	(17)	-	(17)
Cash flow hedges	-	-	-	-	(3)	(3)
Tax in respect of cash flow hedges	-	-	-	-	1	1
Credit to equity for equity-settled share-based payments	-	-	-	-	1	1
Movements in reconstruction reserve	-	-	33	-	-	33
Issue of share capital	3	501	(504)	-	-	-
Translation reserve recycle to income statement	-	-	-	(8)	-	(8)
At 31 March 2012	3	501	119	31	182	836

During the year the merger reserve has been reclassified as share premium as part of the Group's reorganisation and restructure

26 Commitments under operating leases

The Group as lessee

The Group leases retail units and offices under non-cancellable operating leases. The leases have varying terms, purchase options, escalation clauses and renewal rights. The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2013 £m	2012 £m
Within one year	116	114
In two to five years	324	354
After five years	142	204
	582	672

The Group has some leases that include revenue related rental payments that are contingent on store performance. The analysis above includes only the minimum rental commitment.

27 Capital and other commitments

	2013 £m	2012 £m
Expenditure contracted, but not provided for in the financial statements	-	-

28 Pension arrangements

The Group provides various defined contribution pension schemes for the benefit of a significant number of its employees, the cost of which for the year was £5m (2012: £5m).

Notes to the Consolidated Financial Statements (continued)

29 Related party transactions

During the year, the Group had the following disclosable transactions with related parties

	Mobile Money Network 2013 £m	Virgin Mobile France 2013 £m	Carphone Warehouse Group plc 2013 £m	Best Buy Co., Inc 2013 £m	Mobile Money Network 2012 £m	Virgin Mobile France 2012 £m	Carphone Warehouse Group plc 2012 £m	Best Buy Co., Inc 2012 £m
Income for services provided	-	8	-	-	-	10	-	1
Purchase of stock	-	(8)	-	-	-	(10)	-	-
Expenses for services received	-	-	(4)	-	-	-	(3)	(1)
Interest expense on loans payable	-	-	-	-	-	-	-	-

All products and services were provided at market rates

The Group had previously provided Mobile Money Network Limited, an associate with a loan on which interest was receivable at a rate of Libor +3% (refer to note 15)

Income from Virgin Mobile France relates primarily to sales commissions. Carphone Warehouse Group plc has a 46.3% interest in Virgin Mobile France, thus giving rise to a related party relationship between the Group and Virgin Mobile France

At the end of the year, the Group had the following balances outstanding with related parties

	Mobile Money Network 2013 £m	Virgin Mobile France 2013 £m	Carphone Warehouse Group plc 2013 £m	Best Buy Co., Inc 2013 £m	Mobile Money Network 2012 £m	Virgin Mobile France 2012 £m	Carphone Warehouse Group plc 2012 £m	Best Buy Co., Inc 2012 £m
Trade and other receivables	-	-	6	-	-	-	-	1
Trade and other payables	-	-	(1)	-	-	-	(15)	-
Loans receivable	-	-	-	-	5	-	-	-

Amounts owed by the Group to Carphone Warehouse Group plc, at 31 March 2012 reflected payments for share gifts (see note 5)

30 Parent undertaking

Since 23 January 2012 the ultimate parent companies, owning equally 50% of the issued share capital of the Company, are Carphone Warehouse Group plc and Best Buy Co., Inc., incorporated in the US. Best Buy Co., Inc., consolidates the results of the Group as a subsidiary and is the largest and smallest group to consolidate the results of the Group. Copies of the consolidated financial statements of Best Buy Co., Inc. are available at www.bestbuy.com. The financial statements of Carphone Warehouse Group plc are available from Companies House, Crown Way, Maindy, Cardiff, CF143U and at www.cpwplc.com

31 Post balance sheet events

On 10 April 2013 the Group completed the sale of the Switzerland telecoms business for a cash consideration of £17m

Having completed a strategic review of its French operations, the Group announced on 30 April 2013 that it had decided to pursue an orderly exit by means of store disposals and some store closures. A number of third party buyers have expressed an interest in a number of stores and the transfer of some employees. Subsequently the Group has commenced a consultation process with affected employees and their representatives.

On 25 June 2013 the Company carried out a capital reduction whereby the shares owned by the Best Buy Group were cancelled and in return the Company agreed to pay £500m. The consideration was settled through the payment of £370m of cash, funding of which was provided by Carphone Warehouse Group plc. Carphone Warehouse Group plc settled a further £80m of consideration on behalf of the Company, through issuing ordinary shares to Best Buy Group. Deferred consideration of £50m is payable by the Company in two equal instalments of £25m in June 2014 and June 2015. Upon completion of this transaction the Company will become a wholly owned subsidiary of Carphone Warehouse Group plc, which will result in 50% of the tax losses being extinguished under German 'change of control' tax provisions amounting to £10.9m of tax losses extinguished and a write off of the deferred tax asset in respect of German losses of £3.0m.

Company Balance Sheet

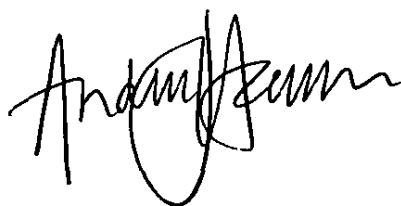
As at 30 March 2013

	Notes	2013 £m
Non-current assets		
Investments	2	504
Net assets		504
Equity		
Share capital	3,4	3
Share premium	3,4	501
Profit and loss account	3,4	-
Total capital employed		504

The accompanying notes are an integral part of this Company balance sheet

The financial statements of company 6534088 on pages 45 to 47 were approved by the Board on 25 June 2013 and signed on its behalf by

A Harrison
Director



Notes to the Company Financial Statements

1 Accounting policies

Basis of preparation

New BBED Limited was incorporated on 30 November 2011 as part of the disposal of Best Buy Europe Distributions Limited's assets in the US Best Buy Mobile business to Best Buy Co, Inc (see Note 1 of the consolidated financial statements). On 23 January 2012, the Best Buy Europe Distributions Limited Group undertook a Group reorganisation in order to complete this transaction. Best Buy Europe Distributions Limited sold the entities comprising the US Best Buy Mobile business to New CPWM Limited, a joint venture between Carphone Warehouse Group plc and Best Buy Co, Inc and the immediate parent of Best Buy Europe Distributions Limited at that time, with these transfers being made at book value for cash consideration. As the Best Buy Mobile business remained under common ownership before and after this transaction, this represents a common control transaction. Subsequent to this, New BBED Limited issued share capital to Carphone Warehouse Group plc and Best Buy Co, Inc in exchange for a 100% shareholding in Best Buy Europe Distributions Limited as part of a capital reduction demerger of New CPWM Limited. New BBED Limited did not produce financial statements for the period ended 31 March 2012, with the year ended 30 March 2013 representing its first accounting year end.

The financial statements of New BBED Limited are presented for the period from 30 November 2011 to 30 March 2013.

The financial statements have been prepared on a going concern basis (see Note 1 of the consolidated financial statements) and in accordance with applicable United Kingdom accounting standards under the historical cost convention, as modified by FRS26 'Financial Instruments Measurement'. The principal accounting policies below have been adopted by the company in accordance with UK GAAP in the preparation of its individual financial statements, which are contained on pages 45 to 47.

The Group's consolidated financial statements for the year ended 30 March 2013 contain a consolidated statement of cash flows. Consequently, the Company has applied the exemption in FRS1 'Cash Flow Statements' not to present its own cash flow statement.

Investments

Investments held in Group companies are recognised at cost, being the fair value of consideration, acquisition charges associated with the investment and capital contributions by way of share-based payments less any provision for permanent diminution in value.

Investments in non-Group companies are treated as available-for-sale and recorded at fair value. Changes in fair value, together with any related deferred consideration, are taken directly to reserves, and recycled to the profit and loss account when the investment is sold or is determined to be impaired.

Dividends

Dividends receivable from the Company's subsidiaries are recognised only when they are approved by shareholders.

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. Deferred shares do not have any dividend or any other income rights.

Profit and loss account

In accordance with the exemption permitted by section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented separately. No taxable loss was recognised for the year from 30 November 2011 to 30 March 2013. The cost of the Company's auditor's remuneration and Director's remuneration is borne by another Group company.

2 Non-current asset investments

	2013 £m
At beginning of year	-
Additions	504
At end of year	504

Non-current asset investments at 30 March 2013 comprise investments in subsidiary undertakings. Details of the Company's investments in material subsidiary undertakings are provided in note 14 to the consolidated financial statements.

Notes to the Company Financial Statements (continued)

3 Share capital

	2013 No of shares (m)	2013 £m
Allotted, called-up and fully paid		
Ordinary shares of £0.01 each	309	3
Deferred shares of £0.01 each	-	-
At 30 March 2013	309	3

During the year the Company reclassified the capital structure into two classes of shares being ordinary and deferred shares. The issued and paid share capital of the Company is detailed below:

- Ordinary shares (309,326,004 ordinary shares of £0.01 each) (2012: £3m), and
- Deferred shares (2 deferred shares of £0.01 each) (2011: £0)

The ordinary shares have full voting, dividend and capital distribution (including on winding up) rights attached to them; they do not confer any right of redemption. Deferred shares have been issued at a premium of £250m per share; they do not have any dividend or any other income rights and do not confer any rights of redemption and are non-voting.

4 Reserves and accumulated profits

	Share capital £m	Share premium £m	Merger reserve £m	Total £m
Balance at 30 November 2011	-	-	-	-
Issue of share capital	3	-	501	504
Capitalisation of merger reserve	-	501	(501)	-
Balance at 30 March 2013	3	501	-	504

5 Related party transactions

The Company has taken advantage of the exemption under FRS8 'Related Party Disclosures' not to provide details of related party transactions with other Group companies, as the Company financial statements are presented together with the consolidated Group financial statements.

6 Parent undertaking

At 30 March 2013 the immediate parent companies, owning equally 50% of the issued share capital of the Company, are Carphone Warehouse Group plc and Best Buy Distributions Ltd (part of the Best Buy Co., Inc. Group, incorporated in the US, who consolidate the results of the Group as a subsidiary and are the largest and smallest group to consolidate the results of the Company and the Group). Copies of the consolidated financial statements of Best Buy Co., Inc. are available at www.bestbuy.com. The financial statements of Carphone Warehouse Group plc are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

7 Post Balance Sheet Events

On 24 June 2013 the Company carried out a capital reduction whereby the shares owned by the Best Buy Group were cancelled and in return the Company agreed to pay £500m. The consideration was settled through the payment of £370m of cash, funding of which was provided by Carphone Warehouse Group plc. Carphone Warehouse Group plc settled a further £80m of consideration on behalf of the Company, through issuing ordinary shares to Best Buy Group. Deferred consideration of £50m is payable by the Company in two equal instalments of £25m in June 2014 and June 2015. Upon completion of this transaction the Company will become a wholly-owned subsidiary of Carphone Warehouse Group plc.