

Company Registration No. 07866062

**DIXONS CARPHONE HOLDINGS LIMITED
(FORMERLY NEW CPW LIMITED)**

Annual Report and Financial Statements

For the year ended 29 April 2017

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DIXONS CARPHONE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

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DIXONS CARPHONE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Andrew Harrison (resigned 10 January 2018)
Paul James (resigned 12 January 2018)
Bruce Richardson (appointed 12 January 2018)
Marcus Roy (resigned 17 November 2017)
Leon Smith (appointed 12 January 2018)

SECRETARY

Julia Foo

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
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

DIXONS CARPHONE HOLDINGS LIMITED

STRATEGIC REPORT

This Strategic Report has been prepared for Dixons Carphone Holdings Limited ("the Company") and in preparing this Strategic Report the directors of the Company ("Directors") have complied with s.414C of the Companies Act 2006.

Principal activities

The Company carries out the activities of a holding company as a direct subsidiary of Dixons Carphone plc ("Dixons Carphone"). Dixons Carphone and its subsidiaries ("Group") operate retail and online propositions across a range of European markets. The Company holds investments, both directly and indirectly, in all of these retail operations.

Funding

The Company is funded primarily through loans from its parent entity.

Principal income streams and costs

The principal income of the Company is dividend income. Its principal expense is the costs of servicing the intercompany loan provided by the Company's parent to fund its operations.

Review of the business

The loss after taxation for the financial year was £28,082,000 (2016: £15,661,000), arising from £15,113,000 of central overheads (2016: £nil) and interest incurred during the period £10,095,000 (2016: £14,637) and costs incurred as a result of the acquisition of Simplifydigital and the integration process for the Merger.

The Key Performance Indicator for the business is profit after tax.

Principal risks and uncertainties

The Company is a wholly-owned subsidiary of Dixons Carphone plc. From the perspective of the Directors, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The review of the business of Dixons Carphone plc and its subsidiaries, which provides a comprehensive analysis of the main trends and factors likely to affect the development, performance and position of the business, can be found on pages 16 to 21 of the Dixons Carphone plc Annual Report and Accounts 2016/17.

The principal risks and uncertainties specific to the company are set out below.

Interest rate risk

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the main financial risk is interest rate risk. Funding for all subsidiaries of Dixons Carphone, including the Company, is arranged centrally. The Group regularly monitors interest rate risk and the Company does not trade or speculate in any financial instruments.

Impairment of investment

The main assets held by the Company are its investment in Carphone Warehouse Europe Limited and Dixons Retail Group Limited (formerly Dixons Retail plc), which hold investments in companies which carry out the operations of the Group. The Group has established processes and procedures to assess and direct the financial and operational performance, and strategic direction of these businesses. These investments are assessed for impairment by the Directors on a regular basis.

DIXONS CARPHONE HOLDINGS LIMITED

STRATEGIC REPORT

Approved by the Board of Directors and signed on its behalf by:



B Richardson
Director
29 January 2018

Registered office:
1 Portal Way
London
W3 6RS

DIXONS CARPHONE HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Company with the audited financial statements and auditor's report. The financial statements reflect the Company's results for the year ended 29 April 2017 ("the year"). Comparative information is provided for the 12 month period ended 30 April 2016.

Change of name

On 9 November 2016 the Company changed its name from New CPW Limited to Dixons Carphone Holdings Limited.

Dividends

The Directors do not recommend the payment of a dividend for the year (2016: nil).

Financial risk management

Due to the nature of the Company's operations and the assets and liabilities contained within its balance sheet, the main financial risks the Directors consider relevant to the Company are impairment of investments and interest rate risk which have been detailed in the Strategic Report on page 2.

Going concern basis

As further described in note 1 to the financial statements, the Directors have formed a judgement that, at the time of approving the financial statements, there is reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future as a result of commitments received from its parent company that it will provide financial support if required to ensure that the Company can meet its liabilities as they fall due. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors who served throughout the year and subsequently are shown on page 1. The Company had qualifying third party indemnity insurance for the benefit of its Directors throughout the period and at the date of the report.

Environment

A full analysis of the key regulatory and social risks of the industry in which Dixons Carphone operates is described in the Group's annual report, which does not form part of this report. As a subsidiary entity, the Company operates in accordance with group policies.

Donations

The Company made no charitable or political donations in the year (2016: nil).

Future development

The Company expects to continue as a holding company of the Group.

Statement regarding the disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIXONS CARPHONE HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Auditor

Deloitte LLP was the auditor of the Company during the year. Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

Post balance sheet

There were no post balance sheet events.

Approved by the board of Directors and signed on its behalf by:



B Richardson
Director
29 January 2018

Registered office:
1 Portal Way
London
W3 6RS

DIXONS CARPHONE HOLDINGS LIMITED

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIXONS CARPHONE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the member of Dixons Carphone Holdings Limited

We have audited the financial statements of Dixons Carphone Holdings Limited for the year ended 29 April 2017 which comprise the profit and loss account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 April 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

DIXONS CARPHONE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

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

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



Andy Siddons (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 January 2018

DIXONS CARPHONE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 29 April 2017

	Note	Year ended 29 April 2017			Year ended 30 April 2016		
		Headline £'000	Non- Headline* £'000	Total £'000	Headline £'000	Non- Headline* £'000	Total £'000
Operating loss	2	<u>(15,113)</u>	<u>(2,874)</u>	<u>(17,987)</u>	<u>-</u>	<u>(1,024)</u>	<u>(1,024)</u>
Finance costs	4	<u>(10,095)</u>	<u>-</u>	<u>(10,095)</u>	<u>(14,637)</u>	<u>-</u>	<u>(14,637)</u>
Loss before tax		<u>(25,208)</u>	<u>(2,874)</u>	<u>(28,082)</u>	<u>(14,637)</u>	<u>(1,024)</u>	<u>(15,661)</u>
Income tax (expense) / credit	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period		<u><u>(25,208)</u></u>	<u><u>(2,874)</u></u>	<u><u>(28,082)</u></u>	<u><u>(14,637)</u></u>	<u><u>(1,024)</u></u>	<u><u>(15,661)</u></u>

All losses relate to continuing operations in the UK.

*Headline figures exclude integration costs arising from the merger of Dixons and Carphone and costs related to acquisitions in previous years. Such excluded items are described as 'Non-Headline' and further information on such items is shown in note 3.

There are no other items of comprehensive income or losses other than the loss for the current year and preceding period, and therefore, no statement of comprehensive income has been presented.

DIXONS CARPHONE HOLDINGS LIMITED

BALANCE SHEET

As at 29 April 2017

	Note	29 April 2017 £'000	30 April 2016 £'000
Non-current assets			
Investments	7	2,534,640	2,534,640
		<u>2,534,640</u>	<u>2,534,640</u>
Current assets			
Trade and other receivables	8	1,165	-
Cash and cash equivalents		-	40
		<u>1,165</u>	<u>40</u>
Total assets		<u>2,535,805</u>	<u>2,534,680</u>
Current liabilities			
Bank overdraft		(45,372)	-
Trade and other payables	9	(11,621)	(27,143)
Deferred and contingent consideration	10	(6,000)	(10,713)
Loans and other borrowings	11	(557,695)	(548,056)
		<u>(620,688)</u>	<u>(585,912)</u>
Net current liabilities		<u>(619,523)</u>	<u>(585,872)</u>
Total assets less current liabilities		<u>1,915,117</u>	<u>1,948,768</u>
Non-current liabilities			
Deferred and contingent consideration	10	(7,000)	(13,000)
		<u>(7,000)</u>	<u>(13,000)</u>
Total liabilities		<u>(627,688)</u>	<u>(598,912)</u>
Net assets		<u>1,908,117</u>	<u>1,935,768</u>
Capital and reserves			
Share capital	12	3,093	3,093
Share premium reserve		2,005,022	2,005,022
Profit and loss account		(99,998)	(72,347)
		<u>1,908,117</u>	<u>1,935,768</u>
Total equity		<u>1,908,117</u>	<u>1,935,768</u>

These financial statements were approved by the Directors on 29 January 2018 and signed on their behalf by:



B Richardson
Director
Registered number: 07866062

DIXONS CARPHONE HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 29 April 2017

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 3 May 2015	3,093	2,005,022	(56,686)	1,951,429
Loss for the period	-	-	(15,661)	(15,661)
Total comprehensive loss for the period	-	-	(15,661)	(15,661)
At 30 April 2016	3,093	2,005,022	(72,347)	1,935,768
Loss for the period	-	-	(28,082)	(28,082)
Total comprehensive loss for the period	-	-	(28,082)	(28,082)
Share-based payments	-	-	431	431
At 29 April 2017	3,093	2,005,022	(99,998)	1,098,117

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Dixons Carphone Holdings Limited (the Company) is a private company limited by shares incorporated in the United Kingdom, which is registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the Financial Reporting Council in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

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

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

The financial statements have been presented in Pound Sterling, the functional currency of the Company, and on the historical cost basis except for contingent consideration which is held at fair value.

The Company's income statement identifies separately Headline performance measures and Non-Headline items. Headline performance measures reflect adjustments to total performance. The Directors consider 'Headline' performance measures to be a more accurate reflection of the ongoing trading performance of the Company and believe that these measures provide additional useful information to shareholders on the Company's performance and are consistent with how business performance is measured internally.

Headline results are stated before integration costs arising from the merger of Dixons and Carphone and costs related to acquisitions in previous years. Items excluded from Headline results can evolve from one financial year to the next depending on the nature of exceptional items or one-off type activities described above.

Headline performance measures and Non-Headline performance measures may not be directly comparable with other similarly titled measures or 'adjusted' revenue or profit measures used by other companies.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Dixons Carphone plc. The group accounts of Dixons Carphone plc are available to the public and can be obtained as set out in note 13. There are no new accounting standards, amendments to standards or IFRIC interpretations which are effective for the Company for the first time during the current financial period which have had an impact on the Company's results or net assets.

The principal accounting policies are set out below:

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES continued

1.2 Going Concern

The Company's activities, together with the factors likely to affect its future development, performance and position and principal risks and uncertainties are set out in the Strategic Report on page 2.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show the Company should be able to operate within the level of its current working capital for the foreseeable future as a result of commitments received from its parent company that it will provide financial support if required to ensure that the Company can meet its liabilities as they fall due.

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

1.3 Taxation

Current taxation

Current tax, is provided at amounts expected to be paid or recovered using the prevailing tax rates and laws that have been enacted or substantially enacted by the balance sheet date and adjusted for any tax payable in respect of previous years.

Deferred taxation

Deferred tax liabilities are recognised for all temporary differences between the carrying amount of an asset or liability in the balance sheet and the tax base value and represent tax payable in future periods. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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 reserves.

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

Deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and when the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax balances are not discounted.

1.4 Investments and other financial assets

The Company's financial assets comprise cash and cash equivalents and fixed asset investments. Under the classifications stipulated by IAS 39, cash and cash equivalents are classified as 'loans and receivables' and 'held for trading unless designated in a hedge relationship', respectively.

Fixed asset investments

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

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES continued

1.5 Borrowings and other financial liabilities

The Company's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise all items shown in notes 9, 10 and 11 with the exception of deferred income and other non-financial creditors.

Under the classifications stipulated by IAS 39, borrowings and trade and other payables are classified as 'financial liabilities measured at amortised cost'.

1.6 Trade and other payables

Trade and other payables are recorded at amortised cost.

1.7 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors consider that there are no critical accounting judgements or key sources of estimation uncertainty which affect these financial statements.

2. TURNOVER AND OPERATING LOSS

The audit fee of £3,000 (2016: £3,000) has been borne by another company within the Group.

3. NON-HEADLINE ITEMS

	Note	Year ended 29 April 2017 £'000	Year ended 30 April 2016 £'000
Included in operating loss:			
Integration	(i)	2,890	-
Acquisition costs	(ii)	(16)	1,204
Total impact on loss before tax		2,874	1,204
Included in income tax credit		-	-
Total impact on loss after tax		2,874	1,204

(i) Integration:

On 6 August 2014, an all-share merger (the Merger) of Dixons Retail plc (Dixons) and Carphone Warehouse Group plc (Carphone) was completed, which was implemented by way of a scheme of arrangement of Dixons. Merger integration costs relate to the reorganisation of the Dixons Carphone Group following the Merger and comprise the rationalisation of certain operational and support functions. These costs mainly comprise professional fees, employee severance and property costs associated with the integration process.

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. NON-HEADLINE ITEMS continued

(ii) Acquisition costs:

On 31 March 2016 the Group acquired 100% of the issued share capital of Simplify Digital Limited for a total consideration of £48,713,000 including £23,713,000 of deferred consideration (see note 10). Simplify Digital Limited is the UK's largest and fastest growing multi-channel switching platform, offering consumers an Ofcom accredited price comparison and switching service for broadband, digital TV and fixed line telephone contracts. The company was acquired to further the Group's position as the best place for customers to receive independent advice across all their technology, connectivity, media content and service needs.

4. FINANCE COSTS

	Year ended 29 April 2017 £'000	Year ended 30 April 2016 £'000
Interest on bank loans and overdrafts	456	11,972
Interest payable to group undertakings	9,639	2,665
Total finance costs	10,095	14,637

5. EMPLOYEES AND DIRECTORS

Staff costs for the year were:

	Year ended 29 April 2017 £'000	Year ended 30 April 2016 £'000
Wages and salaries	4,755	-
Social security costs	573	-
Other pension costs	151	-
	5,499	-

The average number of employees, including part-time employees was:

	Number	Number
Administration	24	-
	24	-

	2017 £'000	2016 £'000
Remuneration of the Directors:		
- Emoluments	1,106	-
- Money purchase pension contributions	24	-
	1,130	-

Emoluments include cash bonuses payable in respect of the relevant financial year. Two directors (2016 none) received money purchase pension contributions.

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. EMPLOYEES AND DIRECTORS continued

	Year ended 29 April 2017 £'000	Year ended 30 April 2016 £'000
The remuneration of the highest paid director was:		
- Emoluments	680	-
- Money purchase pension contributions	12	-
	<u>692</u>	<u>-</u>

No Directors exercised share options during the year (2016: nil) and three Directors (2016: three) participated in the Share Plan offered by Dixons Carphone. Directors' remuneration includes only the remuneration of Directors who are paid by the Company. Those Directors whose remuneration is borne by any other Group companies have not been included, as the amount receivable by the director in respect of qualifying services to this company is nil.

6. TAX

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

	Year ended 29 April 2017 £'000	Year ended 30 April 2016 £'000
Loss before tax	<u>(28,082)</u>	<u>(15,661)</u>
Tax on loss at UK statutory rate of 19.92% (2015/16: 20%)	(5,594)	(3,132)
Other items attracting no tax relief	100	167
Tax losses utilised within the Group	<u>5,494</u>	<u>2,965</u>
Income tax expense	<u>-</u>	<u>-</u>

The UK corporation tax rate for the year ended 29 April 2017 was 20% for the 11 months to 31 March 2017 and 19% thereafter (2015/16 was 20%).

DIXONS CARPHONE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS

	29 April 2017 £'000
Investments in subsidiary undertakings	
Cost	
At the beginning of the period	2,534,640
Additions	-
	<hr/>
At the end of the period	2,534,640
	<hr/>
Impairment	
At beginning and end of the period	-
	<hr/>
Net book value at end of the period	2,534,640
	<hr/>
Net book value at beginning of the period	2,534,640
	<hr/>

On 31 March 2016 the Group acquired 100% of the issued share capital of Simplify Digital Limited for a total consideration of £48,713,000 including £23,713,000 of deferred consideration (see note 10). Simplify Digital Limited is the UK's largest and fastest growing multi-channel switching platform, offering consumers an Ofcom accredited price comparison and switching service for broadband, digital TV and fixed line telephone contracts. The company was acquired to further the Group's position as the best place for customers to receive independent advice across all their technology, connectivity, media content and service needs.

Refer to note 14 of a list of investments held by the Company.

8. TRADE AND OTHER RECEIVABLES

	29 April 2017 Current £'000	30 April 2016 Current £'000
Amounts due from group undertakings	1,094	-
Other receivables	71	-
	<hr/>	<hr/>
	1,165	-
	<hr/>	<hr/>

DIXONS CARPHONE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER PAYABLES

	29 April 2017 Current £'000	30 April 2016 Current £'000
Amounts due to group undertakings	2,982	25,000
Accruals	7,169	1,119
Other creditors	1,470	1,024
	<u>11,621</u>	<u>27,143</u>

10. DEFERRED AND CONTINGENT CONSIDERATION

	29 April 2017 £'000	30 April 2016 £'000
Current	6,000	10,713
Non-current	7,000	13,000
	<u>13,000</u>	<u>23,713</u>

At total earn-out consideration of up to £23.7 million was payable in cash and was contingent on the performance of Simplifydigital against earnings growth targets over a period of up to five years. The fair value of contingent consideration arrangements has been estimated by applying the income approach. A reduction in the growth assumptions used in the fair value methodology would result in a reduction in the amount of contingent consideration payable.

11. BORROWINGS

	29 April 2017 £'000	30 April 2016 £'000
Bank overdraft	45,372	-
Amounts due to group undertakings	557,695	548,056
	<u>603,067</u>	<u>548,056</u>

Certain bank accounts are part of a notional pooling mechanism whereby each bank only monitors net aggregate borrowings against group overdraft limits thus allowing subsidiary companies to borrow on overdraft or to deposit surplus cash via their own bank accounts. Interest is charged on overdrawn balances and paid on surplus cash at intercompany rates of LIBOR plus 2.25% for overdrafts and base rate with no margin for surplus cash balances.

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. SHARE CAPITAL AND RESERVES

(a) Called up share capital

	29 April 2017 £'000	30 April 2016 £'000
Authorised, allotted, called-up and fully paid		
309,326,006 ordinary shares of £0.01 each	3,093	3,093
9,250 A Ordinary shares of £0.001 each	-	-
8,550 B Ordinary shares of £0.001 each	-	-
	<u>3,093</u>	<u>3,093</u>

The A and B ordinary shares have no voting rights attached to them, no rights to dividends or other income and no redemption rights. The rights to a return of capital is deferred behind the ordinary shares.

13. PARENT COMPANY

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

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14. SUBSIDIARY UNDERTAKINGS

a) Principal subsidiary undertakings

On 31 March 2017 the Company acquired Simplify Digital Limited.

The Company has investments in the following principal subsidiary undertakings.

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Business Activity	Registered Office
Carphone Warehouse Europe Limited	England & Wales	A & B Ordinary	100 ¹	Holding Company	1 Portal Way, London, W3 6RS
Dixons Retail Group Limited ²	England & Wales	Ordinary and Deferred	100 ¹	Holding Company	1 Portal Way, London, W3 6RS
Dixons South East Europe A.E.V.E.	Greece	Ordinary	100	Retail	14th klm Athens – Lamia, National Road & 2 Spilias str, 14452 Metamorfoosi Attikis, Athens
DSG International Holdings Limited	England & Wales	Ordinary	100	Holding Company	1 Portal Way, London, W3 6RS
DSG Retail Ireland Limited	Ireland	Ordinary	100	Retail	40 Upper Mount Street, Dublin, 2
DSG Retail Limited	England & Wales	Irredeemable Cumulative Preference Shares and Ordinary Shares	100	Retail	1 Portal Way, London, W3 6RS
Elgiganten Aktiebolag	Sweden	Ordinary	100	Retail	Box 1264, 164, 29 KISTA, Stockholm
ElGiganten A/S	Denmark	Ordinary	100	Retail	Arne Jacobsens Alle 16, 2., 2300 Kobenhavn S
Elkj�p Nordic AS	Norway	Ordinary	100	Retail	Nydalsveien 18A, No-0484 Oslo
Gigantti Oy	Finland	Ordinary	100	Retail	Sahkotie 3, 01510, Vantaa
Honeybee Digital Solutions Limited ³	England & Wales	Ordinary	100	IT	1 Portal Way, London, W3 6RS
New Technology Insurance	Ireland	Ordinary	100	Insurance	3rd Floor, Fleming Court, Fleming Place, Dublin, 4
The Carphone Warehouse Limited	England & Wales	Ordinary	100	Distribution	1 Portal Way, London, W3 6RS
The Carphone Warehouse Limited	Ireland	Ordinary	100	Distribution	39/40 Upper Mount Street, Dublin, 2
The Phone House Spain S.L.U. ⁴	Spain	A & B Shares	100	Distribution	Via De Las Dos Castillas No 33, Complejo Atica-Edificio Oi, Pozuelo De Alarcon, Madrid

1. Interest held directly by Dixons Carphone Holdings Limited.
2. Dixons Retail Group Limited was a public limited company called Dixons Retail plc until 8 June 2016.
3. Honeybee Digital Solutions Limited was called ISE-Net Solutions Limited until 14 March 2017.
4. The Phone House Spain S.L.U. was sold after year end.

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14. SUBSIDIARY UNDERTAKINGS (continued)

b) Other subsidiary undertakings

The following are the other subsidiary undertakings of the Company. All these companies are either holding companies or provide general support to the principal subsidiaries listed above.

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered office
Carphone Warehouse Ireland Mobile Limited	Ireland	Ordinary	100	40 Upper Mount Street, Dublin 2
Codic GmbH (in liquidation)	Germany	Ordinary	100	Eschenheimer Anlage 1, 60316, Frankfurt
Connected World Services Distributions Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
Connected World Services Europe S.L. ²	Spain	Ordinary	100	Via De Las Dos Castillas No 33, Complejo Atica-Edificio Oi, Pozuelo De Alarcon, Madrid
Connected World Services LLC	USA	Ordinary	100	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808
Connected World Services Netherlands BV	Netherlands	Ordinary	100	Euroweg 20, 3825HD, Amersfoort
Connected World Services SAS	France	Ordinary	100	5-7, Rue Salomon de Rothschild, 92150 Suresnes
CPW Acton Five Limited	England & Wales	Ordinary	100 ¹	1 Portal Way, London, W3 6RS
CPW CP Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
CPW Distribution Limited ³	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
Currys Group Limited ³	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
CWIAB Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DISL 2 Limited	Isle of Man	Ordinary	100	6th Floor, Victory House, Prospect Hill, Douglas, IM1 1EQ
DISL Limited	Isle of Man	A, B, C & D Preference and Ordinary B	100	Tower House, Loch Promenade, Douglas, IM1 2LZ
Dixons Group Limited ³	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
Dixons Carphone CoE s.r.o. ⁴	Czech Republic	Business Shares	100	Trinta, 491/5, 602 00 Brno
Dixons Sourcing Limited	Hong Kong	Ordinary	100	31/F, Axa Tower Landmark East, 100 How Ming St, Kwun Tong KLN
Dixons Stores Group Retail Norway AS	Norway	Ordinary	100	Nydalsveien 18A, No-0484 Oslo
Dixons Travel srl (in liquidation)	Italy	Ordinary	100	Foro Buonaparte 70, 20121, Milano
DSG Boxmoor Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DSG Card Handling Services Limited	England & Wales	Cumulative C & D Preference and Ordinary	100	1 Portal Way, London, W3 6RS
DSG Corporate Services Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DSG European Investments Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DSG Hong Kong Sourcing Limited	Hong Kong	Ordinary	100	31/F, Axa Tower Landmark East, 100 How Ming St, Kwun Tong KLN

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14. SUBSIDIARY UNDERTAKINGS (continued)

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered office
DSG International Belgium BVBA	Belgium	Ordinary	100	Haveniaan 86C, Bus 204, B-1000 Brussels
DSG International Retail Properties Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DSG International Treasury Management Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DSG Ireland Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DSG KHI Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
DSG Overseas Investments Limited	England & Wales	Preference, B Preference and Ordinary	100	1 Portal Way, London, W3 6RS
DSG Retail Ireland Pension Trust Limited	Ireland	Ordinary	100	40 Upper Mount Street, Dublin 2
Ei-Giganten Logistik AB	Sweden	Ordinary	100	Mobelvagen 51, 556 52 JONKOPING
Elkjøp Kleiverenga AS	Norway	Ordinary	100	Nydalsveien 18A, No-0484 Oslo
Elkjøp Norge AS	Norway	Ordinary	100	Nydalsveien 18A, No-0484 Oslo
Epoq Holding AB	Sweden	Ordinary	100	Esbogatan 12, 164 74 KISTA
Epoq Logistic DC k.s.	Czech Republic	Ordinary	100	Evropská 868, 664 42 Modřice
ID Mobile Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
InfoCare CS AB	Sweden	Ordinary	100	Arabygatan 9, Vaxjo, 352 46
InfoCare Workshop AS	Norway	Ordinary	100	Industrivegen 65, 2212 KONGSVINGER
InfoCare Workshop Holding AS	Norway	Ordinary	100	Industrivegen 65, 2212 KONGSVINGER
InfoCare Workshop Oy	Finland	Ordinary	100	PL 16 01511 Vantaa
Kereru Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
Lefdal Elektromarked AS	Norway	Ordinary	100	Nydalsveien 18A, No-0484 Oslo
Leverstock Investments Limited ³	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
Mastercare Service and Distribution Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
Mohua Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
MTIS Limited	Ireland	Ordinary	100	3rd Floor, Fleming Court, Fleming Place, Dublin, 4
NSS Financial A/S	Denmark	Ordinary	100	Horkaer 12 A, 2730 Herlev
OSAA – Sociedade Gestora De Participações Sociais, Lda	Portugal	Ordinary	100	R. Latino Coelho nº13, 1050-132 Lisboa
Osfone Comercio de Aparelhos de Telecomunicações, Lda	Portugal	Ordinary	100	R. Latino Coelho nº13, 1050-132 Lisboa
Osfone Negócios – Comercio de Aparelhos de Telecomunicações, Lda	Portugal	Ordinary	100	R. Latino Coelho nº13, 1050-132 Lisboa
PC City (France) SNC	France	Partnership	100	52, Rue de la Victorie, 75009 Paris

DIXONS CARPHONE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14. SUBSIDIARY UNDERTAKINGS (continued)

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered office
PC City Norge AS	Norway	Ordinary	100	Nydalsveien 18A, No-0484 Oslo
Petrus Insurance Company Limited	Gibraltar	Ordinary	100	28, Irish Town
Simplify Digital Limited	England & Wales	Ordinary	100 ¹	1 Portal Way, London, W3 6RS
Simplify Digital Systems Limited ³	England & Wales	A Ordinary	100	1 Portal Way, London, W3 6RS
Smarthouse Spain, S.A. ⁵	Spain	Ordinary	100	Avenida de Aragon 330, Parque Empresarial Las Mercedes, Edificio 5, Planta 3a, Madrid
Team Knowhow Limited	England & Wales	Ordinary	100 ¹	1 Portal Way, London, W3 6RS
TalkM Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
The Carphone Warehouse UK Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS
The Phone House Holdings (UK) Limited	England & Wales	Ordinary	100	1 Portal Way, London, W3 6RS

1 Interest held directly by Dixons Carphone Holdings Limited.

2 Connected World Services Europe S.L. was sold after year end.

3 CPW Distribution Limited, Currys Group Limited, Dixons Group Limited, Leverstock Investments Limited and Simplify Digital Solutions Limited were dissolved after year end.

4 Dixons Carphone CoE s.r.o. was called Dixons Retail SSC s.r.o. until 19 July 2016.

5 Smarthouse Spain, S.A. was called PA City Spain S.A. until 14 July 2016 and was sold after year end.

c) Other significant shareholdings

The following are the other significant shareholdings of the Company, which are all held indirectly.

Name	Country of incorporation or registration	% Interest Held	Business Activity	Registered Office
Elkjøp Fjordane AS	Norway	30	Retail	Fugleskjaergata 10, 6900 Florø, 1401 FLORA
F Group A/S	Denmark	40	Retail	Lyskaer 1, 2730 Herlev
Sprint LLC ¹	USA	50	Distribution	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808

1 Sprint LLC was sold after year end.

Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of a company registered in England and Wales. The Company's financial statements present information about it as an individual undertaking and not as a group.

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