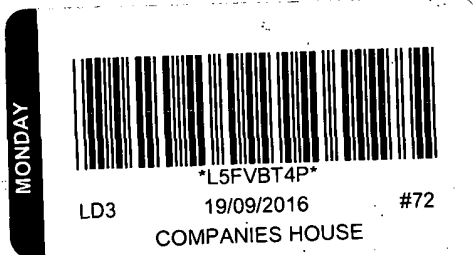


Company Registration No. 06576708

Best Buy Distributions Limited

Financial statements

30 January 2016



Best Buy Distributions Limited

Financial Statements 2016

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Best Buy Distributions Limited

Officers and professional advisers

Directors

Keith J. Nelsen
Mathew Watson

Registered Office

100 New Bridge Street
London
EC4V 6JA

Bankers

Bank of America
2 King Edward Street
London
EC1A 1HQ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Best Buy Distributions Limited

Strategic report

The directors, in preparing this Strategic report, have complied with S414C of the Companies Act 2006.

Principal activities

The Company is a wholly-owned subsidiary of ProThco IV, LLC. Its ultimate parent company is Best Buy Co., Inc. ("Best Buy"), a US corporation. The principal activities of the Company are to license "know-how" to Best Buy Stores, LP. The directors anticipate that these activities will be maintained.

Business review

From 2 February 2014 to 31 May 2014, the Company received 99.92% of the profit sharing income received by CPW Mobile Ltd pursuant to its license agreement with Best Buy Stores, LP. The income stream arising from the license agreement with Best Buy Stores LP is based upon the operating performance of Best Buy Mobile, the business which manages the mobile telephone and mobile broadband operations with Best Buy Stores, LP.

On 31 May 2014, CPW Mobile Ltd assigned the license agreement with Best Buy Stores, LP to the Company. From 1 June 2014 to 30 January 2016, the Company received 100% of the license income directly from Best Buy Stores, LP.

During the period from 1 February 2015 to 30 January 2016, the Company recorded turnover of \$413,176,774 compared to \$214,142,339 for the prior period, 2 February 2014 to 31 January 2015, primarily attributable to the income arising from an amendment to the license agreement. Management expects that the turnover from the license agreement will represent a substantial portion of the Company's total future turnover. Payments due under the license agreement are denominated in US Dollars.

On 1 February 2015, the Best Buy Mobile EVA contract was amended, with the remainder of the value of the contract to be paid out over 5 years from FY16 to FY20. The payments are based on a percentage of mobile net revenue, with the percentage rates being reduced each year (i.e. 8.4% of mobile net revenue in FY16, 7% in FY17, etc.).

During the period from 1 February 2015 to 30 January 2016, the Company recorded a net loss of \$625,949,445 compared to a net loss in the prior period, 2 February 2014 to 31 January 2015, of \$33,684,704. The change from the prior period was primarily driven by the goodwill impairment of \$547,939,946 calculated and recognized in 2016 as a result of the change in Best Buy Mobile EVA contract.

Principal risks and uncertainties

There are certain longer term risks and challenges to the Best Buy Mobile business upon which the Company's profitability depends. Specifically:

- Network operators may continue to invest in their own distribution platforms;
- Tariffs may move towards longer term contracts reducing time between upgrades; and
- Competition between network operators may weaken, resulting in reduced incentives to customers.

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



Mathew Watson
Director
16 September 2016

Best Buy Distributions Limited

Directors' report

The directors present the annual report on the affairs of Best Buy Distributions Limited (the "Company"), together with the financial statements and auditor's report for the period from 1 February 2015 to 30 January 2016. The comparative financial period ran from 2 February 2014 to 31 January 2015. The financial statements for the comparative period were prepared in accordance with the Company's ultimate parent's fiscal year-end.

Results and dividends

The results of the Company for the period from 1 February 2015 to 30 January 2016 are set out in the profit and loss account on page 7. The directors do not recommend the payment of a dividend for the period (2015: \$nil).

Future developments

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

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors, who served throughout the period and subsequently, are set out on page 1. Directors of the Company may be indemnified out of the Company's assets against certain liabilities as set forth in the Company's articles of association.

Financial risk management

The activities of the company do not expose it to material financial risks as all of the activity is intercompany related. The company does not use derivative financial instruments.

Environment

A full analysis of the key regulatory and social risks of the industry in which the ultimate parent company, Best Buy Co., Inc. operates is described in the group's annual report, which does not form part of this report. As a subsidiary entity of Best Buy Co., Inc., the Company operates in accordance with group policies.

Donations

The Company made no charitable or political donations in the period (2015: \$nil).

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is 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/she ought to have taken as a director in order to make himself/herself 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.

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

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



Mathew Watson
Director
16 September 2016

Best Buy Distributions Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 and disclose 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.

Independent Auditor's Report to the Members of Best Buy Distributions Limited

We have audited the financial statements of Best Buy Distributions Limited for the year ended 30 January 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 30 January 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEST BUY DISTRIBUTIONS LIMITED - continued

Matters on which we are required to report by exception

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

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

Andy Siddons

Andy Siddons (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

16 September 2016

Best Buy Distributions Limited

Profit and loss account For the period ended 30 January 2016

	Notes	Total 2016 USD	Total 2015 USD
Turnover	3	413,176,774	214,142,339
Gross profit		413,176,774	214,142,339
Operating expenses		(331,506,894)	(102,303,853)
Goodwill impairment	2	(547,939,946)	-
Operating (loss)/profit		(466,270,066)	111,838,486
Investment income	5	430,780	881,766
Finance costs (net)	5	(96,524,937)	(112,844,169)
Loss on ordinary activities before taxation	6	(562,364,223)	(123,917)
Tax on loss on ordinary activities	7	(63,585,222)	(33,560,787)
Loss for the financial year		(625,949,445)	(33,684,704)

All results arise from continuing activities.

There have been no recognised gains or losses in the current or preceding period other than the losses shown above. Accordingly no separate statement of comprehensive income is presented.

Best Buy Distributions Limited

Balance sheet At 30 January 2016

	Notes	2016 USD	2015 USD
Fixed assets			
Intangible assets	8	775,283,422	1,654,029,210
		<u>775,283,422</u>	<u>1,654,029,210</u>
Current assets			
Debtors			
– due within one year	9	120,504,892	110,930,318
– due after one year	9	434,081	433,581
Cash at bank and in hand		42,707,556	22,151,397
		<u>163,646,529</u>	<u>133,515,296</u>
Creditors: Amounts falling due within one year	10	(26,732,657)	(16,468,157)
Net current assets		<u>136,913,872</u>	<u>117,047,139</u>
Total assets less current liabilities		912,197,294	1,771,076,349
Creditors: Amounts falling due after more than one year	11	(1,133,056,829)	(1,365,986,439)
Net assets		<u>(220,859,535)</u>	<u>405,089,910</u>
Capital			
Called-up share capital	12	1,000	1,103,561,644
Other reserve	12	4,889,074	4,889,074
Profit and loss account	12	(225,749,609)	(703,360,808)
Shareholder's funds		<u>(220,859,535)</u>	<u>405,089,910</u>

The financial statements of Best Buy Distributions Limited (registered number 06576708), were approved by the board of directors and authorised for issue on 16 September 2016.

They were signed on its behalf by:



Mathew Watson
Director

Best Buy Distributions Limited

Statement of Changes in Equity At 30 January 2016

	Called-up share capital USD	Other reserve USD	Profit and loss account USD	Total USD
At 2 February 2014	1,103,561,644	4,888,072	(669,676,104)	438,773,612
Loss for the financial year	-	-	(33,684,704)	(33,684,704)
Currency translation gain	-	1,002	-	1,002
At 31 January 2015	1,103,561,644	4,889,074	(703,360,808)	405,089,910
Shares recapitalization	(1,103,560,644)	-	1,103,560,644	-
Loss for the financial period	-	-	(625,949,445)	(625,949,445)
At 30 January 2016	1,000	4,889,074	(225,749,609)	(220,859,535)

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

1. Accounting policies

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

a. General information and basis of accounting

Best Buy Distributions Limited is a private company incorporated in the United Kingdom under the Companies Act, registered in England. 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 financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. This is the first year in which the financial statements have been prepared under FRS 102, issued by the Financial Reporting Council. No adjustment to the prior year comparatives, equity or comprehensive income is required as a result of the adoption of FRS 102.

Best Buy Distributions Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash-flow statement and related party transactions as this information is included in the consolidated results of the parent company available from the details provided in Note 13. Both the functional and presentational currency adopted is US Dollars.

b. Going concern

The directors have considered the financial position and resources of the Company for the foreseeable future. Whilst the Company made a loss during the current and prior period, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, the Company maintains a strong balance sheet with net current assets of \$136,913,872, and total assets less current liabilities of \$912,197,294. For this reason the directors continue to adopt the going concern basis in preparing these financial statements.

c. Intangible assets - goodwill

Goodwill arising from the hive up of the Best Buy Mobile profit share agreement, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 5 years. Provision is made for any impairment.

d. Investments

Fixed asset investments are shown at cost less provision for impairment.

e. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

1. Significant accounting policies (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

f. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Turnover

Turnover represents profit sharing payments from Best Buy Mobile (part of a fellow subsidiary) and fees charged for the provision of services to other group companies, net of trade discounts, VAT and other sales-related taxes. Turnover arising from profit sharing payments are recognised as the services are provided.

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

1. Significant accounting policies (continued)

h. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any differences are recorded to gain/loss in the income statement.

i. Financial instruments

The Company's financial assets and liabilities are classified as receivables, loans and payables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, 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.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was \$775,283,422 after an impairment loss of \$547,939,946 was recognised during FY16 (see note 8).

3. Turnover

An analysis of the Company's turnover is as follows:

	2016 USD	2015 USD
EVA Royalties	413,176,774	214,132,878
Service Fees	-	9,461
	<u>413,176,774</u>	<u>214,142,339</u>

4. Auditor's remuneration

Auditor's remuneration of £14,420 (2015: £11,000) is borne by another group company.

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

5. Finance costs (net)

	2016 USD	2015 USD
Intercompany interest income and similar income	430,780	881,766
Total investment income	430,780	881,766
Intercompany interest expense and similar charges	(96,524,937)	(112,844,169)
Total finance costs	(96,524,937)	(112,844,169)

6. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	2016 USD	2015 USD
Impairment of goodwill	547,939,946	-
Amortisation of intangible assets	330,805,843	97,014,408
Foreign exchange (gain) loss	(2,598,946)	5,247,742
	876,146,843	102,262,150

Impairment of goodwill and amortization of intangible assets are included in administrative expenses.

None of the directors received any remuneration during the period for services to the Company (2015: nil).

The Company had no other employees during the period (2015: nil).

7. Tax on profit on ordinary activities

Analysis of charge in period:

	2016 USD	2015 USD
Current Tax on profit on ordinary activities		
UK corporation tax charge on losses of the period	63,574,468	32,474,571
Adjustments in respect of prior periods	10,754	1,086,216
Total current tax charge	63,585,222	33,560,787

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

7. Tax on profit on ordinary activities (continued)

Factors affecting tax charge for period:

The differences between the total current tax charge of \$63,585,222 (2015: \$33,560,787) and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2016 USD	2015 USD
Loss on ordinary activities before tax	(562,364,223)	(123,917)
Tax on loss on ordinary activities at standard UK corporation tax rate (20.17%; 2015: 21.33%)	(113,410,118)	(26,436)
Effects of:		
- Non-deductible goodwill amortization	66,712,511	20,696,407
- Non-deductible interest	-	11,151,269
- Non-deductible goodwill impairment	110,501,222	-
- Non-deductible (Non-taxable fx gain)/fx loss	(229,147)	(198,507)
- Share of passthrough income	-	851,838
- Adjustments in respect of prior periods	10,754	1,086,216
Current tax charge for the period	63,585,222	33,560,787

8. Intangible fixed assets

	Goodwill USD
Cost	
At 1 February 2015	1,940,288,163
Additions	-
At 30 January 2016	1,940,288,163
Amortisation	
At 1 February 2015	286,258,952
Charge for the year	330,805,843
Impairment	547,939,946
At 30 January 2016	1,165,004,741
Net book value	
At 30 January 2016	775,283,422
At 1 February 2015	1,654,029,210

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

8. Intangible fixed assets (continued)

On 22 February 2012, 99.92% of the Best Buy Mobile profit share agreement was transferred from New CPWM Limited to the Company for £1. Following this hive-up, the investment in New CPWM Limited has been written down to nil, representing its recoverable value, with the investment value being transferred to goodwill. The goodwill was being amortised on a straight line basis over 20 years.

On 1 February 2015, the profit share agreement was amended to terminate after five years ending 2020. Starting in 2016, unamortised goodwill is being amortised on a straight line basis over the amended five year agreement. After analysis of future cash flows, it was determined that the future profit share agreement royalties could no longer support the full balance of goodwill. In 2016, goodwill was impaired by \$547,939,946.

9. Debtors

	2016 USD	2015 USD
Amounts falling due within one year:		
Intercompany receivable	120,504,892	71,813,141
Investment income receivable	-	39,117,177
	<u>120,504,892</u>	<u>110,930,318</u>
Amounts falling due after more than one year:		
Intercompany loan receivable	-	-
Intercompany receivable	434,081	433,581
	<u>434,081</u>	<u>433,581</u>

10. Creditors – amounts falling due within one year

	2016 USD	2015 USD
Intercompany payable	-	(584)
Income tax payable	26,732,657	16,468,741
	<u>26,732,657</u>	<u>16,468,157</u>

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

11. Creditors – amounts falling due after more than one year

	2016 USD	2015 USD
Intercompany loan payable	1,122,030,000	1,327,268,980
Intercompany interest payable	10,908,396	38,631,465
Intercompany payables	118,433	85,994
	<u>1,133,056,829</u>	<u>1,365,986,439</u>

Intercompany loan payables represent two payables to ProTheo IV, LLC for \$463,030,000 (originating at \$809,902,000 with \$346,872,000 repaid during previous periods) due 31 January 2022 with an interest rate of 7.25% and \$659,000,000 (originating at \$864,238,980 with \$205,238,980 repaid during previous periods) due 30 June 2018 with an interest rate of 8%. Both loans are listed on the Channel Island Securities Exchange.

12. Called-up share capital and reserves

	2016 USD	2015 USD
Called-up, allotted and fully paid		
1,000 ordinary shares of \$1 each (2015: 1,103,561,644 ordinary shares of \$1 each)	<u>1,000</u>	<u>1,103,561,644</u>

The Company has one class of ordinary shares which carry no right to fixed income.

	Share capital USD	Profit and loss account USD	Other Reserve USD	Total USD
At 1 February 2015	1,103,561,644	(703,360,808)	4,889,074	405,089,910
Shares recapitalization	(1,103,560,644)	1,103,560,644	-	-
Loss for the financial period	-	(625,949,445)	-	(625,949,445)
At 30 January 2016	<u>1,000</u>	<u>(225,749,609)</u>	<u>4,889,074</u>	<u>(220,859,535)</u>

The Other reserve includes the currency difference arising from the translation of the profit and loss account and balance sheet at different rates.

During FY16, the Board approved the reduction of the Company's share capital by \$1,103,560,644 by way of cancelling and extinguishing all but 1,000 of the issued ordinary shares of \$1.00 each. The purpose of the share reduction was to create sufficient distributable reserves in anticipation of having to write off uncollectable debts and for future dividend declarations.

Best Buy Distributions Limited

Notes to the financial statements

For the period from 1 February 2015 to 30 January 2016

13. Ultimate parent company and related party transactions

The Company is taking advantage of the exemption granted by FRS 102 Section 33, to not disclose related party transactions with Best Buy Co., Inc. or any subsidiaries of Best Buy Co., Inc., provided that any subsidiary undertaking which is party to the transaction is wholly-owned by a member of the Best Buy Co., Inc. group. The Company is also exempt from disclosing transactions with directors who are also directors of Best Buy Co., Inc.

At the balance sheet date, the Company's ultimate parent company and controlling party was Best Buy Co., Inc., a company incorporated in the United States of America. The Company's immediate parent company and controlling entity is ProTheo IV, LLC, a partnership incorporated in the United States.

The parent company of the largest and smallest groups for which consolidated financial statements are prepared of which the Company is a member is Best Buy Co., Inc., a company incorporated in the United States of America.

Copies of the financial statements of Best Buy Co., Inc. are available at www.bestbuy.com. Copies of the financial statements of Best Buy Distributions Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.