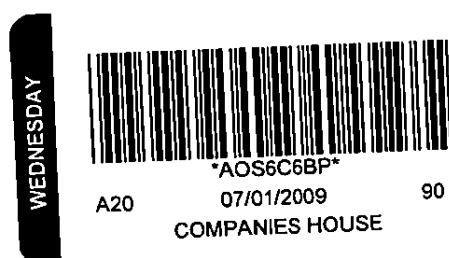


Company Registration No.1314676

MASTERCARE SERVICE AND DISTRIBUTION LIMITED

Annual Report and Financial Statements

53 weeks ended 3 May 2008



**MASTERCARE SERVICE AND DISTRIBUTION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2008**

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3
Balance sheet	4
Reconciliation of movements in shareholder's funds	5
Notes to the financial statements	6

MASTERCARE SERVICE AND DISTRIBUTION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended 3 May 2008. Comparative figures are for the 52 weeks ended 28 April 2007.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND RESULTS

The Company did not trade during the period and it is not anticipated that it will do so in the foreseeable future. The net assets of the Company comprise intra-group debtors. It is not considered that any significant risk attaches to these assets.

DIVIDENDS

During the period, the directors declared and paid a dividend of £0.02807 per ordinary share, (2006/07 two interim dividends of £1.2399 and £0.0896 per ordinary share).

DIRECTORS

The directors of the Company during the period were:

	<u>Date of appointment</u>	<u>Date of resignation</u>
E J C Leigh	4 October 2007	
B Marsh		1 October 2007
D M E Page		

Unless otherwise stated, the directors served throughout the period.

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

Pursuant to section 386 of the Companies Act 1985, an elective resolution dispensing with the requirement to appoint auditors annually has been in place throughout the period. Accordingly Deloitte & Touche LLP are deemed to continue as auditors.

In accordance with the provisions of Section 234ZA of the Companies Act 1985, each of the directors at the date of approval of this report confirms that, to the best of their knowledge and belief, and having made appropriate enquiries of other officers of the Company:

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

By Order of the Board



M Stevens

Secretary

21 July 2008

Registered office:
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TG

MASTERCARE SERVICE AND DISTRIBUTION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of the financial statements and have chosen to prepare such financial statements under UK Generally Accepted Accounting Practice (UK GAAP).

The directors are required by UK company law to prepare such financial statements for each financial period which give a true and fair view of the state of affairs of the Company, in accordance with UK GAAP, as at the end of each financial period and of the profit or loss for that period. In preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and compliance of the financial statements with the Companies Act 1985. The directors are also responsible for the safeguard of the assets of the Company and hence for taking reasonable steps to prevent and detect fraud or any other irregularities.

MASTERCARE SERVICE AND DISTRIBUTION LIMITED

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the member of Mastercare Service and Distribution Limited

We have audited the financial statements of Mastercare Service and Distribution Limited for the 53 weeks ended 3 May 2008 which comprise the balance sheet, the reconciliation of movements in shareholder's funds and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's member in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the member those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable UK law and UK accounting standards (UK Generally Accepted Accounting Practice (UK GAAP)). Our responsibility is to audit the financial statements in accordance with relevant UK legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

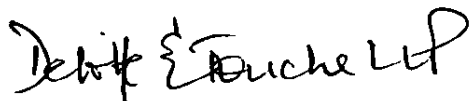
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with UK GAAP, of the state of the Company's affairs as at 3 May 2008 and of its result for the period then ended, have been properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

31 July 2008

MASTERCARE SERVICE AND DISTRIBUTION LIMITED
BALANCE SHEET
As at 3 May 2008

	Note	2008 £'000	2007 £'000
Current assets			
Debtors	4	33,402	33,711
Net current assets		<u>33,402</u>	<u>33,711</u>
Capital reserves			
Called up share capital	5	11,010	11,010
Share premium account	6	22,392	22,392
Profit and loss account	7	-	309
Equity shareholder's funds		<u>33,402</u>	<u>33,711</u>

The financial statements were approved by the directors on 21 July 2008 and signed on their behalf by:



D M E Page

MASTERCARE SERVICE AND DISTRIBUTION LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the 53 weeks ended 3 May 2008

	2007/08	2006/07
	£'000	£'000
Opening equity shareholder's funds	<u>33,711</u>	<u>48,349</u>
Dividends	<u>(309)</u>	<u>(14,638)</u>
Net reduction in equity shareholder's funds	<u>(309)</u>	<u>(14,638)</u>
Closing equity shareholder's funds	<u><u>33,402</u></u>	<u><u>33,711</u></u>

MASTERCARE SERVICE AND DISTRIBUTION LIMITED **NOTES TO THE FINANCIAL STATEMENTS**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with UK law and applicable UK accounting standards. The principal accounting policies are set out below.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The financial statements include the results of the Company and are for the 53 weeks ended 3 May 2008. Comparative figures are for the 52 weeks ended 28 April 2007.

1.2 Cash flow statement

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the Company has not prepared a cash flow statement because it is a wholly-owned subsidiary and consolidated financial statements in which the Company's results are included are publicly available.

2. EMPLOYEES, DIRECTORS AND AUDITORS

The Company had no employees during the period (2006/07 none). The directors received no remuneration for services to the Company during the period (2006/07 £nil). The auditors' remuneration of £2,000 (2006/07 £2,000) is borne by another group undertaking.

3. DIVIDENDS

	Per share	2007/08 £'000	Per share	2006/07 £'000
On ordinary shares of £1 each:				
Amounts declared and paid				
- interim dividend	£0.02807	309	£1.2399	13,651
- interim dividend	-	-	£0.0896	987
		<u>309</u>		<u>14,638</u>

4. DEBTORS

	2008 £'000	2007 £'000
Amounts due from group undertakings	<u>33,402</u>	<u>33,711</u>

5. CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised:		
15,000,000 ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>
Allotted and fully paid:		
11,010,020 ordinary shares of £1 each	<u>11,010</u>	<u>11,010</u>

MASTERCARE SERVICE AND DISTRIBUTION LIMITED **NOTES TO THE FINANCIAL STATEMENTS**

6. SHARE PREMIUM

	£'000
At 3 May 2008 and 28 April 2007	22,392

7. PROFIT AND LOSS ACCOUNT

	£'000
At 29 April 2007	309
Dividend	(309)
At 3 May 2008	-

8. RELATED PARTY DISCLOSURE

The Company has applied the exemption allowed by FRS 8 regarding disclosure of transactions with other undertakings which are members of the DSG international plc Group.

9. PARENT COMPANY

The Company's immediate parent and controlling entity is DSG international Holdings Limited.

The Company's ultimate parent and controlling entity is DSG international plc, which is incorporated in Great Britain and is registered in England and Wales. DSG international 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 Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TG.