

Company Registration No.2734677

DSG OVERSEAS INVESTMENTS LIMITED

Annual Report and Financial Statements

52 weeks ended 28 April 2007

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DSG OVERSEAS INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2007

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DSG OVERSEAS INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 weeks ended 28 April 2007. Comparative figures are for the 52 weeks ended 29 April 2006

PRINCIPAL ACTIVITY

The Company is the holding company of a group whose principal activities are retailing and the provision of financial and other related services and investment. The directors anticipate that these activities and the financial position of the Company will be maintained.

BUSINESS REVIEW AND RESULTS

The Company holds equity investments in other subsidiary companies of the DSG international plc Group. The principal risk faced by the Company is an impairment in the value of these subsidiaries. A review is carried out at least annually to identify any such impairment. As a result of such a review, the value of the investment in Kereru Limited and Mohua Limited, the two partners in PC City (France) SNC, has been fully impaired by £67 million. During the period additional capital was made available to fund development of overseas businesses and on 3 July 2006 the company acquired a controlling 77 per cent interest in FotoVista S A (FotoVista) for consideration of €261 million (£179 million) satisfied in cash. FotoVista is the parent company of Pixmania, a leading European e-tailer of digital photographic and consumer electronic products. The assets of the Company comprise intragroup debtors. It is not considered that any significant risk attaches to these assets. The position of the Company at the period end was satisfactory.

Subsequent to the period end, on 24 May 2007, following the exercise of a put option by Fourlis Holding SA, the main minority shareholder of P Kotsovolos S A (Kotsovolos), the Company acquired a further 10 per cent in Kotsovolos for cash consideration of €22.9 million (£15.6 million). The acquisition increases the Company's total interest in Kotsovolos to 89.1 per cent.

The results of the Company are shown on page 5.

DIVIDENDS

On 14 July 2006 the directors declared and paid an ordinary dividend of £0.05998 per ordinary share (2005/06 £nil).

DIRECTORS

The directors of the Company during the period were

	Date of appointment	Date of resignation
G D Budd		27 April 2007
S C Carroll		23 April 2007
H Grantham	27 April 2007	
B Marsh	18 September 2006	
A Owen		13 April 2007
D M E Page	27 February 2007	
M J Sidders		18 September 2006

DSG OVERSEAS INVESTMENTS LIMITED

DIRECTORS' REPORT

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



H H Thomas

Secretary

31 July 2007

Registered office
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TG

DSG OVERSEAS INVESTMENTS 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.

DSG OVERSEAS INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the members of DSG Overseas Investments Limited

We have audited the financial statements of DSG Overseas Investments Limited for the 52 weeks ended 28 April 2007 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholder's funds and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant 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 also 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 within it.

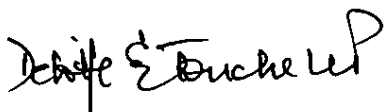
Basis of audit opinion

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 28 April 2007 and of its loss 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

1st August 2007

DSG OVERSEAS INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
For the 52 weeks ended 28 April 2007

	Note	2006/07 £'000	2005/06 £'000
Operating loss	2	(501)	(10)
Income from shares in subsidiary undertakings		10,905	1,120
Amount written off fixed asset investment	7	(67,081)	-
Net interest	4	(45,815)	29,276
(Loss)/profit on ordinary activities before taxation		(102,492)	30,386
Taxation on loss/(profit) on ordinary activities	5	(4,805)	(12,634)
(Loss)/profit for the period	14	(107,297)	17,752

All operating loss is derived from continuing operations in the UK

There are no recognised gains or losses other than the loss for the current period and profit for the preceding period

DSG OVERSEAS INVESTMENTS LIMITED
BALANCE SHEET
As at 28 April 2007

	Note	£'000	2007 £'000	£'000	2006 £'000
Fixed assets					
Investments	7		1,015,671		859,246
Current assets					
Debtors	8	265,788		430,224	
Creditors: amounts falling due within one year	9	<u>(532,441)</u>		<u>(402,658)</u>	
Net current assets			<u>(266,653)</u>		<u>27,566</u>
Total assets less current liabilities			749,018		886,812
Creditors: amounts falling due after more than one year	10		(170,000)		(170,000)
Provisions	11		<u>-</u>		<u>(497)</u>
			<u>579,018</u>		<u>716,315</u>
Capital and reserves					
Called up share capital	12		500,200		500,200
Share premium account	13		175,170		175,170
Profit and loss account	14		<u>(96,352)</u>		<u>40,945</u>
Shareholders' funds			<u>579,018</u>		<u>716,315</u>

These financial statements were approved by the directors on 3/ July 2007 and signed on their behalf by


D M E Page

DSG OVERSEAS INVESTMENTS LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the 52 weeks ended 28 April 2007

	2006/07	2005/06
	£'000	£'000
Opening shareholders' funds	716,315	698,563
(Loss)/profit for the period	(107,297)	17,752
Dividend	(30,000)	-
Net (reductions in)/additions to shareholders' funds	(137,297)	17,752
Closing shareholders' funds	579,018	716,315

DSG OVERSEAS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with UK law and UK applicable accounting standards. Accounting standards have been consistently applied throughout the period. 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 are for the 52 weeks ended 28 April 2007. Comparative figures are for the 52 weeks ended 29 April 2006.

1.2 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

1.3 Deferred taxation

Deferred tax is provided for in full on all timing differences which have not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that they are regarded as recoverable. Deferred tax balances are not discounted.

1.4 Foreign exchange

Exchange differences arising from foreign exchange transactions are included in profit on ordinary activities before taxation.

1.5 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. OPERATING LOSS

	2006/07 £'000	2005/06 £'000
Administrative expenses	(350)	(12)
Other operating (expenses)/income	(151)	2
Operating loss	<u>(501)</u>	<u>(10)</u>
Operating loss is stated after charging		
Auditors' remuneration – audit fees	<u>12</u>	<u>12</u>

3. EMPLOYEES AND DIRECTORS

The Company had no employees during the period (2005/06 none). The directors received no remuneration for services to the Company during the period (2005/06 £nil).

DSG OVERSEAS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. NET INTEREST

	2006/07 £'000	2005/06 £'000
Interest receivable and similar income		
Interest receivable from group undertakings	14,319	16,243
Foreign exchange gains on translation	-	26,870
	14,319	43,113
Interest payable and similar charges		
Interest payable on loans from group undertakings	(23,557)	-
Dividend on 8 25% non voting cumulative redeemable preference shares	(4,136)	(4,114)
Dividend on 8 125% non voting cumulative redeemable preference shares	(9,777)	(9,723)
Foreign exchange losses on translation	(22,664)	-
	(60,134)	(13,837)
Net interest (payable)/receivable	(45,815)	29,276

5. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2006/07 £'000	2005/06 £'000
Current taxation		
UK corporation tax at 30%	-	13,155
Double tax relief	-	(58)
Adjustment in respect of earlier periods		
- UK corporation tax	5,302	(116)
	5,302	12,981
Deferred taxation		
Current period	(220)	73
Adjustment in respect of earlier periods	(277)	(420)
	4,805	12,634

A reconciliation of the notional current taxation charge to the actual taxation charge is set out below

(Loss)/profit on ordinary activities at UK statutory rate of 30%	(30,748)	9,116
Amounts written off fixed asset investment	20,124	-
Dividends treated as interest	1,175	4,092
Group relief not paid for	9,395	-
CGT gains covered by losses	31	-
Timing difference on double tax relief	23	(111)
Adjustment in respect of earlier periods	5,302	(116)
Current taxation on profit on ordinary activities	5,302	12,981

DSG OVERSEAS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. DIVIDEND

	Per share	2006/07 £'000	Per share	2005/06 £'000
On ordinary shares of £1 each	£0.05998	<u>30,000</u>	-	<u>-</u>

7. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000
Cost and net book value	
At 30 April 2006	859,246
Additions	241,894
Disposals	(18,388)
Provision for impairment	<u>(67,081)</u>
At 28 April 2007	<u>1,015,671</u>

Additions in the period relate predominantly to the acquisition of a controlling 77 per cent interest in Fotovista S A for consideration and costs of £183.7 million

The impairment relates to investments in Kereru Limited and Mohua Limited, the two partners of PC City (France) SNC (PC City France). During the period, Kereru Limited and Mohua Limited commenced the exit of the operations of PC City France. As a result of this, the carrying value of the investments has been written down in full.

Details of the principal subsidiary undertakings are set out in note 17.

8. DEBTORS

	2007 £'000	2006 £'000
Amounts due from subsidiary undertakings	265,788	390,963
Amounts due from group undertakings	<u>-</u>	<u>39,261</u>
	<u>265,788</u>	<u>430,224</u>

9. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Amounts due to subsidiary undertakings	-	389,561
Amounts due to group undertakings	527,139	-
Corporation tax	5,290	13,085
Accruals and deferred income	<u>12</u>	<u>12</u>
	<u>532,441</u>	<u>402,658</u>

DSG OVERSEAS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

10. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £'000	2006 £'000
8 25% cumulative redeemable preference shares at £1 each	50,000	50,000
8 125% cumulative redeemable 'B' preference shares at £1 each	120,000	120,000
	<u>170,000</u>	<u>170,000</u>

The 8 25% non voting cumulative redeemable preference shares of £1 each rank ahead of ordinary shares in the event of a return of assets on liquidation. The Company has the right to redeem these shares at par at any time on or after 2 September 2014.

The 8 125% non voting cumulative redeemable B preference shares of £1 each rank ahead of the ordinary shares in the event of a return of assets on liquidation and rank pari passu with the 8 25% cumulative redeemable preference shares of £1 each. The Company has the right to redeem these shares at par at any time on or after 23 December 2014.

11. PROVISIONS

	£'000
Deferred taxation	
At 30 April 2006	497
Utilised	(497)
	<u>-</u>
At 28 April 2007	<u>-</u>

	2007 £'000	2006 £'000
The net provision for deferred taxation comprises		
Other timing differences	-	497
	<u>-</u>	<u>497</u>

12. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised		
501,100,000 ordinary shares of £1 each	501,000	501,000
	<u>501,000</u>	<u>501,000</u>
Called up, allotted and fully paid		
500,200,345 ordinary shares of £1 each	500,200	500,200
	<u>500,200</u>	<u>500,200</u>

13. SHARE PREMIUM ACCOUNT

	£'000
At 28 April 2007 and 29 April 2006	<u>175,170</u>

DSG OVERSEAS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

14. PROFIT AND LOSS ACCOUNT

	£'000
At 30 April 2006	40,945
Loss for the period	(107,297)
Dividend	(30,000)
	<hr/>
At 28 April 2007	(96,352)
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15. 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

16. 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

17. PRINCIPAL SUBSIDIARY UNDERTAKINGS

The principal subsidiary undertakings at 28 April 2007 are listed below

Dixagon SA (Switzerland)
Dixagon Finance SA (Switzerland) *
DSG European Investments Limited
DSG Boxmoor Limited
Elkj p Norge AS (Norway)
Electro World Magyarország Kereskedelmi  s Szolg ltat  Kft (Hungary)*
Electro World s r o (Czech Republic)*
Electro World (Wholesale) s r o (Czech Republic)*
Electro World S p z o o (Poland)
Fotovista S A (France) (76.9%)
P. Kotsovolos S A (Greece) (79.1%)
PC City (France) SNC (France)*
PC City Spain SL (Spain) *
UniEuro S p A (Italy) *

* Indirect subsidiaries of the Company

Unless otherwise indicated, all principal subsidiary undertakings are wholly owned and operate in their country of incorporation as indicated above

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

DSG OVERSEAS INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

18. POST BALANCE SHEET EVENT

On 24 May 2007, following the exercise of a put option by Fourlis Holding SA, the main minority shareholder of P Kotsovolos S A (Kotsovolos), the Company acquired a further 10 per cent in Kotsovolos for cash consideration of €22.9 million (£15.6 million). The acquisition increases the Company's total interest in Kotsovolos to 89.1 per cent.