

TEEGA LIMITED
(Registered No: 3789864)

DIRECTORS' REPORT AND ACCOUNTS
30 JUNE 2001



TEEGA LIMITED
DIRECTORS' REPORT

The directors submit their report and the accounts of the company for the year ended 30 June 2001. The results are shown in the profit and loss account on page 3.

BUSINESS REVIEW

Teega Limited was acquired by Domestic & General Group PLC on 1 September 1999. The business activities were acquired from Teega Agencies on this date, and comprise the provision of customer fulfilment and call centre services. On 1 July 2000 all business activities were transferred to Domestic & General Services Limited.

DIRECTORS

J R Scrivener
J S Ritchie
N R Alexander
K Broxton
K S Wilson

Resigned 29 June 2001

The directors' interests in the share capital of the company or any group company are disclosed in the accounts of the ultimate holding company. Domestic & General Group PLC.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which 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 1985. 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.

AUDITORS

A resolution in accordance with Section 384, Companies Act 1985, for the appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



A P White

Secretary

29 August 2001

Registered Office

Swan Court
2A Mansel Road
Wimbledon
London SW19 4AA

TEEGA LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 3 to 7.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not 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 transactions with the company is not disclosed.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards 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 judgments 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 of the state of the company's affairs as at 30 June 2001 and its loss for the year ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

29 August 2001

TEEGA LIMITED
 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001

	Year ended 30 June 2001 £	10 months ended 30 June 2000 £
TURNOVER	-	892,490
Direct costs	-	(482,521)
GROSS PROFIT	-	409,969
Administrative expenses	-	(361,424)
OPERATING PROFIT	-	48,545
Interest payable	-	(13,104)
Interest receivable	-	993
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	-	36,434
Tax on profit on ordinary activities	-	(11,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	-	25,434
DIVIDENDS	(25,000)	-
RETAINED PROFIT FOR THE FINANCIAL PERIOD	(25,000)	25,434

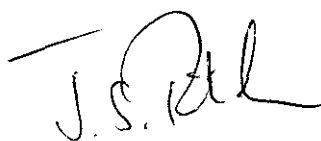
TEEGA LIMITED
BALANCE SHEET AT 30 JUNE 2001

	Note	2001 £	2000 £
INVESTMENTS			
Cash on deposit		24	29,838
TANGIBLE FIXED ASSETS	3	-	123,449
CURRENT ASSETS			
Stock		-	11,629
Debtors	4	25,411	219,302
Cash in hand		-	59
		<u>25,411</u>	<u>230,990</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	<u>(25,000)</u>	<u>(358,842)</u>
NET CURRENT LIABILITIES		<u>411</u>	<u>(127,852)</u>
NET ASSETS		<u>435</u>	<u>25,435</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account		434	25,434
		<u>435</u>	<u>25,435</u>

These accounts were approved by the Board of directors on 29 August 2001.



T J R SCRIVENER)



J S RITCHIE)

) Directors

TEEGA LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2001

	2001	10 months ended 30 June 2000
	£	£
Profit for the financial year	<u>-</u>	<u>25,434</u>

RECONCILIATION OF MOVEMENTS IN
SHAREHOLDER'S FUNDS
AT 30 JUNE 2001

	2001	2000
	£	£
Profit for the financial year	-	25,434
Dividends	(25,000)	-
Opening shareholders funds	<u>25,435</u>	<u>1</u>
Closing shareholders funds	<u>435</u>	<u>25,435</u>

TEEGA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of Accounts

The financial statements have been prepared under the historical cost convention and comply with applicable accounting standards.

(b) Turnover

Turnover comprises fees earned in respect of services rendered.

(c) Cash Flow Statement

The company has taken advantage of the exemption within Financial Reporting Standard 1 (Revised) not to provide a cash flow statement because it is a wholly owned subsidiary undertaking of Domestic & General Group PLC.

(d) Related party transactions

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) because it is a wholly owned subsidiary undertaking of Domestic & General Group PLC.

2. TAXATION

	2001 £	2000 £
UK Corporation tax based on profits for the year at 30% (2000:30%)	-	11,000

3. TANGIBLE ASSETS

	Office furniture, equipment and motor vehicles £
Cost:	
At 1 July 2000	154,033
Transfers within group	(154,033)
At 30 June 2001	-
Depreciation:	
At 1 July 2000	30,584
Transfers within group	(30,584)
At 30 June 2001	-
Net Book Value:	
At 30 June 2001	-
At 30 June 2000	123,449

TEEGA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. <u>DEBTORS</u>	2001	2000
	£	£
Trade debtors	-	157,969
Due from fellow subsidiary	25,411	50,196
Other debtors and prepayments	-	11,137
	<u>25,411</u>	<u>219,302</u>

5. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	2001	2000
	£	£
Corporation tax	-	11,000
Other tax and social security	-	20,699
Trade creditors	-	9,509
Bank overdraft	-	17,812
Accruals	-	11,614
Due to parent company	-	288,208
Dividends	25,000	-
	<u>25,000</u>	<u>358,842</u>

6 <u>CALLED UP SHARE CAPITAL</u>	2001	2000
Allotted, called up and fully paid ordinary shares of £1 each	<u>1</u>	<u>1</u>
	£	£
Authorised ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

7. ULTIMATE HOLDING COMPANY

The ultimate holding company is Domestic & General Group PLC which is incorporated and registered in England. The Group accounts can be obtained from Swan Court, Mansel Road, London SW19 4AA.