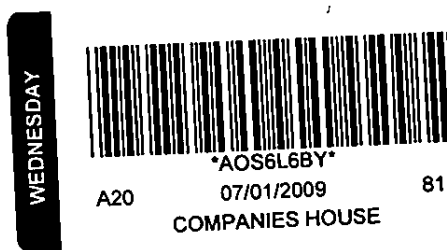


**Company Registration No.4977541**

**DSG INTERNATIONAL WHOLESALE LIMITED**

**Annual Report and Financial Statements**

**53 weeks ended 3 May 2008**



# **DSG INTERNATIONAL WHOLESALE LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2008**

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# DSG INTERNATIONAL WHOLESALE LIMITED

## DIRECTORS' REPORT

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

### PRINCIPAL ACTIVITY AND RESULTS

The principal activity of the Company is to provide product buying services to companies within the DSG international plc Group. The directors anticipate that the level of activity will increase going forward.

### BUSINESS REVIEW AND RESULTS

#### Services

The Company negotiates directly with third party suppliers on behalf of its customers, who are members of the DSG international Group. The Company also provides its customers with support in negotiations with external suppliers as required. The Company's income is generated from these third party suppliers and from provision of those services to its customers.

#### Objective and strategy

The objective of the Company is to deliver long term value to its shareholder. The Directors' strategy is to support its customers' needs in their buying negotiations and to build strong relationships at a Group level with key suppliers.

#### Risks to achieving the Company's objective

Risk is present in all businesses. The Directors regularly review the risks faced by the Company. The Directors consider that the major risks to achieving the Company's objective are those set out below. The Directors however recognise that the profile of risks changes constantly and additional risks not presently known or that are currently deemed immaterial may also impact on attainment of the Company's business objective.

#### (i) Recoverability of third party debtors

The key risk of the Company is the recoverability of amounts owed by third party debtors.

### PERFORMANCE MONITORING

The successful delivery of the Company's strategic objective is monitored by the Directors through Key Performance Indicators and periodic reviews of the Company's operations.

#### Financial Key Performance Indicators

##### Operational

##### Definition

Cost Benefits achieved	Value of savings achieved from suppliers on behalf of customers
------------------------	---

Operating Costs	The cost of running a Buying Services organisation
-----------------	--

##### Stakeholder Satisfaction

##### Definition

Customer Satisfaction	Achievement of improved cost prices
-----------------------	-------------------------------------

Details of performance results for the DSG international plc Group as a whole are included on the corporate website, [www.dsgiplc.com](http://www.dsgiplc.com).

These indicators are used to manage the business. They enable the Directors to identify risks to achieving the Company's objectives and to take mitigating action promptly.

### RESULTS

The results of the Company are set out on page 5.

# **DSG INTERNATIONAL WHOLESALE LIMITED**

## **DIRECTORS' REPORT**

### **DIVIDENDS**

The directors recommend that no dividend be paid (2006/07 £nil).

### **DIRECTORS**

The directors of the Company throughout the period were:

P Bjorgas  
K O'Byrne  
S Turner

### **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

28 July 2008

Registered office:  
Maylands Avenue  
Hemel Hempstead  
Hertfordshire  
HP2 7TG

## **DSG INTERNATIONAL WHOLESALE LIMITED**

### **DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The directors are responsible for the preparation of the financial statements and have chosen to prepare such financial statements under UK Generally Accepted Accounting Practices (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 INTERNATIONAL WHOLESALE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **Independent auditors' report to the member of DSG international Wholesale Limited**

We have audited the financial statements of DSG international Wholesale Limited for the 53 weeks ended 3 May 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 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 member, 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 the applicable law and United Kingdom accounting standard (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 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 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 profit 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

29 July 2008

# DSG INTERNATIONAL WHOLESALE LIMITED

## PROFIT AND LOSS ACCOUNT

For the 53 weeks ended 3 May 2008

	Note	2007/08 £'000	2006/07 £'000
Turnover		9,652	1,904
Operating profit / result	2	87	-
Net interest	3	566	-
Profit / result on ordinary activities before taxation		653	-
Taxation on profit / result on ordinary activities		(10)	-
Profit / result for the period	9	643	-

All turnover and operating result are derived from continuing operations in the UK.

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

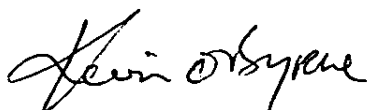
# DSG INTERNATIONAL WHOLESALE LIMITED

## BALANCE SHEET

As at 3 May 2008

	Note	2007 £'000	2006 £'000
<b>Current assets</b>			
Debtors – falling due within one year	6	3,611	1,899
Cash at bank and in hand		7,323	5
		<u>10,934</u>	<u>1,904</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(10,291)</u>	<u>(1,904)</u>
<b>Net assets</b>		<u>643</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	643	-
		<u>643</u>	<u>-</u>

These financial statements were approved by the directors on 28 July 2008 and signed on their behalf by:



K O'Byrne



# DSG INTERNATIONAL WHOLESALE 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 policies have been consistently applied throughout the current and preceding periods. 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 Turnover

Turnover comprises income from third party suppliers and the provision of services to other group undertakings excluding value-added tax.

#### 1.3 Foreign exchange

Exchange differences arising from foreign exchange transactions are included in profit on ordinary activities before taxation at the rate ruling on the transaction date. Exchange differences arising on other assets and liabilities are taken to the profit and loss account at the rate ruling at the balance sheet date.

#### 1.4 Post retirement benefits

The DSG international Group maintains a pension scheme for eligible UK employees comprising both a defined benefit and a defined contribution section. The level of contributions required to fund the pensions under the defined benefit scheme is calculated periodically by qualified actuaries.

It is not possible to identify the Company's share of the underlying assets and liabilities of the defined benefit section on a consistent and reasonable basis, therefore, in accordance with FRS 17, the defined benefit section of the scheme has been treated as if it were a defined contribution scheme.

The Company's contributions to both the defined benefit section and the defined contribution section of the pension scheme are charged to the profit and loss account on an accruals basis as they become payable.

#### 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 is included are publicly available.

### 2. OPERATING PROFIT / RESULT

	2007/08 £'000	2006/07 £'000
Turnover	9,652	1,904
Cost of sales	(9,565)	(1,904)
Gross profit / result	87	-
Distribution costs	-	-
Administrative expenses	-	-
Operating profit / result	87	-

The auditors' remuneration of £2,000 (2006/07 £2,000) is borne by another group undertaking.

# DSG INTERNATIONAL WHOLESALE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 3. NET INTEREST

	2007/08 £'000	2006/07 £'000
Interest receivable and similar income:		
Interest receivable and similar income from third parties	33	-
Foreign exchange gains on translation	533	-
	<u>566</u>	<u>-</u>
Net interest	<u>566</u>	<u>-</u>

### 4. EMPLOYEES AND DIRECTORS

	2007/08 £'000	2006/07 £'000
Staff costs, including directors, for the period were:		
Wages and salaries	785	298
Social security costs	75	86
Other pension costs	53	15
	<u>913</u>	<u>399</u>
	Number	Number
The average number of employees, including directors, was:	<u>10</u>	<u>7</u>
	Number	Number
Directors who accrued benefits under the defined benefit pension scheme	<u>2</u>	<u>-</u>

None of the directors received remuneration for services to the Company (2006/07 none). Two directors (2006/07 none) exercised options over shares in DSG international plc during the period.

### 5. TAXATION ON PROFIT / RESULT ON ORDINARY ACTIVITIES

	2007/08 £'000	2006/07 £'000
Current taxation:		
UK corporation tax at 29.84%	-	-
Adjustment in respect of earlier periods		
- UK corporation tax	10	-
	<u>10</u>	<u>-</u>

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

Profit / result on ordinary activities at UK statutory rate of 29.84%	195	-
Group relief not paid for	(195)	-
Adjustment in respect of earlier periods	10	-
	<u>10</u>	<u>-</u>
Current taxation on profit / result on ordinary activities	<u>10</u>	<u>-</u>

# DSG INTERNATIONAL WHOLESALE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 6. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	3,541	1,102
Amounts due from group undertakings	70	797
Corporation Tax	-	-
	<u>3,611</u>	<u>1,899</u>

### 7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Amounts due to group undertakings	10,148	1,904
Other taxes and social security	143	-
	<u>10,291</u>	<u>1,904</u>

### 8. CALLED UP SHARE CAPITAL

	2008 £	2007 £
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 9. PROFIT AND LOSS ACCOUNT

	£'000
At 29 April 2007	-
Profit for the period	<u>643</u>
At 3 May 2008	<u>643</u>

# **DSG INTERNATIONAL WHOLESALE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **10. POST RETIREMENT BENEFITS**

DSG international plc maintains a pension scheme for eligible employees in the UK comprising both a defined benefit and defined contribution section. The defined benefit section is a funded scheme with assets held in a separate trustee administered fund. Contributions are assessed in accordance with the advice of independent qualified actuaries so as to spread the pension cost over the normal expected service lives of members. The scheme is valued by a qualified actuary at least every three years. The last valuation was carried out as at 5 April 2007, using the projected unit method and has been used to determine the level of funding to the scheme and showed the value of assets to be sufficient to cover 92% of the benefits accrued to members after allowing for expected future increases in earnings

At 3 May 2008, the valuation of the defined benefit section for the purposes of FRS 17 showed a gross pension deficit of £51.0 million (28 April 2007 £38.4 million). Further particulars of the scheme are shown in note 28 to the financial statements of DSG international plc which although presented under IAS 19 "Employment Benefits" show figures and disclosures equivalent to those applicable under FRS 17.

Since 1 September 2002, the defined benefit section of the pension scheme has been closed to new entrants. Membership of the defined contribution section is now offered to eligible employees.

### **11. 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.

### **12. 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.