

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

1 FEBRUARY 1997



Kingfisher International Holdings Limited

REPORT AND FINANCIAL STATEMENTS

for the financial year ended 1 February 1997

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Kingfisher International Holdings Limited

REPORT OF THE DIRECTORS

for the financial year ended 1 February 1997

The directors present their report and financial statements of the Company for the financial year ended 1 February 1997.

PRINCIPAL ACTIVITY

The Company is, and will continue to be, an investment holding company whose subsidiaries are incorporated outside the United Kingdom.

REVIEW OF THE BUSINESS

During the year the Company received dividends of £2,147,000 (1996: £2,499,000) from Kingfisher BV.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (1996: £nil). The profit for the financial year of £1,404,000 (1996: £2,030,000) will be transferred to reserves.

ELECTIVE RESOLUTION

On 2 December 1991 the Company passed an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked. Further elective resolutions were passed at the same time that the Company would dispense with:

- a) the laying of the annual report and financial statements before the Company in general meeting and
- b) the requirement to reappoint annually the auditors of the Company in general meeting.

Kingfisher International Holdings Limited

REPORT OF THE DIRECTORS

for the financial year ended 1 February 1997

DIRECTORS

The directors of the Company who held office during the year are :

A. H. Percival

H. M. Jones

DIRECTORS' INTERESTS

None of the directors have any beneficial interest in the shares of the Company. The interests of A.H. Percival in the share capital of the company's ultimate parent, Kingfisher plc, are shown in the financial statements of that company.

The other director had the following interest in 25p Ordinary shares of Kingfisher plc:

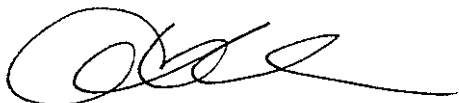
	As at 3 Feb 1996	As at 1 Feb 1997
H.M. Jones	50	134

Options for 25p Ordinary shares in Kingfisher plc:

	As at 3 Feb 1996	Options Granted	Options Exercised	As at 1 Feb 1997
H.M. Jones	24,339	10,413	(1,309)	33,443

The market price of Kingfisher plc shares at 31 January 1997 was 677p and the range during the year was 507p to 682p. The options were exercised on 13 September 1996. The market price of the shares on this date was 675p.

By order of the board



C.E.R. Thomas
Secretary

19 June 1997

Kingfisher International Holdings Limited

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The following statement is made with a view of distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements.

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year to that date. In preparing the financial statements the directors are required:

to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985

to take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

to apply suitable accounting policies in a consistent manner and supported by reasonable and prudent judgements and estimates where necessary

to comply with all applicable accounting standards (except where any departures from this requirement are explained in the Notes to the Financial Statements)

By order of the board



C.E.R. Thomas
Secretary

19 June 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF KINGFISHER INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

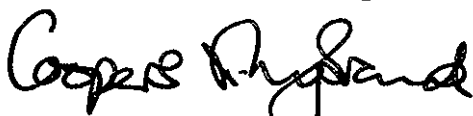
BASIS OF OPINION

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 at 1 February 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
London

20 June 1997

Kingfisher International Holdings Limited

PROFIT AND LOSS ACCOUNT

for the financial year ended 1 February 1997

	Notes	1997 £000	1996 £000
Income from shares in group undertakings		2,147	2,499
Exchange (loss)/gain		<u>(4)</u>	<u>1</u>
Profit on ordinary activities before taxation	4	2,143	2,500
Taxation	5	<u>(739)</u>	<u>(470)</u>
Retained profit for the year	11	<u><u>1,404</u></u>	<u><u>2,030</u></u>

A statement of total recognised gains and losses and a reconciliation of historical cost profits and losses are not shown as all gains and losses are recognised in the profit and loss account, and there is no difference between the profit reported and that calculated under the historical cost convention.

There were no discontinued operations in the year.

Kingfisher International Holdings Limited

BALANCE SHEET
as at 1 February 1997

	Notes	1997 £000	1996 £000
FIXED ASSETS			
Investments	6	<u>19,373</u>	<u>19,373</u>
CURRENT ASSETS			
Debtors	7	23	20
CURRENT LIABILITIES			
Creditors	8	<u>(1,184)</u>	<u>(2,585)</u>
NET CURRENT ASSETS		(1,161)	(2,565)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,212</u>	<u>16,808</u>
PROVISIONS FOR LIABILITIES & CHARGES	9	<u>(1,107)</u>	<u>(1,107)</u>
NET ASSETS		<u><u>17,105</u></u>	<u><u>15,701</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	1,784	1,784
Profit and loss account	11	<u>15,321</u>	<u>13,917</u>
EQUITY SHAREHOLDERS' FUNDS	12	<u><u>17,105</u></u>	<u><u>15,701</u></u>

Approved by the board



A.H. Percival
Director

19 June 1997

Kingfisher International Holdings Limited

NOTES TO THE ACCOUNTS

for the financial year ended 1 February 1997

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The financial statements are made up to the nearest Saturday to 31 January, so as to coincide with its ultimate holding company, Kingfisher plc.

The Company's ultimate holding company is Kingfisher plc and the cashflows of the Company are shown in the consolidated Group Cashflow Statement of Kingfisher plc.

Consequently the Company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cashflow statement.

The Company is exempt under Section 229 of the Companies Act 1985 from publishing consolidated financial statements as it is a wholly owned subsidiary of Zeus Land Investments Ltd, which is registered in England and Wales.

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that the liability or asset will crystallise.

Fixed asset investments are stated at cost except when there has been a permanent diminution in their value when they are stated at net realisable value.

Transactions denominated in foreign currencies are translated into sterling at contracted rates or, where no contract exists, at average monthly rates.

Monetary assets and liabilities denominated in foreign currencies which are held at the year end are translated into sterling at year end rates. Exchange differences on monetary items are taken to the profit and loss account.

Dividend income is recognised when declared.

2. EMPLOYEES

The Company had no employees during the financial year, (1996: nil).

3. DIRECTORS REMUNERATION

None of the directors received any remuneration from the Company or its subsidiaries in respect of the financial year ended 1 February 1997 (1996: nil).

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by the ultimate parent company.

Kingfisher International Holdings Limited

NOTES TO THE ACCOUNTS

for the financial year ended 1 February 1997

5. TAX ON PROFIT ON ORDINARY ACTIVITIES	1997 £000	1996 £000
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The taxation charge calculated on the profits for the year:

United Kingdom corporation tax at 33% (1996: 33%)	739	917
Double taxation relief	(91)	(280)
Overseas taxation	91	-
Deferred taxation released	-	(167)
	<u>739</u>	<u>470</u>

6. FIXED ASSET INVESTMENTS

Cost of investments in subsidiary undertakings	£000
At 3 February 1996 and 1 February 1997	<u>19,373</u>

The Company holds the entire issued share capital of Kingfisher BV, an investment holding company incorporated and operating in the Netherlands.

The Company also holds the entire issued capital of Tanmin Limited, a holding company incorporated in Jersey, Channel Islands.

7. DEBTORS: Amounts falling due within one year	1997 £000	1996 £000
Amounts due from subsidiary undertakings	<u>23</u>	<u>20</u>
	<u>23</u>	<u>20</u>

Kingfisher International Holdings Limited

NOTES TO THE ACCOUNTS

for the financial year ended 1 February 1997

8. CREDITORS: Amounts falling due within one year	1997 £000	1996 £000
Amounts owed to ultimate parent undertaking	423	1,926
Corporation tax	761	660
	<u>1,184</u>	<u>2,586</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

£000

Deferred taxation

At 3 February 1996

1,107

Provided during the year

-

At 1 February 1997

1,107

The deferred taxation provision is in respect of overseas tax on planned future remittances of the accumulated reserves of overseas subsidiary undertakings. There is no difference between the amount provided and the total potential liability.

10. CALLED UP SHARE CAPITAL	1997 £000	1996 £000
Authorised : 2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted and fully paid : 1,783,561 ordinary shares of £1 each	<u>1,784</u>	<u>1,784</u>

11. PROFIT AND LOSS ACCOUNT

£000

At 3 February 1996

13,917

Retained profit for the year

1,404

At 1 February 1997

15,321

Kingfisher International Holdings Limited

NOTES TO THE ACCOUNTS

for the financial year ended 1 February 1997

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £000	1996 £000
Opening shareholders' funds	15,701	13,671
Retained profit for the year	<u>1,404</u>	<u>2,030</u>
Closing shareholders' funds	<u>17,105</u>	<u>15,701</u>

13. ULTIMATE HOLDING COMPANY

The Company's immediate parent company is Zeus Land Investments Ltd, which is registered in England and Wales.

The Company's ultimate holding company is Kingfisher plc, which is registered in England and Wales. A copy of the Annual Report and Financial Statements of Kingfisher plc can be obtained from:

The Secretary, Kingfisher plc, North West House, 119 Marylebone Road, London NW1 5PX.