

Registered Number: 601220

ZEUS LAND INVESTMENTS LIMITED

Report and Financial Statements

For the Financial Year Ended

1 February 2003



**Zeus Land Investments Limited
Report and Financial Statements
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Zeus Land Investments Limited
Directors and officers

DIRECTORS

H.M. Jones

H.A. Weir

I. Cheshire (appointed 16 April 2002, resigned 16 September 2002, covering maternity leave of H.A. Weir)

SECRETARY

M.H. Stokes

REGISTERED OFFICE

3 Sheldon Square

Paddington

London

W2 6PX

AUDITORS

PricewaterhouseCoopers LLP

1 Embankment Place

London WC2N 6RH

Zeus Land Investments Limited

Directors' report

The directors present their report and financial statements of the Company for the year ended 1 February 2003.

Principal activities and review of the business

The Company operates as an investment company within the Kingfisher plc group and intends to continue to do so for the foreseeable future.

Results and Dividends

The loss for the year, after taxation, amounted to £26,794,000 (2002: profit of £46,000). The directors do not recommend the payment of a dividend for the financial year (2002: £nil). The retained loss for the year of £26,794,000 (2002: profit of £46,000) has been transferred from 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an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked.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.

Auditors

Following the conversion of the Company's auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 10 January 2003 and the directors appointed its successor PricewaterhouseCoopers LLP as auditors.

Directors and directors' interests

The directors of the Company, who served during the financial year, are:

H.M. Jones

H.A. Weir

I. Cheshire (appointed 16 April 2002, resigned 16 September 2002, covering maternity leave of H.A. Weir)

None of the directors have any beneficial interest in the shares of the Company. The interests of H.A. Weir and I. Cheshire in the share capital of Kingfisher plc are shown in the financial statements of that company.

Zeus Land Investments Limited
Directors' report

The interests of H.M. Jones in the share capital of Kingfisher plc are as follows:

Ordinary Shares of 13.75p each of Kingfisher plc:

	As at 2 Feb 2002	As at 1 Feb 2003
H.M. Jones	15,102	33,809

Options for 13.75p Ordinary Shares of Kingfisher plc:

	As at 2 Feb 2002	Options Granted	Options Exercised	Options Lapsed	Rights issue Adjustment	As at 1 Feb 2003
H.M. Jones	141,891	72,266	-	(6,168)	52,640	260,629

The market price of Kingfisher plc shares at 1 February 2003 was 192.5p and the range during the year was 165.0p to 307.0p.

Kingfisher plc launched a one for one Rights Issue of 1,293,642,792 new Kingfisher shares at 155 pence per share in connection with the offer for Castorama Dubois Investissements S.C.A. which closed on 2 August 2002.

Going concern

The directors confirm that, after making enquiries, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these accounts.



M.H. Stokes
Secretary

21 November 2003

Zeus Land Investments Limited
Statement of directors' responsibilities

The following statement is made with a view to 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).

To prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

Independent auditor's report to the members of Zeus Land Investments Limited

We have audited the financial statements which comprise the profit and loss account and the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

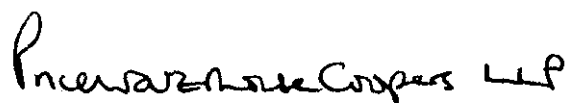
Basis of audit opinion

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 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 of the state of the Company's affairs at 1 February 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
21 November 2003

Zeus Land Investments Limited
Profit and loss account
For the year ended 1 February 2003

	Notes	2003 £000	2002 £000
Income from fixed asset investments	5	47	46
Profit on ordinary activities before interest		<u>47</u>	<u>46</u>
Amounts written off fixed asset investment	7	(26,784)	-
(Loss)/profit on ordinary activities before taxation	4	<u>(26,737)</u>	<u>46</u>
Taxation on profit on ordinary activities	6	(57)	-
(Loss)/profit on ordinary activities after taxation		<u>(26,794)</u>	<u>46</u>
Dividends on equity shares		-	-
Retained (loss)/profit for the year	11	<u>(26,794)</u>	<u>46</u>

The result for the year arises solely from continuing operations.

The Company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

The notes on pages 8 to 12 form an integral part of these financial statements.

Zeus Land Investments Limited
Balance sheet
As at 1 February 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Investments	7	1,895	3,679
Current assets			
Debtors	8	78,790	101,920
Creditors: amounts falling due within one year	9	<u>(1,880)</u>	<u>-</u>
Net current assets		76,910	101,920
Net assets		<u>78,805</u>	<u>105,599</u>
Capital and reserves			
Called up share capital	10	100,050	100,050
Profit and loss account	11	(21,245)	5,549
Equity shareholder's funds	12	<u>78,805</u>	<u>105,599</u>

The financial statements on pages 6 to 12 were approved by the board of directors and were signed on its behalf by:-



H.A. Weir
 Director
 21 November 2003

Zeus Land Investments Limited
Notes to the financial statements
at 1 February 2003

1 Accounting policies

Accounting convention

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

The Company's ultimate holding company is Kingfisher plc and the cash flows of the Company are shown in the consolidated Cash Flow Statement of Kingfisher plc, which is publicly available. Consequently the Company is exempt under the terms of Financial Reporting Standard 1 (revised) from publishing a cash flow statement.

The financial statements contain information about Zeus Land Investments Limited as an individual company and do not contain consolidated financial statements as the parent of a group.

The Company is exempt under Section 228 of the Companies Act 1985 from publishing consolidated financial statements as it and its subsidiary are included by full consolidation in the consolidated financial statements of its parent, Kingfisher plc which is registered in England and Wales.

The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities where 90% or more of the voting rights are controlled within the Kingfisher plc group.

Interest receivable is accrued on a daily basis. Dividend income is recognised when declared.

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.

Foreign Currencies

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

2 Employees

The Company had no employees during the financial year (2002: nil).

Zeus Land Investments Limited
Notes to the financial statements
at 1 February 2003

3 Directors' remuneration

None of the directors received any emoluments from the Company or from any of its subsidiaries in respect of the financial year ended 1 February 2003 (2002: £nil).

4 (Loss)/profit on ordinary activities before taxation

Auditors' remuneration is borne by the parent company.

5 Income from fixed asset investments

	2003	2002
	£000	£000
Income from shares in group undertakings	45	45
Dividends received from listed investments	2	1
	<u>47</u>	<u>46</u>

6 Taxation

	2003	2002
	£000	£000
UK corporation tax at 30% (2002: 30%)	15	-
Less double taxation relief	(7)	-
	<u>8</u>	<u>-</u>
Prior year charge	49	-
Total tax charge for the period	<u>57</u>	<u>-</u>

Factors affecting tax charge for the period

(Loss)/profit on ordinary activities before taxation	<u>(26,737)</u>	<u>46</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	(8,021)	14
Effects of:		
Taxation on underlying taxation	1	-
Double taxation relief	(7)	-
Adjustments to prior period corporation tax	49	-
Expenses not deductible for tax purposes	8,035	-
Group dividends	-	(14)
Total tax charge for the period	<u>57</u>	<u>-</u>

Zeus Land Investments Limited
Notes to the financial statements
at 1 February 2003

7 Investments

	Investments in subsidiary undertakings £000	Other investments £000	Total £000
At 2 February 2002	3,651	28	3,679
Additions	25,000	-	25,000
Amounts written off fixed asset investment	(26,784)	-	(26,784)
At 1 February 2003	<u>1,867</u>	<u>28</u>	<u>1,895</u>

Other investments

	2003 £000	2002 £000
Listed investments	<u>28</u>	<u>28</u>
Valuation:		
Listed investments - market value	<u>37</u>	<u>42</u>

Interests in Group Undertakings

	Country of incorporation	Class of Share	Main Activity
Kingfisher Exports (Ireland) Ltd	Eire	Ordinary	Dormant
Kingfisher Limited (in liquidation)	Bermuda	Ordinary	Investment
Kingfisher International Holdings Ltd	England & Wales	Ordinary	Investment
Kingfisher Investments Ireland	England & Wales	Ordinary	Non-trading
Kingfisher Finance Ireland	England & Wales	Ordinary	Non-trading
B&Q (Guernsey) Ltd	Guernsey	Ordinary	Dormant
Kingfisher Asia Pacific Limited	Hong Kong	Ordinary	Management Services

Zeus Land Investments Limited
Notes to the financial statements
at 1 February 2003

7 Investments (continued)

On 18 April 2002, the Company increased its investment in its 100% owned subsidiary undertaking Kingfisher International Holdings Limited through the issue of 25,000,000 ordinary shares at their nominal value of £1 per share.

In accordance with FRS11, the directors have undertaken an impairment review of its investments in subsidiary undertakings. As a consequence of this review £26,784,000 has been written off its investment in Kingfisher International Holdings Limited.

All the companies are 100% owned. In the opinion of the directors the aggregate value of the investments in the subsidiaries is not less than the amount at which it is now stated in the Company's balance sheet.

8 Debtors

	2003	2002
	£000	£000
Amounts due from group undertakings	<u>78,790</u>	<u>101,920</u>

9 Creditors: amounts falling due within one year

	2003	2002
	£000	£000
Amounts owed to group undertakings	1,873	-
Corporation tax	<u>7</u>	<u>-</u>
	<u>1,880</u>	<u>-</u>

10 Share capital

	2003	2002
	£000	£000
Authorised:		
100,100,000 ordinary shares of £1 each	<u>100,100</u>	<u>100,100</u>
Allotted and fully paid:		
100,050,002 ordinary shares of £1 each	<u>100,050</u>	<u>100,050</u>

Zeus Land Investments Limited
Notes to the financial statements
at 1 February 2003

11 Profit and loss account

	2003	2002
	£000	£000
At start of year	5,549	5,503
Retained (loss)/profit for the financial year	(26,794)	46
At end of year	<u>(21,245)</u>	<u>5,549</u>

12 Reconciliation of movements in shareholders' funds

	2003	2002
	£000	£000
(Loss)/Profit for the financial year	(26,794)	46
Net (reduction in)/addition to shareholders' funds	(26,794)	46
Opening shareholders' funds	105,599	105,553
Closing shareholders' funds	<u>78,805</u>	<u>105,599</u>

13 Ultimate holding company

The immediate and ultimate parent company is Kingfisher plc, which is registered in England and Wales. A copy of the Annual Report and Financial Statements of the ultimate parent company can be obtained from The Secretary, Kingfisher plc, 3 Sheldon Square, Paddington, London W2 6PX.