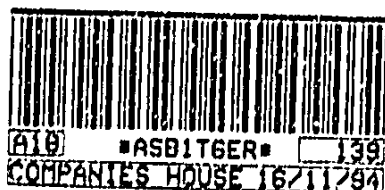


KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

29 JANUARY 1994



Registered No. 2558762

KINGFISHER INTERNATIONAL HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 JANUARY 1994

CONTENTS	PAGE
Report of the Directors	2-3
Statement of the Directors' Responsibilities	4
Report of the Auditors	5
Profit and Loss Account	6
Balance sheet	7
Notes to the accounts	8-11

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 29 JANUARY 1994

The directors present their report and financial statements of the company for the financial year ended 29 January 1994.

PRINCIPAL ACTIVITY

The company is an investment holding company whose subsidiary is incorporated outside the United Kingdom.

REVIEW OF THE BUSINESS

During the year the company received dividends of £18,044,552 from Kingfisher B.V. and increased their investment in this subsidiary by £6,780,292. The directors are not aware of any likely future developments in the business of the Company or its subsidiary undertaking. This is the first year of trading for the company (1993: dormant).

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend. The profit for the financial year of £11,618,352 will be transferred to reserves.

DIRECTORS

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

G.J. Muleahy

N. Whittaker

J.R. Kerr - Muir

Mr A.K.P. Smith (appointed 12 July 1993)

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 29 JANUARY 1994

DIRECTORS' INTERESTS

None of the directors has any beneficial interest in the shares of the company. The directors are directors of Kingfisher plc and their interests are shown in the financial statements of that company.

AUDITORS

Coopers & Lybrand have indicated their willingness to continue in office as auditors of the company for a further year.

By order of the Board

T.J. Clement - Jones
Secretary

31 October 1994

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)

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.

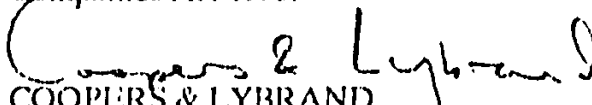
BASIS OF OPINION

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 29 January 1994 and of the profit and total recognised gains 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

31 October 1994

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29 JANUARY 1994

	Notes	1994 £	1993 £
Income from shares in group undertakings		18,044,552	—
Profit on ordinary activities before taxation		18,044,552	—
Taxation	5	(6,426,200)	—
Retained Profit for the year		11,618,352	—

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

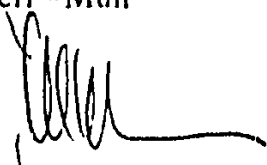
BALANCE SHEET AT 29 JANUARY 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Investments	6	8,563,852	1,783,560
CURRENT ASSETS			
Debtors	7	17,559,819	1
		17,559,819	1
CREDITORS: Amounts falling due within one year	8	(12,065,558)	--
		(12,065,558)	--
NET CURRENT ASSETS		5,494,261	1
TOTAL ASSETS LESS CURRENT LIABILITIES		14,058,113	1,783,561
PROVISIONS FOR LIABILITIES AND CHARGES	9	(656,200)	--
		13,401,913	1,783,561
CAPITAL AND RESERVES			
Called up share capital	10	1,783,561	1,783,561
Profit and Loss Account	11	11,618,352	--
	12	13,401,913	1,783,561

The financial statements on page 6 to 11 were approved by the board of directors on 31 October 1994 and were signed on its behalf by:

J.R.Kerr-Muir

Director



KINGFISHER INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 29 JANUARY 1994

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 holding company, Kingfisher plc.

The company is a wholly owned subsidiary of 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 Kingfisher plc, 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.

2. EMPLOYEES

The company had no employees during the financial year, (1993: nil).

3. DIRECTORS EMOLUMENTS

None of the directors received any emoluments from the company in respect of the financial year ended 29 January 1994 (1993: Nil).

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by the parent company.

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 29 JANUARY 1994

5. <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>	£
United Kingdom Corporation tax at 33% (1993: 33%)	6,045,000
Deferred tax provided	656,200
Double taxation relief	(275,000)
At 29 January 1994	<u>6,426,200</u>

6. <u>FIXED ASSET INVESTMENTS</u>	Investments in subsidiary undertaking
Cost	£
At 31 January 1993	1,783,560
Additions	6,780,292
At 29 January 1994	<u>8,563,852</u>

At 29 January 1994 and at 31 January 1993 the company held the entire issued capital of £1 ordinary shares of Kingfisher BV, an investment holding company incorporated and operating in The Netherlands.

7. <u>DEBTORS</u>	<u>1994</u>	<u>1993</u>
	£	£
Amounts owed by parent undertaking	17,400,000	1
Amounts owed by subsidiary undertaking	159,819	—
	<u>17,559,819</u>	<u>1</u>

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 29 JANUARY 1994

8. <u>CREDITORS: Amounts falling due</u>	1994	1993
<u>within one year</u>	£	£
Amounts owed to fellow subsidiary undertaking	(6,295,558)	—
Taxation	(5,770,000)	—
	<u>(12,065,558)</u>	<u>—</u>

9. <u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	Deferred Taxation £
As at 31 January 1993	—
• Provided during the year	656,200
As at 29 January 1994	<u>656,200</u>

The deferred tax provision is in respect of overseas tax on planned future remittances of the accumulated reserves of overseas subsidiary undertakings

10. <u>CALLED UP SHARE CAPITAL</u>	1994	1993
	£	£
Authorised : 2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
Allotted and fully paid : 1,783,561 ordinary shares of £1 each	<u>1,783,561</u>	<u>1,783,561</u>

11. <u>PROFIT AND LOSS ACCOUNT</u>	£
Balance at 31 January 1993	—
Retained profit for the financial year	11,618,352
Balance at 29 January 1994	<u>11,618,352</u>

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 29 JANUARY 1994

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Opening Shareholders' Funds	1,783,561	1,783,561
Profit for the financial year	11,618,352	—
	<hr/>	<hr/>
Closing Shareholders' funds	<u>13,401,913</u>	<u>1,783,561</u>

13. ULTIMATE PARENT COMPANY

The ultimate parent 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, 119 Marylebone Road, London NW1 5PX.