

Registered Number: 2558762

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

Report and Financial Statements

For the Financial Year Ended

31 January 2004



Kingfisher International Holdings Limited
Report and Financial Statements
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Kingfisher International Holdings Limited
Directors and officers

DIRECTORS

H.M. Jones

H.A. Weir (resigned 31 January 2004)

D.E. Tatton-Brown (appointed 1 February 2004)

SECRETARY

M.H. Stokes (resigned 21 November 2003)

M.B. Chambers (appointed 21 November 2003)

REGISTERED OFFICE

3 Sheldon Square

Paddington

London

W2 6PX

AUDITORS

PricewaterhouseCoopers LLP

1 Embankment Place

London WC2N 6RH

Kingfisher International Holdings Limited

Directors' report

The directors present their report and financial statements of the Company for the year ended 31 January 2004.

Principal activities and review of the business

The Company operates as an investment company whose subsidiaries are incorporated outside the United Kingdom and intends to continue to do so for the foreseeable future.

Results and Dividends

The loss for the year, after taxation, amounted to £9,516,000 (2003: £6,437,000). The directors do not recommend the payment of a dividend for the financial year (2003: £nil). The retained loss for the year of £9,516,000 (2003: £6,437,000) 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an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked.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.

Directors and directors' interests

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

H.M. Jones

H.A. Weir (resigned 31 January 2004)

D.E. Tatton-Brown was appointed a director of the Company on 1 February 2004.

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

Kingfisher International Holdings Limited
Directors' Report

Directors and directors' interests (continued)

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

Ordinary Shares of 15 5/7p₍₁₎ each of Kingfisher plc:

	As at 1 February 2003	As at 31 Jan 2004
H.M. Jones	33,809	35,490

Options for 15 5/7p₍₁₎ Ordinary Shares of Kingfisher plc:

	As at 2 Feb 2003	Options Granted	Options Exercised	Options Lapsed	As at 31 Jan 2004
H.M. Jones	260,629	40,203	-	-	300,832

The market price of Kingfisher plc shares at 31 January 2004 was 277.75p and the range during the year was 189.65p to 293.25p.

(1) The nominal value of Kingfisher plc shares changed on 7 July 2003 as approved by the shareholders at an extraordinary general meeting on 4 July 2003 when the ordinary shares of 13.75p were consolidated on a 7 for 8 basis into ordinary shares of 15 5/7p.

Going concern

The Company is dependent on continuing finance being made available by its parent company to enable it to continue operating and meet its liabilities as they fall due. The parent company has agreed to provide sufficient funds to the Company for these purposes.

The directors consider it is appropriate to prepare the accounts on a going concern basis.



M.B. Chambers
Secretary

24 September 2004

Kingfisher International Holdings 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 Kingfisher International Holdings 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 31 January 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
24 September 2004

Kingfisher International Holdings Limited
Profit and Loss account
For the year ended 31 January 2004

	Notes	2004 £000	2003 £000
Administrative expenses		(73)	(115)
Income from fixed asset investments	5	<u>2,110</u>	<u>2,494</u>
Profit on ordinary activities before interest		2,037	2,379
Interest receivable	6	258	590
Amounts written off fixed asset investment	9	(11,142)	(8,231)
Interest payable	7	<u>(300)</u>	<u>(647)</u>
Loss on ordinary activities before taxation	4	(9,147)	(5,909)
Taxation on profit on ordinary activities	8	<u>(369)</u>	<u>(528)</u>
Loss on ordinary activities after taxation		(9,516)	(6,437)
Dividends on equity shares		<u>-</u>	<u>-</u>
Retained loss for the year	13	<u>(9,516)</u>	<u>(6,437)</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 profit for the year stated above and their historical cost equivalents.

The notes on pages 8 to 13 form an integral part of these financial statements.

Kingfisher International Holdings Limited
Balance sheet
As at 31 January 2004

	Notes	2004 £000	2003 £000
Fixed assets			
Investments	9	-	11,142
Current assets			
Debtors due within one year	10	53,091	-
Debtors due after more than one year	10	-	53,091
Creditors: amounts falling due within one year	11	<u>(66,908)</u>	<u>(68,534)</u>
Net current liabilities		(13,817)	(15,443)
Net liabilities		<u>(13,817)</u>	<u>(4,301)</u>
Capital and reserves			
Called up share capital	12	26,784	26,784
Profit and loss account	13	(40,601)	(31,085)
Equity Shareholder's funds	14	<u>(13,817)</u>	<u>(4,301)</u>

The financial statements on pages 6 to 13 were approved by the board of directors and were signed on its behalf by:-



D.E. Tatton-Brown
 Director
 24 September 2004

Kingfisher International Holdings Limited
Notes to the financial statements
at 31 January 2004

1 Accounting policies

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 is dependent on continuing finance being made available by its parent company to enable it to continue operating and meet its liabilities as they fall due. The parent company has agreed to provide sufficient funds to the Company for these purposes.

The directors consider it is appropriate to prepare the accounts on a going concern basis.

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 Kingfisher International Holdings 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.

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

Kingfisher International Holdings Limited
Notes to the financial statements
at 31 January 2004

1 Accounting policies (continued)

Monetary assets and liabilities denominated in foreign currencies which are held at the balance sheet date are converted into sterling at the year end exchange rates. All exchange differences on monetary items are taken into the profit and loss account. This treatment is required by SSAP20 in order to give a true and fair view of the Company's results. Compliance with SSAP20 overrides Schedule 4 Paragraph 12 of the Companies Act 1985 which states that only profits realised at the balance sheet date should be included in the profit and loss account.

2 Employees

The Company had no employees during the financial year (2003: nil).

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 31 January 2004 (2003: £nil).

4 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the parent company.

5 Income from fixed asset investments

	2004	2003
	£000	£000
Income from shares in group undertakings	<u>2,110</u>	<u>2,494</u>

6 Interest receivable

	2004	2003
	£000	£000
Interest receivable from group undertakings	<u>258</u>	<u>590</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 31 January 2004

7 Interest payable

	2004	2003
	£000	£000
Bank and other interest payable	<u>300</u>	<u>647</u>

8 Taxation

	2004	2003
	£000	£000
UK corporation tax charge at 30% (2003: 30%)	684	773
Adjustments in respect of prior periods	<u>(30)</u>	<u>-</u>
	654	773
Double taxation relief	<u>(285)</u>	<u>(245)</u>
	<u>369</u>	<u>528</u>

Factors affecting the tax charge for the period

Loss on ordinary activities before taxation	<u>(9,147)</u>	<u>(5,909)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	(2,744)	(1,773)
Effects of :		
Taxation on underlying taxation	85	76
Double taxation relief	(285)	(245)
Expenses not deductible for tax purposes	3,343	2,470
Adjustments to prior period corporation tax	<u>(30)</u>	<u>-</u>
Current corporation tax charge for the period	<u>369</u>	<u>528</u>
Total charge for the period	<u>369</u>	<u>528</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 31 January 2004

9 Investments

	Investments in subsidiary undertakings £000
At 2 February 2003	11,142
Amounts written off fixed asset investment	<u>(11,142)</u>
At 31 January 2004	<u>-</u>

Interests in Group Undertakings

	Country of incorporation	Class of Share	% owned	Main Activity
Kingfisher BV.	Netherlands	Ordinary	100	Investment

In accordance with FRS11, the directors have undertaken an impairment review of its investments in subsidiary undertakings. As a consequence of this review £11,142,000 has been written off its investment in Kingfisher BV.

In the previous year, in accordance with FRS11, the directors undertook an impairment review of its investments in subsidiary undertakings. As a consequence of this review, £8,231,000 was written off its investment in Kingfisher BV.

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.

10 Debtors

	2004 £000	2003 £000
Due within one year		
Other debtors	<u>53,091</u>	<u>-</u>
Due after more than one year		
Other debtors	<u>-</u>	<u>53,091</u>

Other debtors relate to the deferred consideration, due in the financial year to 29 January 2005, for the disposal of shares in Tiscali SpA, an Italian Internet Service Provider, which the Company acquired, at market price, from another group undertaking on 5 June 2001.

Kingfisher International Holdings Limited
Notes to the financial statements
at 31 January 2004

11 Creditors: amounts falling due within one year

	2004	2003
	£000	£000
Amounts owed to group undertakings	49,667	54,822
Other creditors	16,878	13,441
Corporation tax	363	271
	<u>66,908</u>	<u>68,534</u>

12 Share capital

	2004	2003
	£000	£000
Authorised:		
27,000,000 ordinary shares of £1 each	<u>27,000</u>	<u>27,000</u>
Allotted and fully paid:		
26,783,561 ordinary shares of £1 each	<u>26,784</u>	<u>26,784</u>

13 Profit and loss account

	2004	2003
	£000	£000
At start of year	(31,085)	(24,648)
Retained loss for the financial year	<u>(9,516)</u>	<u>(6,437)</u>
At end of year	<u>(40,601)</u>	<u>(31,085)</u>

14 Reconciliation of movements in shareholders' funds

	2004	2003
	£000	£000
Retained loss for the financial year	(9,516)	(6,437)
Net proceeds of issue of ordinary share capital	<u>-</u>	<u>25,000</u>
Net reduction from / addition to shareholders' funds	(9,516)	18,563
Opening shareholders' funds	<u>(4,301)</u>	<u>(22,864)</u>
Closing shareholders' funds	<u>(13,817)</u>	<u>(4,301)</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 31 January 2004

15 Ultimate holding company

The immediate parent company is Zeus Land Investments Limited, which is registered in England and Wales.

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