

**DIXONS OVERSEAS INVESTMENTS LIMITED**

REGISTERED NO. 2734677

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

52 weeks ended 1 May 1999



**DIXONS OVERSEAS INVESTMENTS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS 1999**

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# **DIXONS OVERSEAS INVESTMENTS LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 1 May 1999. Comparative figures are for the 52 weeks ended 2 May 1998.

### **Principal activity**

The Company is the holding company of a group whose principal activities are financial services, investment and property development. The directors anticipate that these activities and the financial position of the Company will be maintained.

### **Results**

The results of the Company are shown on page 5.

### **Dividends**

The directors recommend that no dividend be paid (1997/98 £nil).

### **Directors**

The directors of the Company during the period were:

G D Budd  
I P Livingston  
M J Sidders

### **Directors' share interests**

The directors' beneficial and family interests in the share capital of the ultimate parent company, Dixons Group plc, were:

	1 May 1999	Ordinary shares 2 May 1998
G D Budd	77,193	77,943
I P Livingston	5,649	15,649
M J Sidders	22,961	34,511

### **Directors' share options**

	At 2 May 1998	Granted in period	Exercised in period	At 1 May 1999
G D Budd	58,544	25,360	-	83,904
I P Livingston	15,469	37,879	-	53,348
M J Sidders	30,441	8,759	(12,286)	26,914

Each of the directors is interested as a potential beneficiary in 482,244 Ordinary shares owned by Dixons TSR Trust Limited, the trustee of the Dixons Group plc share ownership plan. The particulars of the Trust are disclosed in the financial statements of Dixons Group plc.

No director had a beneficial interest in the shares of the Company or any other group undertaking except as disclosed above or in any contract or arrangement to which the Company or any other group undertaking was a party during or at the end of the financial period.

**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**DIRECTORS' REPORT** continued

Except as stated below the directors' interests remained unchanged at 6 July 1999.

**Directors' share interests**

	<b>6 July 1999</b>	<b>Ordinary shares 1 May 1999</b>
I P Livingston	15,969	5,649

**Directors' share options**

	<b>At 1 May 1999</b>	<b>Granted in period</b>	<b>Exercised in period</b>	<b>At 6 July 1999</b>
I P Livingston	53,348	-	(10,320)	43,028

**Auditors**

Deloitte & Touche are willing to continue in office as auditors to the Company. A resolution for their reappointment and to authorise the directors to agree their remuneration will be proposed at the annual general meeting.

By Order of the Board

  
**G D Budd**  
 Secretary

6 July 1999  
 Registered office  
 Maylands Avenue  
 Hemel Hempstead  
 Hertfordshire  
 HP2 7TG

**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the 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 adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

**DIXONS OVERSEAS INVESTMENTS LIMITED  
AUDITORS' REPORT**

**To the Members of Dixons Overseas Investments Limited**

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, 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 affairs of the Company as at 1 May 1999 and of the profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

6 July 1999

Hill House  
1 Little New Street  
London EC4A 3TR



**Deloitte & Touche**  
Chartered Accountants  
and Registered Auditors

**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
for the 52 weeks ended 1 May 1999

	<i>Note</i>	<u>1998/99</u> <u>£'000</u>	<u>1997/98</u> <u>£'000</u>
Operating (loss)/profit	2	(493)	4,203
Income from shares in subsidiary undertakings		2,296	1,420
Net interest	3	<u>3,869</u>	<u>3,592</u>
<b>Profit on ordinary activities before taxation</b>		<b>5,672</b>	<b>9,215</b>
Taxation on profit on ordinary activities	5	<u>(1,696)</u>	<u>(2,617)</u>
<b>Retained profit after taxation for the period</b>	12	<u><b>3,976</b></u>	<u><b>6,598</b></u>

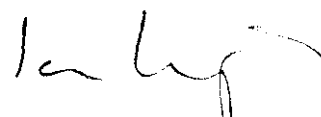
All operating profit is derived from continuing operations in the United Kingdom.

There are no recognised gains or losses or movements in shareholders' funds other than the profit for the current and preceding period.

**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**BALANCE SHEET**  
as at 1 May 1999

	<i>Note</i>	<b>£'000</b>	<b>1999 £'000</b>	<b>1998 £'000</b>
<b>Fixed assets</b>				
Investments	6		107,181	107,181
<b>Current assets</b>				
Debtors	7	34,227		31,326
<b>Creditors - due within one year</b>				
Other creditors	8	(2,612)		(3,799)
<b>Net current assets</b>			<b>31,615</b>	<b>27,527</b>
<b>Total assets less current liabilities</b>			<b>138,796</b>	<b>134,708</b>
<b>Provisions for liabilities and charges</b>	9		<b>(1,120)</b>	<b>(1,008)</b>
			<b>137,676</b>	<b>133,700</b>
<b>Equity shareholders' funds</b>				
Ordinary share capital	10		200	200
Share premium account	11		175,170	175,170
Profit and loss account	12		(37,694)	(41,670)
			<b>137,676</b>	<b>133,700</b>

The financial statements were approved by the Board of Directors on 6 July 1999 and signed on its behalf by:

  
I P Livingston



**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies are set out below.

**1.1 Accounting convention**

The financial statements are prepared in accordance with the historical cost convention. The financial statements include the results of the Company for the 52 weeks ended 1 May 1999. Comparative figures are for the 52 weeks ended 2 May 1998.

**1.2 Fixed asset investments**

Investments are stated at cost less provisions for impairment in value.

**1.3 Deferred taxation**

Provision is made or recovery anticipated for all timing differences likely to reverse in the foreseeable future at rates at which the liability or the asset is anticipated to crystallise.

**1.4 Foreign exchange**

Certain investments which are hedged by long term foreign currency borrowings are denominated in foreign currency and translated at closing rates of exchange. Exchange differences arising on those investments together with exchange differences on hedging are taken directly to reserves.

**1.5 Cash flow statement**

The Company is exempt from the requirement to prepare a cash flow statement because it is a wholly owned subsidiary.

	1998/99 £'000	1997/98 £'000
<b>2. OPERATING (LOSS)/PROFIT</b>		
Administration expenses	(67)	-
Other operating (expenses)/income	(426)	4,203
	<u>(493)</u>	<u>4,203</u>

The auditors' remuneration is borne by the ultimate parent company.

	1998/99 £'000	1997/98 £'000
<b>3. NET INTEREST</b>		
Interest receivable and similar income from group undertakings	1,737	1,570
Interest receivable and similar income from third parties	2,132	2,022
	<u>3,869</u>	<u>3,592</u>

**4. EMPLOYEES AND DIRECTORS**

The Company had no employees during the period (1997/98 none). The directors received no remuneration for services to the Company during the period (1997/98) £nil).

**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

	1998/99 £'000	1997/98 £'000
<b>5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>		
UK corporation tax at 30.9% (1997/98 31%)	-	3,060
Overseas taxation	115	116
Group relief	1,463	-
Deferred taxation	112	(440)
	<u>1,690</u>	<u>2,736</u>
Adjustment in respect of earlier periods:		
Corporation tax	6	(25)
Deferred taxation	-	(94)
	<u>1,696</u>	<u>2,617</u>
		<b>Subsidiary and related undertakings £'000</b>
<b>6. FIXED ASSET INVESTMENTS</b>		
<b>Cost and net book value</b>		
At 1 May 1999 and 2 May 1998		<u><u>107,181</u></u>
Details of the principal subsidiary and related undertakings are set out in note 16.		
	1999 £'000	1998 £'000
<b>7. DEBTORS</b>		
<b>Due within one year</b>		
Amounts due from group undertakings	34,217	27,989
Prepayments and accrued income	10	3,337
	<u>34,227</u>	<u>31,326</u>
<b>8. CREDITORS - due within one year</b>		
<b>Other creditors</b>		
Amounts due to group undertakings	2,220	-
Corporation tax	3	3,062
Accruals and deferred income	389	737
	<u>2,612</u>	<u>3,799</u>

**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**9. PROVISIONS FOR LIABILITIES AND CHARGES**

	<u>£'000</u>	
<b>Deferred taxation</b>		
At 2 May 1998	1,008	
Charge for the period	<u>112</u>	
At 1 May 1999	<u>1,120</u>	
	<u>1999</u>	<u>1998</u>
	<u>£'000</u>	<u>£'000</u>
<b>Additional information on deferred taxation</b>		
Deferred taxation for which provision has been made:		
Other timing differences	<u>1,120</u>	<u>1,008</u>

There are no unprovided amounts of deferred taxation.

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
<b>10. SHARE CAPITAL</b>		
<b>Authorised</b>		
1,100,000 Ordinary shares of £1 each	<u>1,100,000</u>	<u>1,100,000</u>
<b>Allotted and fully paid</b>		
200,345 Ordinary shares of £1 each	<u>200,345</u>	<u>200,345</u>

	<u>£'000</u>
<b>11. SHARE PREMIUM</b>	
At 1 May 1999 and 2 May 1998	<u>175,170</u>

**12. PROFIT AND LOSS ACCOUNT**

At 2 May 1998	(41,670)
Retained profit for the period	<u>3,976</u>
At 1 May 1999	<u>(37,694)</u>

**DIXONS OVERSEAS INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**13. CONTINGENT LIABILITIES**

The Company has given guarantees in respect of certain group undertakings' bank facilities. No amounts were drawn against these facilities at 1 May 1999 (2 May 1998 £nil).

**14. RELATED PARTY DISCLOSURE**

The Company has applied the exemption allowed by FRS 8 regarding disclosure of transactions with other undertakings which are members of Dixons Group.

**15. PARENT COMPANY**

The Company's immediate and ultimate parent is Dixons Group plc, which is registered in England and Wales. Copies of its accounts may be obtained from its registered office at Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 7TG.

**16. PRINCIPAL SUBSIDIARY AND RELATED UNDERTAKINGS**

The principal subsidiary and related undertakings at 1 May 1999 are listed below:

Codic GmbH (Germany)  
Codic International SA (Belgium) \*  
Codic SA (Belgium)  
Codic SA (France)  
Codic SA (Luxembourg)  
Dixagon SA (Switzerland) \*  
Dixons Asia Limited (Hong Kong)\*  
Dixons Finance B.V. (Netherlands) \*

\* Direct subsidiaries of the Company

All principal subsidiary undertakings are wholly owned and operate in their country of incorporation as indicated above.

Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of a company registered in England and Wales.

The Company's financial statements present information about it as an individual undertaking and not as a group.

In the opinion of the directors the aggregate value of the shares in and amounts due from the Company's subsidiary undertakings are not less than the aggregate of the amounts at which these assets are included in the Company's balance sheet.

**Principal related undertakings**

Codic SA (Belgium) owns 50% of the issued share capital of Immobiliere Boulevard Jacquain SPRL and of Immobiliere Phoenix SA, and 40% of the issued share capital of Immobiliere Espace Kirchberg SA, all of which are incorporated in Belgium.

Codic GmbH owns 50% of the issued share capital of Projektgesellschaft Kaufhaus Lohrstrasse 23 GmbH, of CF Bauprojekt GmbH and of Projektgesellschaft Gewerbegebiet Leonberg GBR, all of which are incorporated in Germany.