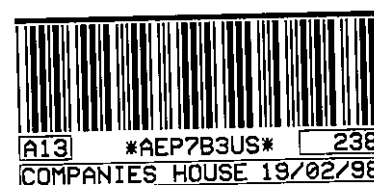


**DIXONS TREASURY MANAGEMENT LIMITED**

**REGISTERED NO. 2792167**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**53 weeks ended 3 May 1997**



**DIXONS TREASURY MANAGEMENT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS 1997**

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**DIXONS TREASURY MANAGEMENT LIMITED**  
**DIRECTORS' REPORT**

The directors present their report and the financial statements of the Company for the 53 weeks ended 3 May 1997. Comparative figures are for the 52 weeks ended 27 April 1996.

**Results**

The Company did not trade during the period.

**Dividends**

The directors recommend that no dividend be paid (1995/96 £nil).

**Directors**

The directors of the Company during the period were :

G D Budd  
I P Livingston

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

	3 May 1997	Ordinary shares 27 April 1996
G D Budd	55,697	56,032
I P Livingston	2,415	7,020

**Directors' share options**

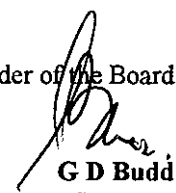
	At 27 April 1996	Granted in period	Exercised in period	At 3 May 1997
G D Budd	101,021	-	(35,739)	65,282
I P Livingston	51,469	-	(26,000)	25,469

Each of the directors is interested as a potential beneficiary in 762,000 Ordinary shares of Dixons Group plc 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.

Directors' interests were unchanged at 9 July 1997.

No director had a beneficial interest in the shares of the Company or any other group undertakings 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.

By Order of the Board

  
**G D Budd**  
Secretary

9 July 1997  
Registered office  
Maylands Avenue  
Hemel Hempstead  
Hertfordshire  
HP2 7TG

**DIXONS TREASURY MANAGEMENT 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 TREASURY MANAGEMENT LIMITED**  
**BALANCE SHEET**  
as at 3 May 1997

	<i>Note</i>	1997 £	1996 £
<b>Current assets</b>			
Debtors	3	<u>2</u>	<u>2</u>
<b>Equity shareholders' funds</b>			
Ordinary share capital	4	<u>2</u>	<u>2</u>

The Company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the period ended at the date of the balance sheet.

The financial statements were approved by the Board of Directors on 9 July 1997 and signed on its behalf by :

  
I P Livingston

**DIXONS TREASURY MANAGEMENT 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.

**1.2 Cash flow statement**

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

**2. EMPLOYEES AND DIRECTORS**

The directors received no remuneration from the Company during the period (1995/96 £nil). The Company had no employees during the period (1995/96 none).

	1997 £	1996 £
<b>3. DEBTORS</b>		
<b>Due within one year</b>		
Amounts due from group undertakings	2	2
<b>4. SHARE CAPITAL</b>		
<b>Authorised</b>		
100 Ordinary shares of £1 each	100	100
<b>Allotted</b>		
2 Ordinary shares of £1 each	2	2

**5. PROFIT AND LOSS ACCOUNT**

The Company did not trade during the period. Accordingly, no profit and loss account has been prepared.

**6. RELATED PARTY DISCLOSURE**

The Company has taken advantage of the exemption given by FRS 8 regarding disclosure of intragroup transactions.

**7. PARENT COMPANY**

The Company's immediate parent company is Wallace Heaton Limited (formerly Dixons Holdings Limited).

The Company's ultimate parent company 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.