

DIXONS TREASURY MANAGEMENT LIMITED

REGISTERED NO. 2792167

ANNUAL REPORT AND FINANCIAL STATEMENTS

52 weeks ended 2 May 1998



**DIXONS TREASURY MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 1998**

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DIXONS TREASURY MANAGEMENT LIMITED
DIRECTORS' REPORT

The directors present their report and the financial statements of the Company for the 52 weeks ended 2 May 1998. Comparative figures are for the 53 weeks ended 3 May 1997.

Results

The Company did not trade during the period.

Dividends

The directors recommend that no dividend be paid (1996/97 £nil).

Directors

The directors of the Company during the period were :

	<u>Date of Appointment</u>	<u>Date of Resignation</u>
G D Budd		
I P Livingston		1 September 1997
M J Sidders	1 September 1997	

Directors' share interests

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

	<u>2 May 1998</u>	<u>Ordinary shares 3 May 1997*</u>
G D Budd	77,943	55,697
M J Sidders	34,511	34,511

* Date of appointment, if later.

Directors' share options

	<u>At 3 May 1997*</u>	<u>Granted in period</u>	<u>Exercised in period</u>	<u>At 2 May 1998</u>
G D Budd	65,282	4,536	(11,094)	58,724
M J Sidders	30,441	-	-	30,441


* Date of appointment, if later.

Each of the directors is interested as a potential beneficiary in 626,370 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 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.

Directors' interests were unchanged at 8 July 1998.

By Order of the Board


G D Budd
 Secretary

8 July 1998
 Registered office
 Maylands Avenue
 Hemel Hempstead
 Hertfordshire
 HP2 7TG

DIXONS TREASURY MANAGEMENT LIMITED
DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

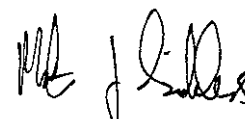
The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. In preparing the financial statements, suitable 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 2 May 1998

	<i>Note</i>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Current assets			
Debtors	3	<u>2</u>	<u>2</u>
Equity shareholders' funds			
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 8 July 1998 and signed on its behalf by :


M J Sidders

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 Company had no employees during the period (1996/97 none). The directors received no remuneration for services to the Company during the period (1996/97 £nil).

	1998 £	1997 £
3. DEBTORS		
Due within one year		
Amounts due from group undertakings	<u>2</u>	<u>2</u>
4. SHARE CAPITAL		
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

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

7. PARENT COMPANY

The Company's immediate parent is Wallace Heaton Limited.

The Company's 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.