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Halcyon Electrics Limited

Report and Accounts

Registration number 2792411



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Halycon Electrics Limited
Report and accounts
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Halycon Electrics Limited
Directors and Officers

DIRECTORS

H.M. Jones

A.H. Percival (resigned 25 September 1998)

P.E. Rowley (appointed 25 September 1998)

SECRETARY

C.E.R. Thomas (resigned 31 July 1998)

N.J.M. Davies (appointed 31 July 1998)

N.J.M. Davies (resigned 19 August 1999)

M.H. Stokes (appointed 19 August 1999)

REGISTERED OFFICE

North West House

119 Marylebone Road

London NW1 5PX

AUDITORS

PricewaterhouseCoopers

1 Embankment Place

London WC2N 6NN

Halycon Electrics Limited

Directors' Report

The directors present their report and financial statements for the year ended 30 January 1999.

Principal activities and review of the business

The Company operates as an investment company within Kingfisher plc and intends to continue to do so for the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £7,000 (1998:£6,000). The directors do not recommend the payment of a dividend for the financial year (1998:£nil). The retained profits for the year of £7,000 (1998:£6,000) have been transferred to reserves.

Elective Resolution

On 7 December 1994 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an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked.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:

A.H. Percival (resigned 25 September 1998)

P.E. Rowley (appointed 25 September 1998)

H.M. Jones

None of the directors has any beneficial interest in the shares of the Company. The interests of A.H. Percival and P.E. Rowley in the share capital of the ultimate holding company, Kingfisher plc, at the end of the year are shown in the financial statements of that company.

The other director had the following interest in 12.5p Ordinary shares of Kingfisher plc:

	As at 1 Feb 1998	As at 30 Jan 1999
H.M. Jones	1,854*	3,322

Options for 12.5p Ordinary shares in Kingfisher plc :

	As at 1 Feb 1998	Options Granted	Options Exercised	As at 30 Jan 1999
H.M. Jones	84,376*	18,985	(1,468)	101,893

Halycon Electrics Limited

Directors' Report

The market price of Kingfisher plc shares at 30 January 1999 was 624.5p and the range during the year was 425p to 694p. The options were exercised on 15 October 1998 at an exercise price of 235p. The market price of the shares on this date was 530p.

*The figures for 1998 have been restated to reflect the sub-division of the ordinary shares of 25p each in the capital of Kingfisher plc into two ordinary shares of 12.5p each.

GOING CONCERN

The directors confirm that, after making enquiries, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these accounts.

EURO

A project team, responsible to the Kingfisher plc Board of Directors, has been established and commenced preparations for the introduction of the Euro. The project team is reviewing the practical implications and strategic opportunities or threats of the Euro, refining the implementation plans, updating the project critical path and raising awareness of the issues within the Kingfisher Group. Progress continues within the timescales set by the Kingfisher plc Board of Directors.

YEAR 2000

The Company has advanced plans for Year 2000. A full-time manager is responsible to the Kingfisher plc Board of Directors for ensuring that risks have been identified, that plans exist to address them and that those plans are being followed. Work on internal computer systems and embedded systems will continue in 1999. The major risks and uncertainties are those common to all companies and relate to our dependence upon a successful and timely completion of Year 2000 programmes by other commercial entities and government bodies. Plans to address these include monitoring of such organisations and contingency planning. The Board of Directors is confident that as a result of these preparations the Company will trade successfully throughout the millennium period and beyond.

The costs associated with rendering the existing software Year 2000 compliant are borne by the ultimate parent company, Kingfisher plc.

Halycon Electrics Limited
Directors' Report

AUDITORS

The Company's auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers as auditors.

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at an Extraordinary General Meeting.

A handwritten signature in black ink, appearing to read 'M.H. Stokes', with a stylized, cursive script.

M.H. Stokes
Secretary
27 October 1999

Halycon Electrics 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 at any time 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.

Halycon Electrics Limited Report of the Auditors

Report of the Auditors to the shareholders of Halycon Electrics Limited

We have audited the accounts on pages 7 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report, as described on page 5 of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the director's 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 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.

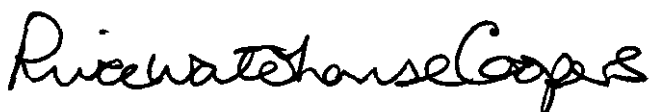
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts give a true and fair view of the state of the Company's affairs as at 30 January 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors

London
27 October 1999

Halycon Electrics Limited
Profit and Loss Account
for the year ended 30 January 1999

	Notes	1999 £000	1998 £000
Income from investments	5	<u>5</u>	<u>3</u>
Profit on ordinary activities before interest		5	3
Interest receivable	6	4	5
Profit on ordinary activities before taxation	4	<u>9</u>	<u>8</u>
Taxation on profit on ordinary activities	7	(2)	(2)
Profit on ordinary activities after taxation		<u>7</u>	<u>6</u>
Dividends payable		-	-
Retained profit for the year	12	<u>7</u>	<u>6</u>

The result for the year arises solely from continuing operations.


The Company has no recognised gains and losses other than the profit 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.

Halycon Electrics Limited
Balance Sheet
as at 30 January 1999

	Notes	1999 £000	1998 £000
Fixed assets			
Investments	8	4,218,120	1,089,496
Current assets			
Debtors	9	4,541	4,535
Creditors: amounts falling due within one year	10	<u>(3,128,626)</u>	<u>(3)</u>
Net current (liabilities)/assets		(3,124,085)	4,532
Net assets		<u>1,094,035</u>	<u>1,094,028</u>
Capital and reserves			
Called up share capital	11	1,094,021	1,094,021
Profit and loss account	12	14	7
Equity Shareholders' funds:	13	<u>1,094,035</u>	<u>1,094,028</u>

The financial statements on pages 7 to 12 were approved by the Board of Directors on 27 October 1999 and were signed on its behalf by:-


P.E. Rowley
Director
27 October 1999

Halycon Electrics Limited
Notes to the Accounts
at 30 January 1999

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's ultimate holding company is Kingfisher plc and the cashflows of the Company are shown in the consolidated Group Cashflow Statement of Kingfisher plc, which is publicly available. Consequently the Company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cashflow statement.

The financial statements contain information about Halycon Electrics Limited as an individual company and do not contain consolidated financial information 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 subsidiaries 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 that are part of the Kingfisher plc group.

Interest receivable is accrued on a daily basis. Dividend income is recognised when declared.

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

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, (1998:nil).

3 Directors' remuneration

None of the directors of the Company received any remuneration from the Company or from any of its subsidiaries in respect of the financial year ended 30 January 1999 (1998:£nil)

4 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the parent company.

Halycon Electrics Limited
Notes to the Accounts
at 30 January 1999

5 Income from investments	1999	1998
	£000	£000
Proceeds from put warrants exercised	2	-
Dividends received from listed investments	3	3
	<u>5</u>	<u>3</u>

6 Interest receivable and similar income	1999	1998
	£000	£000
Interest receivable - Exchequer stock	<u>4</u>	<u>5</u>

7 Tax on profit on ordinary activities	1999	1998
	£000	£000
United Kingdom corporation tax at 31% (1998:31.33%)	1	1
Tax credits attributable to dividends received	1	1
	<u>2</u>	<u>2</u>

8 Investments	Investments in subsidiary undertakings	Other investments	Total
	£000	£000	£000
Cost			
At 1 February 1998	1,021,921	67,575	1,089,496
Additions	3,128,624	-	3,128,624
Disposals	-	-	-
At 30 January 1999	<u>4,150,545</u>	<u>67,575</u>	<u>4,218,120</u>

During the year the Company increased its investment in its existing subsidiaries due to the subsidiaries issuing additional share capital.

Other investments	1999	1998
	£000	£000
Listed investments	109	109
Unlisted investments	67,466	67,466
	<u>67,575</u>	<u>67,575</u>
Valuation:		
Listed investments - market value	<u>174</u>	<u>132</u>

Halycon Electrics Limited
Notes to the Accounts
at 30 January 1999

Interests in Group Undertakings

The following companies are subsidiary undertakings of the Company at 30 January 1999. Both companies are registered in England and Wales.

	<u>Class of Share</u>	<u>% owned</u>	<u>Main Activity</u>
Kingfisher International France Limited (formerly Kingfisher Electrical Retailing Limited)	Ordinary	100	Investment
Electric Finance Ltd	Ordinary	100	Investment

In the opinion of the directors the aggregate value of the investments in the subsidiaries is not less than the amount stated in the Company's balance sheet.

9 Debtors: amounts falling due within one year	1999	1998
	£000	£000
Amounts due from group undertakings	<u>4,541</u>	<u>4,535</u>
10 Creditors: amounts falling due within one year	1999	1998
	£000	£000
Amounts owed to group undertakings	3,128,626	2
Corporation tax	-	1
	<u>3,128,626</u>	<u>3</u>
11 Share capital	1999	1998
	£000	£000
Authorised:		
1,500,000,000 ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>
Allotted and fully paid:		
1,094,021,006 ordinary shares of £1 each	<u>1,094,021</u>	<u>1,094,021</u>
12 Profit and loss account	1999	1998
	£000	£000
At start of year	7	1
Retained profit for the financial year	7	6
At end of year	<u>14</u>	<u>7</u>

Halycon Electrics Limited
Notes to the Accounts
at 30 January 1999

13 Reconciliation of movements in shareholders' funds	1999	1998
	£000	£000
Profit for the financial year	<u>7</u>	<u>6</u>
Net addition to shareholders' funds	<u>7</u>	<u>6</u>
Opening shareholders' funds	<u>1,094,028</u>	<u>1,094,022</u>
Closing shareholders' funds	<u>1,094,035</u>	<u>1,094,028</u>

14 Ultimate holding company

The parent and ultimate holding company is Kingfisher plc, which is registered in England and Wales. Copies of the annual report and financial statements of Kingfisher plc can be obtained from The Secretary, Kingfisher plc, North West House, 119 Marylebone Road, London NW1 5PX.