

HALCYON ELECTRICS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996



HALCYON ELECTRICS LIMITED

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HALCYON ELECTRICS LIMITED

REPORT OF THE DIRECTORS **FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996**

The directors present their report and financial statements of the company for the financial year ended 3 February 1996.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The company is and will continue to be an investment company.

DIVIDENDS AND TRANSFERS TO RESERVES

The profit on ordinary activities after taxation amounted to £5,000 (1995: Loss £10,000) which will be transferred to reserves. The directors do not recommend the payment of a dividend (1995: nil).

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an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked.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.

BOARD OF DIRECTORS

The directors of the company who served during the period are:

A H Percival	(appointed 1 May 1995)
H M Jones	(appointed 3 July 1995)
N Whittaker	(resigned 13 February 1995)
J R Kerr-Muir	(resigned 30 April 1995)
T F Clement-Jones	(resigned 3 July 1995)

HALCYON ELECTRICS LIMITED

REPORT OF THE DIRECTORS (continued) FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

DIRECTORS' INTERESTS

None of the directors have any beneficial interest in the shares of the company. The interest of Anthony Percival in the company's ultimate parent, Kingfisher plc, is shown in the financial statements of that company.

The other director had the following interests in 25p Ordinary shares of Kingfisher plc:

	At date of Appointment	As at 3 Feb 1996
H M Jones	-	50

Options for 25p Ordinary shares in Kingfisher plc:

	At date of Appointment	Options Granted	Options Exercised	As at 3 Feb 1996
H M Jones	26,432	-	2,093	24,339

On 1 May 1996 H M Jones was granted 9305 options.

The market price of Kingfisher plc shares at 3 February 1996 was 532p and the range during the year was 406p to 554p. The options were exercised on 11 September 1995. The market price of the shares on this date was 471.5p.

By order of the board



E Sibthorpe
Secretary

13 May 1996

HALCYON ELECTRICS LIMITED

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The following statement is made with a view of 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 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 for the period 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)

HALCYON ELECTRICS LIMITED

REPORT OF THE AUDITORS **TO THE MEMBERS OF HALCYON ELECTRICS LIMITED**

We have audited the financial statements on pages 5 to 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of the Directors' Responsibilities 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.

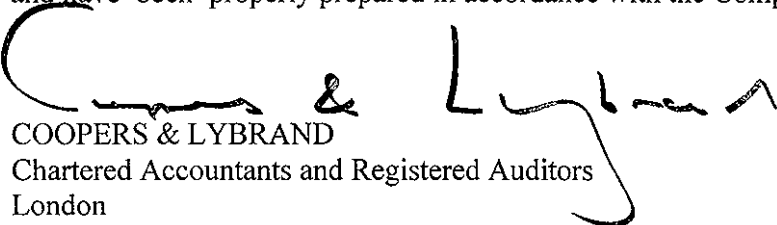
BASIS OF OPINION

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 the company's affairs at 3 February 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
London

13 May 1996

HALCYON ELECTRICS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

	Notes	<u>1996</u> £000	<u>1995</u> £000
Investment Income	4	2	2
Operating expenses		<u>-</u>	<u>(15)</u>
Profit/(loss) on ordinary activities before interest		2	(13)
Interest Receivable		<u>5</u>	<u>5</u>
Profit/(loss) on ordinary activities before taxation	5	7	(8)
Tax on profit on ordinary activities	6	<u>(2)</u>	<u>(2)</u>
Profit/(loss) for the period	11	<u><u>5</u></u>	<u><u>(10)</u></u>

A statement of total recognised gains and losses and a reconciliation of historical cost profits and losses are not shown as all gains and losses are recognised in the profit and loss account, and there is no difference between the profit reported and that calculated under the historical cost convention.

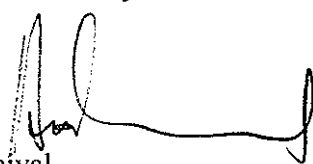
There were no discontinued operations in the period.

HALCYON ELECTRICS LIMITED

BALANCE SHEET AS AT 3 FEBRUARY 1996

	Notes	<u>1996</u> £000	<u>1995</u> £000
FIXED ASSETS			
Investments	7	1,089,494	1,089,494
CURRENT ASSETS			
Debtors	8	4,526	4,521
CREDITORS: Amounts falling due within one year		-	-
NET CURRENT ASSETS		<u>4,526</u>	<u>4,521</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,094,020</u>	<u>1,094,015</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,094,021	1,094,021
Profit and loss account	11	<u>(1)</u>	<u>(6)</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u>1,094,020</u>	<u>1,094,015</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 13 May 1996 and were signed on its behalf by :


A H Percival

Director

HALCYON ELECTRICS LIMITED

NOTES TO THE ACCOUNTS **FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996**

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

The financial statements are made up to the nearest Saturday to 31 January, so as to coincide with its holding company, Kingfisher plc.

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.

The company is exempt under Section 229 of the Companies Act 1985 from publishing consolidated financial statements as it is a wholly owned subsidiary of Kingfisher plc, which is registered in England and Wales.

The company is a wholly owned subsidiary of Kingfisher plc and the cashflows of the company are shown in the consolidated Group Cashflow Statement of Kingfisher plc. Consequently the company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cashflow statement.

2. EMPLOYEES

The company had no employees during the financial year ended 3 February 1996, (1995: Nil).

3. DIRECTORS' REMUNERATION

None of the directors of the company received any remuneration from the company or any of its subsidiaries, in respect of the financial year ended 3 February 1996, (1995: Nil).

4. INVESTMENT INCOME

	<u>1996</u>	<u>1995</u>
	<u>£000</u>	<u>£000</u>
Income from fixed asset investments	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

All investment income is from listed investments.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by the parent company.

HALCYON ELECTRICS LIMITED

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

6. <u>TAXATION</u>	<u>1996</u>	<u>1995</u>
	<u>£000</u>	<u>£000</u>

The taxation charge calculated on the profits for the period:

United Kingdom corporation tax at 33% (1995: 33%)	2	2
	<u>2</u>	<u>2</u>

7. FIXED ASSET INVESTMENTS

<u>Cost</u>	<u>Interest in group undertakings £000</u>	<u>Other invest- ments £000</u>	<u>Listed in the UK £000</u>	<u>Total £000</u>
At 28 January 1995	<u>1,021,921</u>	<u>67,466</u>	<u>107</u>	<u>1,089,494</u>
At 3 February 1996	<u>1,021,921</u>	<u>67,466</u>	<u>107</u>	<u>1,089,494</u>
Market Value as at 3 February 1996			<u>117</u>	

Interests in Group Undertakings

The following companies are the subsidiary undertakings of the company at 3 February 1996:

<u>Company</u>	<u>Country of Registration</u>	<u>% owned</u>	<u>Main activity</u>
Kingfisher Electrical Retailing Ltd.	England & Wales	100	Investment
Electric Finance Ltd.	England & Wales	100	Investment

HALCYON ELECTRICS LIMITED

NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

8. DEBTORS

	<u>1996</u> <u>£000</u>	<u>1995</u> <u>£000</u>
Amounts due from parent undertaking	4,525	4,520
Income tax recoverable	<u>1</u>	<u>1</u>
	<u>4,526</u>	<u>4,521</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>1996</u> <u>£000</u>	<u>1995</u> <u>£000</u>
Profit for the financial period attributable to the members of Halcyon Electrics Ltd.	5	(10)
Share capital issued	<u>-</u>	<u>72,000</u>
Net addition to shareholders' funds	5	71,990
Opening Shareholders' funds	<u>1,094,015</u>	<u>1,022,025</u>
Closing Shareholders' funds	<u>1,094,020</u>	<u>1,094,015</u>

10. SHARE CAPITAL

	<u>1996</u> <u>£000</u>	<u>1995</u> <u>£000</u>
Authorised : 1,500,000,000 (1995: 1,500,000,000) ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>
Allotted and fully paid : 1,094,021,002 (1995: 1,094,021,002) ordinary shares of £1 each	<u>1,094,021</u>	<u>1,094,021</u>

HALCYON ELECTRICS LIMITED

NOTES TO THE ACCOUNTS **FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996**

11. PROFIT AND LOSS ACCOUNT

	£000
At 28 January 1995	(6)
Retained profit for the year	5
At 3 February 1996	<u>(1)</u>

12. ULTIMATE PARENT COMPANY

The ultimate parent 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, 119 Marylebone Road, London NW1 5PX.