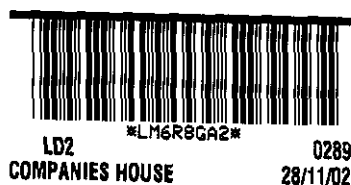


Halcyon Electrics Limited

Report and Accounts

2 February 2002



Halcyon Electrics Limited
Report and accounts
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Halcyon Electrics Limited
Directors and officers

DIRECTORS

H.M. Jones

H.A. Weir

SECRETARY

M.H. Stokes

REGISTERED OFFICE

North West House

119 Marylebone Road

London NW1 5PX

AUDITORS

PricewaterhouseCoopers

1 Embankment Place

London WC2N 6RH

Halcyon Electrics Limited

Directors' report

The directors present their report and financial statements for the year ended 2 February 2002.

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 £49,983,000 (2001: £5,000). A dividend of £50,000,000 has been paid (2001:£nil). The retained loss for the year of £17,000 (2001:profit of £5,000) has 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an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked.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:

H.M. Jones
H.A. Weir

None of the directors has any beneficial interest in the shares of the Company. The interests of H.A. Weir in the share capital of the ultimate holding company, Kingfisher plc, at the end of the year is shown in the financial statements of that company.

The interests of H M Jones in the share capital of Kingfisher plc are:

13.75p₍₁₎ Ordinary shares of Kingfisher plc

	As at 3 Feb 2001	As at 2 Feb 2002
H.M. Jones	15,711	15,102

Halcyon Electrics Limited
Directors' report

Options for 13.75p⁽¹⁾ Ordinary shares in Kingfisher plc :

	As at 3 Feb 2001	Options Granted	Options Exercised	Options Lapsed	As at 2 Feb 2002
H.M. Jones	114,643	31,636	(2,216)	(2,172)	141,891

The market price of the Kingfisher plc shares at 2 February 2002 was 388.0p and the range during the year was 275.0p to 494.0p. The options were exercised on 7 August 2001 at an exercise price of 233.5p. The market price of the shares on this date was 376.5p.

(1) The nominal value of Kingfisher plc shares changed on 28 August 2001 as approved by the shareholders at an extraordinary general meeting on 24 August 2001 when the ordinary shares of 12.5p were consolidated on a 10 for 11 basis into ordinary shares of 13.75p.

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.



M.H. Stokes
Secretary
18 November 2002

Halcyon 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 loss 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 accounts).

To prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

Halcyon Electrics Limited

Independent auditors' report to the members of Halcyon Electrics Limited

We have audited the accounts on pages 6 to 11.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 1985. We also report to you if, in our opinion, the directors' 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.

Basis of audit 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 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 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 2 February 2002 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

18/4/02

Halcyon Electrics Limited
Profit and Loss Account
for the year ended 2 February 2002

	Notes	2002 £000	2001 £000
Impairment charge	4	(23)	-
Income from fixed asset investments	6	50,003	2
		<u>49,980</u>	<u>2</u>
Profit on ordinary activities before interest		49,980	2
Interest receivable	7	4	4
		<u>49,984</u>	<u>6</u>
Profit on ordinary activities before taxation	5		
Taxation on profit on ordinary activities	8	(1)	(1)
		<u>49,983</u>	<u>5</u>
Profit on ordinary activities after taxation			
Dividends on equity shares	9	(50,000)	-
		<u>(17)</u>	<u>5</u>
Retained (loss)/profit for the year	15		

The result for the year arises solely from continuing operations.

The Company has no recognised gains and losses other than the loss 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 (loss)/profit for the years stated above and their historical cost equivalents.

Halcyon Electrics Limited
Balance Sheet
as at 2 February 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Investments	10	4,218,097	4,218,120
Current assets			
Debtors	11 2	4,552	
Creditors: amounts falling due within one year	12 <u>(3,124,071)</u>	<u>(3,128,627)</u>	
Net current liabilities		(3,124,069)	(3,124,075)
Net assets		<u>1,094,028</u>	<u>1,094,045</u>
Capital and reserves			
Called up share capital	13	1,094,021	1,094,021
Profit and loss account	14	7	24
Equity shareholders' funds:	15	<u>1,094,028</u>	<u>1,094,045</u>

The financial statements on pages 6 to 11 were approved by the Board of Directors on and were signed on its behalf by:-



H.A. Weir
 Director
 18 November 2002

Halcyon Electrics Limited
Notes to the Accounts
at 2 February 2002

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 cash flows of the Company are shown in the consolidated Cash Flow Statement of Kingfisher plc, which is publicly available. Consequently the Company is exempt under the terms of Financial Reporting Standard 1 (revised) from publishing a cash flow statement.

The financial statements contain information about Halcyon 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 where 90% or more of the voting rights are controlled within 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.

Monetary assets and liabilities denominated in foreign currencies which are held at the balance sheet date are converted into sterling at the year end exchange rates. Exchange differences on monetary items are taken into the profit and loss account.

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.

Exchange differences arising on borrowings used to finance, or provide a hedge against, the Company's equity investments in foreign enterprises are recorded as movements on reserves.

Financial Reporting Standard 18 - "Accounting Policies" has been adopted for these financial statements. The directors have reviewed the accounting policies adopted by the Company and have confirmed that they are the most appropriate to the particular circumstances of the Company. There is no change to the previously reported numbers as a result of the adoption of this standard.

Financial Reporting Standard 19 - "Deferred Tax" has been adopted for the first time in these financial statements. As required by the Standard, deferred taxation has been calculated using the full provision approach rather than the partial provision approach previously employed. There is no change to the previously reported numbers as a result of the adoption of this standard.

2 Employees

The Company had no employees during the financial year (2001:nil).

Halcyon Electrics Limited
Notes to the Accounts
at 2 February 2002

3 Directors' remuneration

None of the directors of the Company received any remuneration from the Company in respect of the financial year ended 2 February 2002 (2001:£nil).

4 Impairment charge

The impairment charge represents a write down 16,774 ordinary shares held by the Company in Marconi PLC. The investment has been written down to nil.

5 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the parent company.

6 Income from fixed asset investments	2002 £000	2001 £000
Income from shares in group undertakings	50,000	-
Dividends received from listed investments	3	2
	<u>50,003</u>	<u>2</u>

7 Interest receivable	2002 £000	2001 £000
Interest receivable - Exchequer stock	<u>4</u>	<u>4</u>

8 Tax on profit on ordinary activities	2002 £000	2001 £000
United Kingdom corporation tax at 30% (2001:30%)	<u>1</u>	<u>1</u>

Factors affecting tax charge for the period	2002 £000	2001 £000
Profit on ordinary activities before tax	<u>49,983</u>	<u>5</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax for the UK of 30% (2001: 30%)	14,995	2
Effects of:		
UK dividends	(15,000)	(1)
Non-deductible items	6	-
Total tax charge for the period	<u>1</u>	<u>1</u>

9 Equity dividends	2002 £000	2001 £000
Equity dividends paid	<u>50,000</u>	<u>-</u>

Halcyon Electrics Limited
Notes to the Accounts
at 2 February 2002

10 Fixed asset investments

	Investments in subsidiary undertakings £000	Investments in associated undertakings £000	Other investments £000	Total £000
Cost				
At 3 February 2001	4,150,545	-	67,575	4,218,120
Additions	-	67,466	-	67,466
Disposals	-	-	(67,466)	(67,466)
Impairment charge	-	-	(23)	(23)
At 2 February 2002	<u>4,150,545</u>	<u>67,466</u>	<u>86</u>	<u>4,218,097</u>

During the year, the Company's redeemable bonds ("Obligations Remboursables en Actions") were redeemed in exchange for 2,400,000 newly issued ordinary shares in Financiere Kingfisher S.A., which represents a holding of 31.44%.

Other investments	2002 £000	2001 £000
Listed investments	86	109
Unlisted investments	<u>-</u>	<u>67,466</u>
	<u>86</u>	<u>67,575</u>
Valuation:		
Listed investments - market value	<u>105</u>	<u>210</u>

Interests in subsidiary undertakings

The following companies are subsidiary and associated undertakings of the Company at 2 February 2002. Kingfisher International France Limited and Electric Finance Limited are registered in England and Wales. Financiere Kingfisher S.A. is registered in France.

	<u>Class of Share</u>	<u>% owned</u>	<u>Main Activity</u>
Kingfisher International France Limited	Ordinary	100	Investment
Electric Finance Ltd	Ordinary	100	Investment
Financiere Kingfisher S.A.	Ordinary	31.44	Financing

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.

11 Debtors: amounts falling due within one year	2002 £000	2001 £000
Amounts due from group undertakings	<u>2</u>	<u>4,552</u>
12 Creditors: amounts falling due within one year	2002 £000	2001 £000
Amounts owed to group undertakings	3,124,070	3,128,626
Corporation tax	<u>1</u>	<u>1</u>
	<u>3,124,071</u>	<u>3,128,627</u>

Halcyon Electrics Limited
Notes to the Accounts
at 2 February 2002

13 Share capital

	2002 £000	2001 £000
Authorised:		
1,500,000,000 ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid:		
1,094,021,006 ordinary shares of £1 each	<u>1,094,021</u>	<u>1,094,021</u>

14 Profit and loss account

	2002 £000	2001 £000
At start of year	24	19
Retained profit for the financial year	(17)	5
At end of year	<u>7</u>	<u>24</u>

15 Reconciliation of movements in shareholders' funds

	2002 £000	2001 £000
Profit for the financial year	49,983	5
Dividends	(50,000)	-
Net addition to shareholders' funds	<u>(17)</u>	<u>5</u>
Opening shareholders' funds	<u>1,094,045</u>	<u>1,094,040</u>
Closing shareholders' funds	<u>1,094,028</u>	<u>1,094,045</u>

16 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.