

KINGFISHER REVERSIONS LIMITED

REPORT & FINANCIAL STATEMENTS

30 September 1999

Company registration number: 02957009



KINGFISHER REVERSIONS LIMITED

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KINGFISHER REVERSIONS LIMITED

Statement of directors' and auditors' responsibilities for the year ended 30 September 1999

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' RESPONSIBILITIES

Company law requires auditors to form an independent opinion on the financial statements presented by the directors based on their audit and to report their opinion to the shareholders. The Companies Act 1985 also requires auditors to report to the shareholders if the following requirements are not met:

- that the company has maintained proper accounting records;
- that the financial statements are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the financial statements; and
- that the auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

The auditors' opinion does not encompass the directors' report on pages 3 and 4. However, the Companies Act 1985 requires auditors to report to the shareholders if the matters contained in the directors' report are inconsistent with the financial statements.

KINGFISHER REVERSIONS LIMITED

Directors' report for the year ended 30 September 1999

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 30 September 1999.

PRINCIPAL ACTIVITY

The principal activity of the company was that of an investor in financial products.

HOLDING COMPANY

The company is a wholly owned subsidiary undertaking of i.e. group plc, a company incorporated in Great Britain. This company changed its name from SEC Group PLC to i.e. group plc on 23 March 1999.

RESULTS

The results of the company are set out on page 6.

DIRECTORS AND THEIR INTERESTS

The directors, who served throughout the period, were:

Adrian J. R. Collins (appointed 14 December 1999)

Paul R. Trueman (appointed 13 September 1999)

Tony P. Drain (resigned 10 September 1999)

Rupert H. W. Robson (appointed 22 October 1998, resigned 14 December 1999)

Alan S. Wilkinson (resigned 28 October 1998)

The directors are or were directors of i.e. group plc during the year. Their interests in the share capital of that company are disclosed within its financial statements.

KINGFISHER REVERSIONS LIMITED

Directors' report (continued) **for the year ended 30 September 1999**

PAYMENT OF SUPPLIERS

It is the company's policy to aim to pay suppliers within agreed terms of trading. Where queries arise as to the quality of the goods or services received, or the amounts charged, the company aims to pay suppliers as soon as is practicable after the query has been mutually resolved.

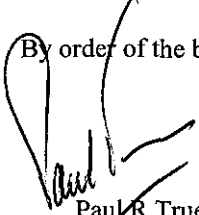
FIXED ASSETS

Information relating to changes in fixed assets is given in note 4 to the financial statements.

AUDITORS

During the year Harford Michaels resigned as the Company's auditors. The directors appointed PricewaterhouseCoopers to fill the casual vacancy as auditors. Resolutions to appoint PricewaterhouseCoopers as auditors of the Company and delegating to the directors the power to agree their fees will be put to the Annual General Meeting.

1, Heathcock Court
415, The Strand
London
WC2R OPA

By order of the board

Paul R Trueman
company secretary

14 January 2000

KINGFISHER REVERSIONS LIMITED

Auditors' report to the shareholders of KINGFISHER ASSET MANAGEMENT LIMITED

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 2, 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 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.

We read the other 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.

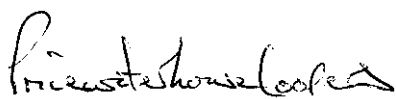
Basis of audit opinion

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 30 September 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered accountants and registered auditors
10 Bricket Road
St Albans
Herts
AL1 3JX

14 January 2000

KINGFISHER REVERSIONS LIMITED

Profit and loss account for the year ended 30 September 1999

	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
Turnover - discontinued	1	113,552	—
Cost of sales		(114,857)	—
		<hr/>	<hr/>
Gross loss - discontinued		(1,305)	—
Administrative expenses - discontinued		(129,763)	(1,523)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	(131,068)	(1,523)
Tax on loss on ordinary activities	3	477	—
		<hr/>	<hr/>
Loss on ordinary activities after taxation	8	(130,591)	(1,523)
		<hr/>	<hr/>

There were no recognised gains or losses in either year other than the loss for each year.

A statement of movement in reserves is given in note 8.

The company's activities were discontinued during the year ended 30 September 1999.

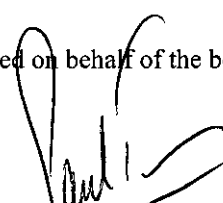
The accompanying notes are an integral part of this profit and loss account.

KINGFISHER REVERSIONS LIMITED

Balance sheet as at 30 September 1999

	Notes	1999 £	1998 £
<u>Fixed assets</u>			
Investments	4	-	113,251
<u>Current assets</u>			
Debtors	5	109,049	127,145
<u>Creditors: Amounts falling due within one year</u>	6	(126,826)	(127,582)
<u>Net current liabilities</u>		(17,777)	(437)
<u>Net (liabilities)/assets</u>		(17,777)	112,814
<u>Capital and reserves</u>			
Called-up share capital	7	2	2
Profit and loss account	8	(17,779)	112,812
<u>Shareholders' funds (all equity)</u>	9	(17,777)	112,814

Signed on behalf of the board


Paul R. Trueman
director

14 January 2000

The accompanying notes are an integral part of this balance sheet.

KINGFISHER REVERSIONS LIMITED

Accounting policies 30 September 1999

A summary of the principal accounting policies is set out below.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with applicable accounting standards.

(b) Turnover

Turnover comprises the amount derived from the provision of goods and services which fall within the company's ordinary activities.

(c) Fixed asset investments

Insurance policies classified as fixed asset investments are those intended to be held for the longer term and are carried at cost less any provisions for permanent diminution in value. Income in respect of these investments is credited to the profit and loss account on a constant rate of return basis over the maximum expected period of investment. In the event of an earlier realisation of the investment, any unrecognised income is credited to the profit and loss account.

(d) Taxation

Corporation taxes payable are provided on taxable profits at current rates.

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes to the extent that they are expected to reverse in the future. The provision is calculated at the rate at which it is estimated that tax will be payable.

(e) Cash flow statement

The company has taken advantage of the exemption provided by Financial Reporting Standard no. 1 and has not prepared a cash flow statement for the year ended 30 September 1999. A consolidated cash flow statement can be found in the financial statements of the parent undertaking, i.e. group plc.

(f) Intra-group transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard no. 8 not to disclose details of transactions with i.e. group plc or other group undertakings as the consolidated financial statements of i.e. group plc, in which the company is included, are publicly available.

KINGFISHER REVERSIONS LIMITED

Notes to the financial statements 30 September 1999

1. Contributions to turnover and allocation of net liabilities is all derived from the company's principal activity and originates wholly from and is for destinations wholly within the United Kingdom.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities is stated after charging:

	1999	1998
	£	£
Auditor's remuneration - audit services	1,307	893

Fees paid to auditors in respect of non-audit services amounted to £ nil (1997- £631)

3. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax charge is based on the loss for each year and comprises:

	1999	1998
	£	£
UK corporation tax credit at 30.5% (1998 : 21%)	1,005	—
Underprovision in previous year	(528)	—
	477	—

No charge or provision is required in respect of deferred taxation.

KINGFISHER REVERSIONS LIMITED

Notes to the financial statements (continued) 30 September 1999

4. FIXED ASSET INVESTMENTS

Fixed asset investments comprise:

	<i>Other investments £</i>
<u>Cost:</u>	
Beginning of year	113,251
Additions	—
Disposals	(113,251)
	<hr/>
End of year	—
	<hr/>
<u>Net book values:</u>	
At 30 September 1999	—
	<hr/>
At 30 September 1998	113,251
	<hr/>

Fixed asset investments comprised life assurance policies that it was intended would be held for the longer term. The actual period of retention was dependent on the life span of the assured. The income from life policies that have matured in the year has been accrued in previous periods.

5. DEBTORS

	<i>1999 £</i>	<i>1998 £</i>
Trade debtors	—	126,876
Amounts due from group undertakings	109,049	—
Other debtors	—	269
	<hr/>	<hr/>
	109,049	127,145
	<hr/>	<hr/>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>1999 £</i>	<i>1998 £</i>
Amounts due to group undertakings	126,826	125,082
Accruals and deferred income	—	2,500
	<hr/>	<hr/>
	126,826	127,582
	<hr/>	<hr/>