

KINGFISHER REVERSIONS LIMITED

**REPORT & FINANCIAL STATEMENTS**

**30 September 1998**

Company registration number: 02957009



# KINGFISHER REVERSIONS LIMITED

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# KINGFISHER REVERSIONS LIMITED

## **Directors and advisers**

### **Directors:**

Rupert H.W. Robson

Tony Drain ACA, BScEcons (Hons)

both of SEC House, 49 Theobald Street, Borehamwood, Hertfordshire, WD6 4RZ

### **Company secretary:**

Tony Drain ACA, BScEcons (Hons)

### **Auditors:**

Harford Michaels

Chartered certified accountants and registered auditors

250 Hendon Way

London

NW4 3NL

### **Bankers:**

Barclays Bank PLC

8/9 Hanover Square

London

W1A 4ZW

### **Registered office:**

250 Hendon Way

London

NW4 3NL

## KINGFISHER REVERSIONS LIMITED

### **Statement of directors' and auditor's responsibilities for the year ended 30 September 1998**

#### **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.

#### **AUDITOR'S 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 auditor's opinion does not encompass the directors' report on pages 4 and 5. 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 1998

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 30 September 1998.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company continues to be that of an investor in financial products.

The company's balance sheet, as detailed on page 8, shows a balance on shareholders' funds of £112,814. It is the directors' intention to continue the company's investment policy so as to enable it to at least maintain its surplus on shareholders' funds.

### HOLDING COMPANY

The company is a wholly owned subsidiary undertaking of SEC Group PLC, a company incorporated in Great Britain.

### RESULTS AND DIVIDENDS

Results and transfers to reserves are as follows:

	£
Retained profit at 30 September 1997	114,335
Loss for the year ended 30 September 1998 after taxation	(1,523)
	<hr/>
Retained profit at 30 September 1998	112,812
	<hr/>

The directors do not propose payment of a dividend.

### DIRECTORS AND THEIR INTERESTS

The directors, who served throughout the year, are:

Rupert H. W. Robson (appointed 22.10.98)  
Tony Drain ACA, BScEcons (Hons) (appointed 27.05.98)  
Alan S. Wilkinson LLB (Hons), Solicitor (resigned 28.10.98)  
Max Rosen (resigned 24.02.98)

The directors were directors of SEC 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 1998

#### **PAYMENT OF SUPPLIERS**

It is the company's policy to aim to pay suppliers within the 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**

The directors will place a resolution before the annual general meeting to re-appoint Harford Michaels as auditors for the ensuing year.

250 Hendon Way  
London  
NW4 3NL

By order of the board



Tony Drain  
*company secretary*

10 December 1998

## KINGFISHER REVERSIONS LIMITED

### Auditor's report

#### TO THE SHAREHOLDERS OF KINGFISHER REVERSIONS LIMITED:

We have audited the financial statements 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

As described on page 3, the company's directors are responsible for the preparation of the 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 mis-statement, 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 affairs of the company at 30 September 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Harford Michaels  
Chartered certified accountants and registered auditors  
250 Hendon Way  
London  
NW4 3NL

10 December 1998

# KINGFISHER REVERSIONS LIMITED

## Profit and loss account for the year ended 30 September 1998

	<i>Notes</i>	<i>1998</i> £	<i>1997</i> £
Net operating expenses:			
Selling and marketing costs		—	(2,645)
Administrative expenses		(1,523)	(7,318)
		<hr/>	<hr/>
Operating loss		(1,523)	(9,963)
Investment income		—	48,286
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	2	(1,523)	38,323
Tax on (loss)/profit on ordinary activities	3	—	(8,650)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation	8	(1,523)	29,673
		<hr/>	<hr/>

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

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

None of the company's activities were acquired or discontinued during the year ended 30 September 1998.

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

# KINGFISHER REVERSIONS LIMITED

## Balance sheet as at 30 September 1998

	Notes	1998 £	1997 £
<u>Fixed assets</u>			
Investments	4	<u>113,251</u>	<u>265,670</u>
<u>Current assets</u>			
Debtors	5	127,145	422,936
<u>Creditors:</u> Amounts falling due within one year	6	(127,582)	(574,269)
<u>Net current liabilities</u>		<u>(437)</u>	<u>(151,333)</u>
<u>Net assets</u>		<u>112,814</u>	<u>114,337</u>
<u>Capital and reserves</u>			
Called-up share capital	7	2	2
Profit and loss account	8	<u>112,812</u>	<u>114,335</u>
<u>Shareholders' funds (all equity)</u>	9	<u>112,814</u>	<u>114,337</u>

Signed on behalf of the board



T.Drain  
director

10 December 1998

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

## KINGFISHER REVERSIONS LIMITED

### **Accounting policies**

**30 September 1998**

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) 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.

*(c) 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.

*(d) 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 1998. A consolidated cash flow statement can be found in the financial statements of the parent undertaking, SEC Group PLC.

*(e) 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 SEC Group PLC or other group undertakings as the consolidated financial statements of SEC Group PLC, in which the company is included, are publicly available.

# KINGFISHER REVERSIONS LIMITED

## Notes to the financial statements 30 September 1998

### 1. INVESTMENT INCOME

	1998	1997
	£	£
Income from fixed asset investments	—	46,860
Other interest receivable	—	1,426
	<u>—</u>	<u>48,286</u>

### 2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Loss)/profit on ordinary activities is stated after charging:

	1998	1997
	£	£
Auditor's remuneration - audit services	893	1,642

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

### 3. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the (loss)/profit for each year and comprises:

	1998	1997
	£	£
UK corporation tax	—	8,650

Provision for corporation tax is at 21% (1997 – 22.5%).

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

# KINGFISHER REVERSIONS LIMITED

## Notes to the financial statements (continued)

30 September 1998

### 4. FIXED ASSET INVESTMENTS

Fixed asset investments comprise:

	<i>Other investments £</i>
<u>Cost:</u>	
Beginning of year	265,670
Additions	—
Policies maturing	(152,419)
End of year	<u>113,251</u>
<u>Net book values:</u>	
At 30 September 1998	<u>113,251</u>
At 30 September 1997	<u>265,670</u>

Fixed asset investments comprise life assurance policies that it is intended will be held for the longer term. The actual period of retention is dependant on the life span of the assured.

The income from life policies that have matured in the year have been accrued in previous periods.

### 5. DEBTORS

	<i>1998 £</i>	<i>1997 £</i>
<u>Amounts falling due within one year:</u>		
Trade debtors	126,876	126,052
Amounts owed by group undertakings	—	261,182
Other debtors	269	36
Accrued income	—	35,666
	<u>127,145</u>	<u>422,936</u>

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>1998 £</i>	<i>1997 £</i>
Bank overdraft	—	83
Amounts owed to group undertakings	125,082	563,163
UK corporation tax payable	—	7,965
Other taxation and social security	—	218
Accruals and deferred income	2,500	2,840
	<u>127,582</u>	<u>574,269</u>

The bank overdraft is repayable on demand and is secured by way of a fixed and floating charge over the assets of the company and one other group company.

# KINGFISHER REVERSIONS LIMITED

## Notes to the financial statements (continued) 30 September 1998

### 7. CALLED-UP SHARE CAPITAL

	1998 £	1997 £
<u>Authorised</u>		
10,000 ordinary shares of £1 each	10,000	10,000
<u>Allotted, called-up and fully-paid</u>		
2 ordinary shares of £1 each	2	2

### 8. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
At beginning of year	114,335	84,662
Retained (loss)/profit for the year	(1,523)	29,673
At end of year	112,812	114,335

### 9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
(Loss)/profit for the year	(1,523)	29,673
Shareholders' funds at the beginning of the year	114,337	84,664
Shareholders' funds at the end of the year	112,814	114,337

### 10. ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of SEC Group PLC. The largest group of which Kingfisher Reversions Limited is a member and for which group accounts are drawn up is SEC Group PLC. The consolidated financial statements of this group are available to the public and may be obtained from 250 Hendon Way, London, NW4 3NL.