

KANGAROOS INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2000

Registered number : 2982897



KANGAROOS INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company ceased trading during the year.

The directors do not anticipate any significant changes to the business in the coming year.

RESULTS AND DIVIDENDS

The results for the period and proposed transfer to reserves are set out on page 5 of the financial statements.

The directors recommended an interim dividend of £165,085 (1999 - £nil). The directors do not recommend a final dividend (1999 - £150,000).

THE EURO

The company, as part of a Group-wide initiative, has adapted its commercial and financial processes to enable it to do business in the Euro. The capability to conduct business in national currencies will be retained as long as necessary. The costs were borne by a fellow group undertaking.

DIRECTORS AND THEIR INTERESTS

The following directors held office during the year:

AM Leslie
AK Rubin

No director had any interest in the shares of the company or any other Group company in the period. The shares of AK Rubin in Robert Stephen Holdings plc are disclosed in the financial statements of Robert Stephen Holdings plc.

KANGAROOS INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit for the period to that date. In preparing those financial statements the directors are required:

to select suitable accounting policies and then apply them consistently;

to make judgements and estimates that are reasonable and prudent;

to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

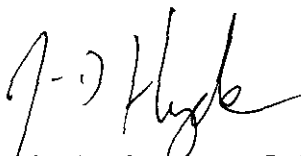
to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility for ensuring 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 of the company comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



John Derek Gregory Hyde

Secretary

8 March 2001

AUDITORS' REPORT TO THE MEMBERS KANGAROOS INTERNATIONAL LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 2, the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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.

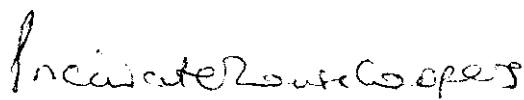
Basis of audit opinion

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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
8 March 2001

KANGAROOS INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
Operating profit/(loss)	3	150,033	(11,117)
Interest receivable	4	7,622	11,360
Profit on ordinary activities before taxation		<hr/> 157,655	<hr/> 243
Taxation	5	-	(9,000)
Profit/(loss) on ordinary activities after taxation		<hr/> 157,655	<hr/> (8,757)
Dividends paid	7	(165,085)	(150,000)
Retained loss for the year		<hr/> (7,430)	<hr/> (158,757)
Retained profits brought forward		7,458	166,215
Retained profit carried forward		<hr/> 28 <hr/>	<hr/> 7,458 <hr/>

All activities are continuing.

The notes on pages 6 to 9 form part of these financial statements.

All recognised gains and losses are included in the profit and loss account. A separate movement of shareholders' funds statement is not provided as there are no changes for the current or previous year other than the accumulated profit in the profit and loss account.

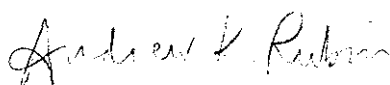
KANGAROOS INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
Current assets			
Debtors	8	128	41,801
Cash at bank		-	413,861
		<hr/> 128	<hr/> 455,662
Current liabilities			
Creditors - amounts falling due within one year	9	-	448,104
Net current assets		<hr/> 128	<hr/> 7,558
Total assets less current liabilities		<hr/> 128	<hr/> 7,558
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		28	7,458
Total shareholders' funds (all attributable to equity interests)		<hr/> 128	<hr/> 7,558

Approved by the Board on 8 March 2001

On behalf of the Board



AK Rubin DIRECTOR

The notes on pages 6 to 9 form part of these financial statements.

KANGAROOS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

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

Pensions The company's employees are members of the Pentland Group plc pension scheme which is a defined benefit scheme. The level of pension contributions is based upon the advice of qualified actuaries and a charge is made to the company in respect of its employee members. Details of the pension scheme are disclosed in the financial statements of Robert Stephen Holdings plc, the company's ultimate parent undertaking.

Deferred tax Deferred taxation is provided where appropriate for the estimated net liability in respect of timing differences to the extent that it is expected that such liabilities will crystallise in the foreseeable future.

Foreign currency translation Assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date, or at contracted rates where appropriate. Transactions in foreign currencies during the year are translated at the rates of exchange ruling at the dates of the transactions, or at contracted rates where appropriate. All exchange differences are dealt with in the profit and loss account in the same period as the underlying transactions to which they relate.

2 STATEMENT OF CASH FLOWS

Robert Stephen Holdings plc, of which the company is a wholly owned subsidiary, has presented in its consolidated accounts a group cash flow statement drawn up under the provisions of Financial Reporting Standard 1: Cash Flow Statements (Revised 1996) (FRS 1). Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

3 OPERATING PROFIT/(LOSS)

	<u>2000</u> £	<u>1999</u> £
Other income	150,000	244,449
	<hr/> 150,000	<hr/> 244,449
Auditors' remuneration	-	2,566
Staff costs:		
Wages and salaries	-	43,262
Social security costs	-	3,395
Other pension costs	-	4,898
Other external operating (income)/charges	(33)	146,445
Charges payable to group undertakings	-	55,000
	<hr/> (33)	<hr/> 255,566
Operating Profit/(loss)	<hr/> 150,033	<hr/> (11,117)

Auditors' remuneration was borne by a fellow subsidiary undertaking.

KANGAROOS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

4 INTEREST RECEIVABLE

	<u>2000</u> £	<u>1999</u> £
Interest receivable from group undertakings	7,622	11,360
	<u> </u>	<u> </u>

5 TAXATION

	<u>2000</u> £	<u>1999</u> £
Corporation tax at 30% (1999 – 30.25%) based on profits for the period	-	9,000
	<u> </u>	<u> </u>

6 DIRECTORS AND EMPLOYEES

The average number of persons employed by the company during the period was:

	<u>2000</u>	<u>1999</u>
Management and administration	-	1
	<u> </u>	<u> </u>

7 DIVIDENDS

	<u>2000</u>	<u>1999</u>
Ordinary dividends paid £1,650.85 per share (1999 - £1,500)	165,085	150,000
	<u> </u>	<u> </u>

KANGAROOS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

8 DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Amounts due from fellow subsidiary undertakings	128	41,606
Prepayments and accrued income	-	195
	<u>128</u>	<u>41,801</u>

9 CREDITORS - amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Trade creditors	-	9
Amounts due to fellow subsidiary undertakings	-	194,013
Amount due to parent undertaking	-	3,318
Proposed dividend	-	150,000
Other creditors including taxation and social security	-	9,000
Accruals and deferred income	-	91,764
	<u>-</u>	<u>448,104</u>

10 SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

11 COMMITMENTS AND CONTINGENCIES

The company is party to a guarantee in favour of Pentland Group's bankers regarding the aggregate set-off of the sterling current account balances, of Pentland Group plc and its fellow subsidiaries.

The company's liability under this guarantee is limited to the lower of the aggregate account indebtedness of the relevant group companies and its own sterling current account credit balance with the bank.

KANGAROOS INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

12 PARENT UNDERTAKINGS

The intermediate parent undertaking, Pentland Industries Limited, a company registered in England, has produced accounts for the year ended 31 December 2000 which will be available from The Pentland Centre, Lakeside, Squires Lane, Finchley, London, N3 2QL, England. The ultimate parent undertaking is Robert Stephen Holdings plc, a company registered in England. Consolidated accounts will be prepared by Robert Stephen Holdings plc for the year ended 31 December 2000 and these can be obtained from the company's registered office at 8 Manchester Square, London W1M 5AB.

13 RELATED PARTIES

Robert Stephen Holdings plc, of which the company is a wholly owned subsidiary, has presented in its consolidated accounts, which are publicly available, a related parties disclosure note under the provisions of Financial Reporting Standard 8 : Related Party Disclosures (FRS8). Accordingly, the company has taken advantage of the exemption available under FRS8 to dispense with disclosing related party transactions with entities within the group, or investees of the group, qualifying as related parties.