

Registered Number: 601220

**ZEUS LAND INVESTMENTS LIMITED**

**Report and Financial Statements**

**For the Financial Year Ended**

**30 January 2010**

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**Zeus Land Investments Limited  
Report and Financial Statements  
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**Zeus Land Investments Limited**  
**Directors and officers**

**DIRECTORS**

N Folland  
D R Paramor  
K O'Byrne  
R C F Wardle (alternate director to N Folland)

**SECRETARY**

R C F Wardle

**REGISTERED OFFICE**

3 Sheldon Square  
Paddington  
London  
W2 6PX

**AUDITORS**

Deloitte LLP  
Chartered Accountants  
London

## **Zeus Land Investments Limited**

### **Directors' report**

The Directors present their report and financial statements of the Company for the year ended 30 January 2010

#### **Principal activities and review of the business**

The Company operates as an investment company within the Kingfisher plc Group and intends to continue to do so for the foreseeable future. During the year the Group undertook some restructuring, which involved the Company.

On 20 March 2009 the authorised share capital was increased from £100,100,000 to £126,828,238 by the creation of 26,728,238 ordinary shares of £1 each, and 26,728,238 shares were issued to Kingfisher plc in exchange for £26,728,238 in cash.

Also on 20 March 2009 the Company subscribed for 26,728,238 shares in the capital of Kingfisher International Holdings Limited in exchange for £26,728,238 in cash.

On 4 August 2009 the Company subscribed for 300,000,000 shares of £1 each in the capital of Kingfisher International Holdings Limited in exchange for consideration by the transfer by Deed of Assignment of loan receivables of £300,000,000 due from B&Q plc ("B&Q Note").

Also on 4 August 2009 the authorised share capital was increased from £126,828,238 to £1,189,964,802 by the creation of 1,063,136,564 ordinary shares of £1 each and 1,063,136,564 shares were issued to Kingfisher plc in exchange for £1,063,136,564 in cash. The Company subsequently subscribed for 1,245,570,798 redeemable preference shares of £1 each in the capital of Kingfisher International Holdings Limited in exchange for consideration of £1,245,570,798 in cash.

On 4 September 2009 the authorised share capital was increased from £1,189,964,802 to £1,288,477,364 by the creation of 98,512,562 ordinary shares of £1 each and 98,512,562 shares were issued to Kingfisher plc in exchange for consideration by the transfer by Deed of Assignment of loan receivables of £98,512,562 due from Kingfisher International France Limited (in liquidation).

Also on 4 September 2009 the Company subscribed for 98,512,562 ordinary shares of £1 each in the capital of Kingfisher International Holdings Limited in exchange for consideration by the transfer by Deed of Assignment of loan receivables of £98,512,562 due from Kingfisher International France Limited (in liquidation).

On 27 January 2010 the entire issued share capital of the Company was transferred by Kingfisher plc to Sheldon Holdings Limited.

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Further details are given in the note 7 to the financial statements.

#### **Principal Risks and Uncertainties**

The Company is a wholly-owned subsidiary of Kingfisher plc. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The review of the business of Kingfisher plc and its subsidiaries which provides a comprehensive analysis of the main trends and factors likely to affect the development, performance and position of the business, and a description of the principal risks and uncertainties facing the business can be found on pages 26 to 28 of Kingfisher plc's Annual Report and Accounts 2010.

**Zeus Land Investments Limited**  
**Directors' report (continued)**

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The KPIs for the Kingfisher plc Group can be found on page 9 of the Kingfisher plc Annual Report and Accounts 2010.

**Small companies exemption**

The company has taken advantage of the small companies exemption in preparing the directors' report.

**Results and dividends**

The profit for the year, after taxation, amounted to £36,723,000 (2009: £13,594,000 loss). The directors do not recommend the payment of a dividend for the financial year (2009: £nil). The profit for the year of £36,723,000 (2009: £13,594,000 loss) has been transferred to reserves.

**Directors**

The directors of the Company, who served during and subsequent to the financial year, are

N Folland	
M B Chambers	(appointed 23 July 2009, resigned 17 September 2010)
D R Paramor	
K O'Byrne	(appointed 23 July 2009)
R C F Wardle*	(appointed 17 September 2010)

\* R C F Wardle is an alternate director to N Folland.

**Auditors and disclosure of information to auditors**

Each person who is a director at the date of approval of this report and financial statements confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all steps that he or she ought to have taken as a director in order to make him or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On 22 December 2009 PriceWaterhouseCoopers LLP resigned as auditors to the Company. On 26 February 2010 Deloitte LLP were appointed as auditors of the Company. Deloitte LLP have indicated their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**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 of accounting in preparing these financial statements.

**Zeus Land Investments Limited**  
**Directors' report (continued)**

**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 responsible for preparing this report and the financial statements in accordance with applicable law and regulations

The directors are required to prepare financial statements for each financial year, and have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

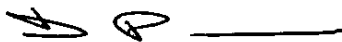
In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors confirm that they have complied with the above requirements in preparing this report and the financial statements

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

Approved by the Board of Directors and signed on its behalf by



D R Paramor  
Director  
22 October 2010

## **Independent Auditors' Report to the sole member of Zeus Land Investments Limited**

We have audited the financial statements of Zeus Land Investments Limited for the year ended 30 January 2010 which comprise the Profit and loss account, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's sole member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's sole member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's sole member for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 January 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditors' Report to the sole member of Zeus Land Investments Limited (continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- we have not received all the information and explanations we require for our audit

*P. Kakoullis*

Panos Kakoullis (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London  
22 October 2010



**Zeus Land Investments Limited**  
**Profit and loss account**  
**For the year ended 30 January 2010**

	Notes	2010 £'000	2009 £'000
Loss on disposal of fixed asset investments		-	(143)
Impairment of fixed asset investment		-	(13,699)
Administrative expenses		-	(2)
<b>Loss on ordinary activities before interest</b>		-	(13,844)
Interest receivable	5	23,141	-
Interest payable	5	(2,120)	-
Foreign exchange gain	5	15,088	-
Gain on financing derivative	5	-	255
<b>Profit/(loss) on ordinary activities before taxation</b>	4	36,109	(13,589)
Taxation on profit/(loss) on ordinary activities	6	614	(5)
<b>Profit/(loss) for the financial year</b>	11	<u>36,723</u>	<u>(13,594)</u>

The profit for the year arises solely from continuing operations

The Company has no recognised gains and losses other than the profit for the year and loss in the prior year 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 profit for the year stated above and their historical cost equivalents

**Zeus Land Investments Limited**  
**Balance sheet**  
**as at 30 January 2010**

**Registered Number: 601220**

	<b>Notes</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
<b>Fixed assets</b>			
Investments	7	450,540	25,299
<b>Current assets</b>			
Debtors			
- Amounts falling due within one year	8	1,142,019	40,016
<b>Current liabilities</b>			
Creditors amounts falling due within one year	9	(302,143)	-
<b>Net current assets</b>		839,876	40,016
<b>Net assets</b>		<u>1,290,416</u>	<u>65,315</u>
<b>Capital and reserves</b>			
Called up share capital	10	1,288,428	100,050
Profit and loss reserve	11	1,988	(34,735)
<b>Shareholder's funds</b>	12	<u>1,290,416</u>	<u>65,315</u>

The financial statements on pages 7 to 14 were approved by the Board of Directors and were signed on its behalf by -



D R Paramor  
 Director  
 22 October 2010

**Zeus Land Investments Limited**  
**Notes to the financial statements**  
**as at 30 January 2010**

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom which have been applied consistently throughout the current and prior years. The financial statements are made up to the nearest Saturday to 31 January, so as to coincide with its ultimate holding company. The current financial year is the 52 weeks ended 30 January 2010. The comparative financial year is for the 52 weeks ended 31 January 2009.

The Company's ultimate holding company is Kingfisher plc and the cash flows of the Company are shown in the consolidated Group 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 Company is exempt under Section 400 of the Companies Act 2006 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 wholly owned within the Kingfisher plc Group.

The Directors' consideration of going concern is set out in the Directors' report on page 3.

**Interest receivable and payable**

Interest receivable and payable is accrued on a daily basis.

**Fixed asset investments**

Fixed asset investments are included in the balance sheet at cost, less any provisions for impairment.

**Financial Instruments**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire. Financial liabilities (or a part of the financial liability) are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

The Company is exempt from FRS 29 'Financial Instruments: Disclosures' as the Company is a wholly owned subsidiary of Kingfisher plc, whose financial statements have been prepared in accordance with IFRS7-Financial Instruments: Disclosures.

**(i) Derivative financial instruments**

Derivatives are initially accounted and measured at fair value on the date a derivative contract is entered into and subsequently measured at fair value. Changes in the fair values of derivatives not in a hedging relationship are recognised in the profit and loss account as they arise.

**(ii) Offsetting**

A financial asset and a financial liability are only offset when an entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Zeus Land Investments Limited**  
**Notes to the financial statements**  
**as at 30 January 2010**

**1 Accounting policies (continued)**

**Foreign currency transactions and balances**

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate prevailing on the date of the transaction or, for practical reasons, at average monthly rates where exchange rates do not fluctuate significantly

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

**Taxation**

The income tax expense represents the sum of tax currently payable and deferred tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense which are taxable or deductible in other years or which are never taxable or deductible

**2 Employees**

The Company had no employees during the financial year (2009 nil)

**3 Directors' remuneration**

None of the directors received any emoluments from the Company or from any of its subsidiaries in respect of the financial year ended 30 January 2010 (2009 £nil)

**4 Loss on ordinary activities before taxation**

Auditor remuneration of £4,000 is borne by the ultimate parent company in the current year (2009 £4,000)

**5 Financing income and charges**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable from Group companies	21,021	-
Interest payable to Group companies	(2,120)	-
Foreign exchange gain	15,088	-
Gain on financing derivatives	-	255
	<u>36,109</u>	<u>255</u>

**Zeus Land Investments Limited**  
**Notes to the financial statements**  
**as at 30 January 2010**

**6 Taxation**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax (credit)/charge on profit/(loss) of the period	(614)	31
Adjustment to tax (credit)/charge in respect of previous periods	-	(26)
Total current tax (credit)/charge	<u>(614)</u>	<u>5</u>

The tax assessed for the period is lower than (2009 higher than) the standard rate of corporation tax in the UK for the year ended 30 January 2010 of 28%. The differences are explained below

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) on ordinary activities before taxation	<u>36,109</u>	<u>(13,589)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	10,111	(3,805)
Effects of		
Non-taxable (income)/expense for tax purposes	(10,725)	3,836
Adjustments to tax (credit)/charge in respect of previous periods	-	(26)
Current tax (credit)/charge for the period	<u>(614)</u>	<u>5</u>

**Zeus Land Investments Limited**  
**Notes to the financial statements**  
**as at 30 January 2010**

**7 Investments**

	<b>Investments in subsidiary undertakings £'000</b>
At 31 January 2009	25,299
Additions	425,241
<b>At 30 January 2010</b>	<b>450,540</b>

On 20 March 2009, the Company purchased 26,728,238 shares at £1 each in Kingfisher International Holdings Limited, a subsidiary

On 4 August 2009, the Company purchased 300,000,000 shares at £1 each in Kingfisher International Holdings Limited, a subsidiary

On 4 September 2009, the Company purchased 98,512,562 shares at £1 each in Kingfisher International Holdings Limited, a subsidiary

**Significant interests in Group Undertakings**

<b>Share Class - Ordinary</b>	<b>Country of incorporation</b>	<b>% Owned</b>	<b>Main Activity</b>
Kingfisher International Holdings Limited	England & Wales	100	Investment
Kingfisher UK Limited	England & Wales	100	Investment
ProLand Corporation LLC	Russia	100	Property

In the opinion of the directors the resultant aggregate value of the investments in the subsidiaries is not less than the amount at which it is stated in the Company's balance sheet

**8 Debtors**

	<b>2010 £'000</b>	<b>2009 £'000</b>
<b>Amounts falling due within one year</b>		
Amounts owed by Group undertakings	1,140,440	39,980
Corporation tax	1,579	36
	<b>1,142,019</b>	<b>40,016</b>

The amounts owed by group undertakings are both sterling and euro denominated and are unsecured

£1,078,790,000 is euro denominated and is repayable on demand. Interest is charged at a rate of 12 month EURIBOR +3.05% for the term of the loan

**Zeus Land Investments Limited**  
**Notes to the financial statements**  
**as at 30 January 2010**

**9 Creditors amounts falling due within one year**

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Amounts owed to Group undertakings	302,143	-
	<u>302,143</u>	<u>-</u>

**10 Share capital**

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Authorised		
1,288,477,364 (2009 100,100,000) ordinary shares of £1 each	1,288,477	100,100
Allotted and fully paid		
1,288,427,364 (2009 100,050,000) ordinary shares of £1 each	<u>1,288,428</u>	<u>100,050</u>

On 20 March 2009 the authorised share capital was increased from £100,100,000 to £126,828,238 by the creation of 26,728,238 ordinary shares of £1 each and 26,728,238 shares were issued to Kingfisher plc in exchange for £26,728,238 in cash

On 4 August 2009 the authorised share capital was increased from £126,828,238 to £1,189,964,802 by the creation of 1,063,136,564 ordinary shares of £1 each and 1,063,136,564 shares were issued to Kingfisher plc in exchange for £1,063,136,564 in cash

On 4 September 2009 the authorised share capital was increased from £1,189,964,802 to £1,288,477,364 by the creation of 98,512,562 ordinary shares of £1 each and 98,512,562 shares were issued to Kingfisher plc in exchange for consideration by the transfer by Deed of Assignment loan receivables of £98,512,562 due from Kingfisher International France Limited (in liquidation)

**11 Profit and loss reserve**

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
At start of year	(34,735)	(21,141)
Profit/(loss) for the financial year	<u>36,723</u>	<u>(13,594)</u>
At end of year	<u>1,988</u>	<u>(34,735)</u>

**Zeus Land Investments Limited**  
**Notes to the financial statements**  
**as at 30 January 2010**

**12 Reconciliation of movements in shareholder's funds**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) for the financial year	36,723	(13,594)
Net proceeds of issue of ordinary share capital (note 10)	<u>1,188,378</u>	<u>-</u>
Net increase/(reduction) in shareholder's funds	1,225,101	(13,594)
Opening shareholder's funds	<u>65,315</u>	<u>78,909</u>
Closing shareholder's funds	<u>1,290,416</u>	<u>65,315</u>

**13 Ultimate holding company**

The immediate parent company is Sheldon Holdings Limited and ultimate parent company is Kingfisher plc, which are both registered in England and Wales. A copy of the Annual Report and Accounts of the ultimate parent company can be obtained from The Secretary, Kingfisher plc, 3 Sheldon Square, Paddington, London, W2 6PX.

The largest and smallest group into which the company's accounts are consolidated is that headed by Kingfisher plc, the Company's ultimate parent.