

Registered Number: 601220

ZEUS LAND INVESTMENTS LIMITED

Report and Financial Statements

For the Financial Year Ended

29 January 2011

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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 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

AUDITOR

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 29 January 2011

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

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 2011.

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 8-9 of the Kingfisher plc Annual Report and Accounts 2011.

Results and dividends

The profit for the year, after taxation, amounted to £39,620,000 (2010: £36,723,000). The directors do not recommend the payment of a dividend for the financial year (2010: £nil). The profit for the year of £39,620,000 (2010: £36,723,000) 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 (resigned 17 September 2010)
D. Paramor
K. O'Byrne
R. C. F. Wardle* (appointed 17 September 2010)

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

Zeus Land Investments Limited
Directors' report (continued)

Auditor and disclosure of information to auditor

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 auditor is 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 auditor is 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

Deloitte LLP have indicated their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor 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 the sole shareholder the respective responsibilities of the directors and the auditor 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

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors 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 these 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



N Folland
Director
28 June 2011

Independent Auditor's 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 29 January 2011 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 auditor's 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 auditor

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 and express an opinion on 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 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 29 January 2011 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 Auditor's 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
- we have not received all the information and explanations we require for our audit

Panos Kakoullis

Panos Kakoullis (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
28 June 2011

Zeus Land Investments Limited
Profit and loss account
For the year ended 29 January 2011

	Notes	2011 £'000	2010 £'000
Impairment of fixed asset investment	7	(1,360)	-
Loss on ordinary activities before interest and taxation		(1,360)	-
Interest receivable	5	46,904	23,141
Interest payable	5	(4,427)	(2,120)
Foreign exchange (loss)/gain	5	(2,066)	15,088
Profit on ordinary activities before taxation	4	39,051	36,109
Taxation on profit on ordinary activities	6	569	614
Profit for the financial year	11	39,620	36,723

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 29 January 2011

Registered Number: 601220

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	7	449,180	450,540
Current assets			
Debtors amounts falling due within one year	8	1,180,879	1,142,018
Current liabilities			
Creditors amounts falling due within one year	9	<u>(300,024)</u>	<u>(302,143)</u>
Net current assets		880,855	839,875
Net assets		<u>1,330,035</u>	<u>1,290,415</u>
Capital and reserves			
Called up share capital	10	1,288,427	1,288,427
Profit and loss reserve	11	41,608	1,988
Shareholder's funds	12	<u>1,330,035</u>	<u>1,290,415</u>

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



D Paramor
 Director
 28 June 2011

Zeus Land Investments Limited
Notes to the financial statements
as at 29 January 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the use of valuations for certain financial instruments, 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 29 January 2011. The comparative financial year is for the 52 weeks ended 30 January 2010.

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 29 January 2011

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 (2010 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 29 January 2011 (2010 £nil)

4 Profit on ordinary activities before taxation

Auditor remuneration of £4,000 is borne by the ultimate parent company in the current year (2010 £4,000)

5 Financing income and charges

	2011	2010
	£'000	£'000
Interest receivable from Group companies	46,904	23,141
Interest payable to Group companies	(4,427)	(2,120)
Foreign exchange (loss)/gain	(2,066)	15,088
	<u>40,411</u>	<u>36,109</u>

Zeus Land Investments Limited
Notes to the financial statements
as at 29 January 2011

6 Taxation

	2011	2010
	£'000	£'000
UK corporation tax credit on profit of the period	(627)	(614)
Adjustment to tax charge in respect of previous periods	<u>58</u>	<u>-</u>
Total current tax credit	<u>(569)</u>	<u>(614)</u>

The tax assessed for the period is lower than (2010 lower than) the standard rate of corporation tax in the UK for the year ended 29 January 2011 of 28% (2010 28%) The differences are explained below

	2011	2010
	£'000	£'000
Profit on ordinary activities before taxation	<u>39,051</u>	<u>36,109</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	10,934	10,111
Effects of		
Non-taxable income for tax purposes	(11,561)	(10,725)
Adjustments to tax charge in respect of previous periods	<u>58</u>	<u>-</u>
Current tax credit for the period	<u>(569)</u>	<u>(614)</u>

Zeus Land Investments Limited
Notes to the financial statements
as at 29 January 2011

7 Investments

	Investments in subsidiary undertakings £'000
At 30 January 2010	450,540
Impairment of investment	(1,360)
At 29 January 2011	449,180

During the year, the Company recorded an impairment to write down its investment in B&Q Guernsey Limited to its recoverable amount

Significant interests in Group Undertakings

Share Class - Ordinary	Country of incorporation	% Owned	Main Activity
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: amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed by Group undertakings	1,180,459	1,140,439
Corporation tax	420	1,579
	1,180,879	1,142,018

The amounts owed by Group undertakings are both sterling and euro denominated and are unsecured, they include the following

£1,076,273,055 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

£45,673,067 is euro denominated and is repayable on demand Interest is charged at a rate of EONIA +1% for the term of the loan

Zeus Land Investments Limited
Notes to the financial statements
as at 29 January 2011

9 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Amounts owed to Group undertakings	<u>300,024</u>	<u>302,143</u>

10 Share capital

	2011	2010
	£'000	£'000
Allotted and fully paid		
1,288,427,364 (2010 1,288,427,364) ordinary shares of £1 each	<u>1,288,427</u>	<u>1,288,427</u>

On 20 March 2009 26,728,238 shares were issued to Kingfisher plc in exchange for £26,728,238 in cash

On 4 August 2009 1,063,136,564 shares were issued to Kingfisher plc in exchange for £1,063,136,564 in cash

On 4 September 2009 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

	2011	2010
	£'000	£'000
At start of year	1,988	(34,735)
Profit for the financial year	<u>39,620</u>	<u>36,723</u>
At end of year	<u>41,608</u>	<u>1,988</u>

12 Reconciliation of movements in shareholder's funds

	2011	2010
	£'000	£'000
Profit for the financial year	39,620	36,723
Net proceeds of issue of ordinary share capital (note 10)	<u>-</u>	<u>1,188,377</u>
Net increase in shareholder's funds	39,620	1,225,100
Opening shareholder's funds	<u>1,290,415</u>	<u>65,315</u>
Closing shareholder's funds	<u>1,330,035</u>	<u>1,290,415</u>

Zeus Land Investments Limited
Notes to the financial statements
as at 29 January 2011

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 (printed or downloaded) from www.kingfisher.com or 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.