

Registered Number: 2558762

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

Report and Financial Statements

For the Financial Year Ended

3 February 2007

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Kingfisher International Holdings Limited
Report and Financial Statements
Contents

	Page
Directors and officers	1
Directors' report	2-4
Statement of the directors' responsibilities	5
Independent auditors' report to members of Kingfisher International Holdings Limited	6-7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10-15

Kingfisher International Holdings Limited
Directors and officers

DIRECTORS

N Folland (appointed 26 July 2007)
H M Jones (resigned 26 July 2007)
D E Tatton-Brown

SECRETARY

M B Chambers

REGISTERED OFFICE

3 Sheldon Square
Paddington
London
W2 6PX

AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Kingfisher International Holdings Limited

Directors' report

The directors present their report and financial statements of the Company for the year ended 3 February 2007

Principal activities and review of the business

The Company operates as an investment company whose subsidiaries are incorporated outside the United Kingdom and intends to continue to do so for the foreseeable future

The company is a wholly-owned subsidiary of Kingfisher plc. The review of the business of Kingfisher plc and its subsidiaries providing 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 2 to 33 of Kingfisher's Annual Report and Accounts 2007

Results and Dividends

The profit for the year, after taxation, amounted to £3,135,000 (2006 loss of £19,454,000). The directors do not recommend the payment of a dividend for the financial year (2006 £nil). The retained profit for the year of £3,135,000 (2006 loss of £19,454,000) has been transferred to reserves.

Elective Resolution

On 2 December 1991 the Company passed an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked. Further elective resolutions were passed at the same time that the Company would dispense with

- a) the laying of the annual report and financial statements before the Company in general meeting and
- b) the requirement to reappoint annually the auditors of the Company in general meeting

Directors and directors' interests

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

H M Jones (resigned 26 July 2007)
D E Tatton-Brown
N Folland (appointed 26 July 2007)

None of the directors have any beneficial interest in the shares of the Company. The interests of D E Tatton Brown in the share capital of Kingfisher plc are shown in the financial statements of that company.

Kingfisher International Holdings Limited
Directors' Report

Directors and directors' interests (continued)

The interests of H M Jones in the share capital of Kingfisher plc are as follows

Ordinary Shares of 15 5/7p each of Kingfisher plc

	As at 28 Jan 2006	As at 3 Feb 2007
H M Jones	67,632	84,177

Options for Ordinary Shares of 15 5/7p each of Kingfisher plc (other than PSP and KIS Share Awards)

	As at 28 Jan 2006	Options Granted	Options Exercised	Options Lapsed	As at 3 Feb 2007
H M Jones	300,137	-	-	-	300,137

KIS Share awards

Contingent Awards

Name	Number of Contingent Shares at start of year	Number of Contingent Shares awarded in year	Price per share	Market price per share on date of award	Number of contingent Shares at end of year	Vesting date	Lapse date
H M Jones	52,615 24,043	- -	288 5p 286 92p	286p 285 5p	52,615 24,043	05/04/2007 06/04/2008	05/10/2007 06/10/2008

Multiplier Awards

Name	Multiplier Awards at start of year	Multiplier Awards granted in year	Price per share	Market price per share on date of award	Multiplier Awards at end of year	Vesting date	Lapse date
H M Jones	9,617	-	286 92p	285 5p	9,617	06/04/2008	06/10/2008

Once the KIS share contingent award is made in respect of the bonus earned, normally the only qualifying condition to receive the award is to be in the employment of the Company at the vesting date. In respect of bonuses paid in 2004, 2005 and 2006, an additional Multiplier Award of shares was potentially receivable. Following the introduction of the PSP, no further Multiplier Awards will be granted.

Kingfisher International Holdings Limited

Directors' report

PSP Awards

Name	Number of Performance Shares awarded in year	Date of grant	Price per share	Dividend Roll-up shares ¹	Number of Performance Shares at end of year	Vesting date	Lapse date
H M Jones ²	32,672 29,734	28/06/2006 23/10/2006	225 75p 255 50p	519 -	33,191 29,734	28/06/2009 23/10/2009	28/12/2009 23/04/2010

¹ The price used to calculate the Dividend Roll-up shares was 242p, being the market price on 20 September 2006

² No Performance Share awards were held at the start of the year

Performance Shares will normally vest three years from the award date, provided that the director is still employed by the Group and Kingfisher plc's Total Shareholder Return (TSR) performance is above median for the FTSE 100 during the three-year performance period. Performance Shares also receive a dividend roll-up calculated on the basis of a notational purchase of shares on each relevant ex-dividend date using that day's closing mid-market price.

Further information regarding the KIS Share Awards, the Multiplier Awards and the PSP Awards can be found in the Kingfisher plc Annual Report and Accounts 2007 on pages 44 to 49.

The market price of Kingfisher plc shares at 3 February 2007 was 252 5p and the range during the year was 218 75p to 273p.

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 he or she is aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director 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 234ZA of the Companies Act 1985.

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 in preparing these accounts.



M B Chambers
Secretary
19 November 2007

Kingfisher International Holdings Limited
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 required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year to that date. In preparing the financial statements the directors are required

To ensure 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 comply with the Companies Act 1985

To take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

To apply suitable accounting policies in a consistent manner and supported by reasonable and prudent judgements and estimates where necessary

To comply with all applicable accounting standards (except where any departures from this requirement are explained in the Notes to the Financial Statements)

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

Independent auditor's report to the members of Kingfisher International Holdings Limited

We have audited the financial statements of Kingfisher International Holdings Limited for the year ended 3 February 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditor's report to the members of Kingfisher International Holdings Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 3 February 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

19 March 2007

Kingfisher International Holdings Limited
Profit and Loss account
For the year ended 3 February 2007

	Notes	2007 £000	2006 £000
Administrative expenses		(830)	-
Income from fixed asset investments	5	382	848
Amounts written off fixed asset investment		<u>(279)</u>	<u>(20,244)</u>
Loss on ordinary activities before interest		(727)	(19,396)
Interest receivable	6	15	-
Interest payable	6	(1,190)	-
Foreign exchange gain	6	<u>6,429</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation	4	4,527	(19,396)
Taxation on profit/(loss) on ordinary activities	7	<u>(1,392)</u>	<u>(58)</u>
Retained profit/(loss) for the year		<u>3,135</u>	<u>(19,454)</u>

The result for the year arises solely from continuing operations

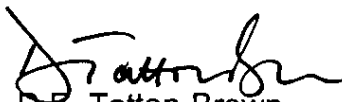
The Company has no recognised gains and losses other than the gain above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

Kingfisher International Holdings Limited
Balance sheet
As at 3 February 2007

	Notes	2007 £000	2006 £000
Fixed assets			
Investments	8	644,890	51,924
Current assets			
Debtors due within one year	9	32	36
Creditors: amounts falling due within one year	10	<u>(673,546)</u>	<u>(83,719)</u>
Net current liabilities		(673,514)	(83,683)
Net liabilities		<u>(28,624)</u>	<u>(31,759)</u>
Capital and reserves			
Called up share capital	11	26,784	26,784
Profit and loss account	12	(55,408)	(58,543)
Equity Shareholder's deficit	13	<u>(28,624)</u>	<u>(31,759)</u>

The financial statements were approved by the Board of Directors on 19 November 2007 and were signed on its behalf by


D E Tatton-Brown
Director
19 November 2007

Kingfisher International Holdings Limited
Notes to the financial statements
at 3 February 2007

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. The financial statements are made up to the nearest Saturday to 31 January, so as to coincide with its ultimate holding company.

The company is dependent on continuing finance being made available by its parent company to enable it to continue operating and meet its liabilities as they fall due. The parent company has agreed to provide sufficient funds to the Company for these purposes.

The directors consider it is appropriate to prepare the accounts on a going concern basis.

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 financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under Section 228 of the Companies Act 1985 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 where 90% or more of the voting rights are controlled within the Kingfisher plc group.

Interest receivable and payable is accrued on a daily basis. Dividend income is recognised when declared.

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

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 included in the profit and loss account.

Kingfisher International Holdings Limited
Notes to the financial statements
at 3 February 2007

2 Employees

The Company had no employees during the financial year (2006 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 3 February 2007 (2006 £nil)

4 Profit/(loss) on ordinary activities before taxation

Auditors' remuneration is borne by the parent company

5 Income from fixed asset investments

	2007 £000	2006 £000
Dividends from shares in group undertakings	<u>382</u>	<u>848</u>

6 Financing income and charges

	2007 £000	2006 £000
Interest receivable from group companies	<u>15</u>	<u>-</u>

	2007 £000	2006 £000
Interest payable to group companies	<u>(1,190)</u>	<u>-</u>

	2007 £000	2006 £000
Foreign Exchange Gain	<u>6,429</u>	<u>-</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 3 February 2007

7 Taxation

	2007	2006
	£000	£000
UK corporation tax charge at 30% (2006 30%)	1,454	353
Adjustments in respect of prior periods	-	33
	<u>1,454</u>	<u>386</u>
Double taxation relief	(62)	(328)
	<u>1,392</u>	<u>58</u>

Factors affecting the tax charge for the period

Profit/(loss) on ordinary activities before taxation	<u>4,527</u>	<u>(19,396)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	1,358	(5,819)
Effects of		
Underlying taxation	13	99
Double taxation relief	(62)	(328)
Expenses not deductible for tax purposes	83	6,073
Adjustments to prior period corporation tax	-	33
Total tax charge for the year	<u>1,392</u>	<u>58</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 3 February 2007

8 Investments

	Investments in subsidiary undertakings £000
At 28 January 2006	51,924
Additions	593,245
Amounts written off fixed asset investment	<u>(279)</u>
At 3 February 2007	<u>644,890</u>

During the year the Company invested a further £331,214,000 in Kingfisher BV, £1,000 in KF Sourcing India Private Limited and £47,306,000 in Castorama RUS LLC and acquired a 100% interest in Kingfisher International Finance SA for £214,724,000. Kingfisher International Finance SA has been impaired by £279,000 to its recoverable amount.

Interests in Group Undertakings

	Country of incorporation	Class of Share	% owned	Main Activity
Kingfisher BV	Netherlands	Ordinary	100	Investment
Castorama RUS LLC	Russia	Ordinary	100	Trading
Kingfisher Insurance Limited	Ireland	Ordinary	100	Insurance
Kingfisher Asia Limited	Hong Kong	Ordinary	100	Sourcing
Kingfisher AG	Switzerland	Ordinary	100	Finance
KF Sourcing India Private Limited	India	Ordinary	99.9	Sourcing
Kingfisher International Finance SA (formerly Castorama Benelux SA)	Belgium	Ordinary	100	Finance

In the opinion of the directors the 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.

Kingfisher International Holdings Limited
Notes to the financial statements
at 3 February 2007

9 Debtors

	2007	2006
	£000	£000
Due within one year		
Other debtors	32	13
Corporation tax	-	23
	<u>32</u>	<u>36</u>

10 Creditors: amounts falling due within one year

	2007	2006
	£000	£000
Amounts owed to group undertakings	672,093	83,719
Corporation tax	1,453	-
	<u>673,546</u>	<u>83,719</u>

£131,359,000 of the amounts owed to group undertakings is sterling denominated and non-interest bearing £540,734,000 is euro denominated and interest bearing Interest is charged at a floating rate, which at the year end was 4 231% per annum

11 Share capital

	2007	2006
	£000	£000
Authorised		
27,000,000 ordinary shares of £1 each	<u>27,000</u>	<u>27,000</u>
Allotted and fully paid		
26,783,561 ordinary shares of £1 each	<u>26,784</u>	<u>26,784</u>

12 Profit and loss account

	2007	2006
	£000	£000
At start of year	(58,543)	(39,089)
Retained profit/(loss) for the financial year	3,135	(19,454)
At end of year	<u>(55,408)</u>	<u>(58,543)</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 3 February 2007

13 Reconciliation of movements in shareholders' funds

	2007 £000	2006 £000
Retained profit/(loss) for the financial year	3,135	(19,454)
Net addition/(reduction) to shareholders' funds	3,135	(19,454)
Opening shareholders' deficit	(31,759)	(12,305)
Closing shareholders' deficit	(28,624)	(31,759)

14 Ultimate Holding company

The immediate parent company is Zeus Land Investments Limited, which is registered in England and Wales

The ultimate parent company is Kingfisher plc, which is 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

15 Event after the balance sheet date

On the 21 May 2007 Kingfisher International Holdings Limited purchased B&Q Ireland Limited from B&Q plc for £40,545,000. On 29 May 2007 Kingfisher International Finance Limited issued £40,545,000 of share capital to Kingfisher International Holdings Limited in exchange for the 100% holding of Kingfisher International Holdings Limited in B&Q Ireland.