

Registered Number: 2558762

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

Annual Report and Financial Statements

For the Financial Year Ended

31 January 2013

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Kingfisher International Holdings Limited
Annual Report and Financial Statements
For the financial year end 31 January 2013

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Kingfisher International Holdings Limited
Directors and officers

DIRECTORS

D Paramor

R C F Wardle

B Marsh (alternate director to D Paramor)

COMPANY SECRETARY

K Hudson (appointed 14 June 2013)

REGISTERED OFFICE

3 Sheldon Square

Paddington

London

W2 6PX

AUDITOR

Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

Kingfisher International Holdings Limited

Directors' report

The directors present their report and financial statements of Kingfisher International Holdings Limited (the "Company") for the year ended 31 January 2013

Principal activities and review of the business

The Company operates as an investment company within the Kingfisher plc group (the "Group") The directors currently envisage the Company will continue these operations for the foreseeable future The Company is a UK company with a Luxembourg branch

Principal risks and uncertainties

The Company's ultimate parent company is Kingfisher plc From the perspective of the directors, 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 the Group 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 25 to 27 of the Kingfisher plc Annual Report and Accounts 2012/13

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 Group can be found on pages 6 to 15 of the Kingfisher plc Annual Report and Accounts 2012/13

Results and dividends

The profit for the year, after taxation, amounted to £93,701,000 (2012 £38,070,000 loss) The directors do not recommend the payment of a dividend for the financial year (2012 £nil) The retained profit for the year of £93,701,000 (2012 £38,070,000 loss) has been transferred to reserves

Directors

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

D Paramor	
R C F Wardle	
K O'Byrne	(resigned 21 February 2013)
B Marsh	(alternate director to D Paramor)
N Folland	(resigned 1 June 2012)
K Hudson	(alternate director to N Folland, resigned 1 June 2012)

Company Secretary

The company secretaries of the Company, who served as follows throughout the financial period, are

R C F Wardle	(resigned 1 June 2012)
K Hudson	(appointed 1 June, resigned 7 September 2012, re-appointed 14 June 2013)
P Moore	(appointed 7 September 2012, resigned 14 June 2013)

Kingfisher International Holdings Limited
Directors' report (continued)

Financial risk management

The Company operates as an investment company within the Group, and as such is exposed to a variety of financial risks, which include interest and foreign exchange risk, liquidity and credit risk

As part of the Group these risks are managed centrally by the group treasury department, which has in place a board approved treasury policy and a risk management programme that ensures that the impact of such risks is minimised. Further information on the Group's financial risk management policies can be found in note 24 of the Kingfisher plc Annual Report and Accounts 2012/13

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 Company is supported by the ultimate parent company, Kingfisher plc and will continue to be in the foreseeable future

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

Kingfisher International Holdings Limited
Directors' report (continued)

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom 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 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



K. Hudson
Company Secretary
4 September 2013

Kingfisher International Holdings Limited
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 31 January 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 members, as a body, 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 members 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 members as a body, 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 Directors' Responsibilities Statement, 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 January 2013 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.

Kingfisher International Holdings Limited

Independent auditor's report to the members of Kingfisher International Holdings 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
4 September 2013

Kingfisher International Holdings Limited
Profit and loss account
For the year ended 31 January 2013

	Notes	2013 £'000	2012 £'000
Income from fixed asset investments	5	80,937	-
Other income/(expense)		<u>12</u>	<u>(101)</u>
Profit/(loss) on ordinary activities before interest and taxation		80,949	(101)
Interest receivable	6	3,019	26,361
Interest payable	6	(39,250)	(79,663)
Gain on derivatives		-	18,607
Provision unwind	10	49,000	-
Foreign exchange loss		<u>(3)</u>	<u>(7,591)</u>
Profit/(loss) on ordinary activities before taxation	4	93,715	(42,387)
Taxation on profit/(loss) on ordinary activities	7	(14)	4,317
		<u> </u>	<u> </u>
Profit/(loss) for the year	12	<u>93,701</u>	<u>(38,070)</u>

The profit/(loss) for the current and prior year arises solely from continuing operations

The Company has no recognised gains and losses other than the profit/(loss) above and therefore no separate statement of total recognised gains and losses has been presented

Kingfisher International Holdings Limited
Balance sheet
As at 31 January 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	8	3,575,109	3,575,109
Current assets			
Debtors amounts falling due within one year	9	43,383	46,934
Cash at bank and in hand		19	28
		<u>43,402</u>	<u>46,962</u>
Creditors: amounts falling due within one year	10	<u>(2,363,121)</u>	<u>(2,460,382)</u>
Net current liabilities		(2,319,719)	(2,413,420)
Net assets		<u><u>1,255,390</u></u>	<u><u>1,161,689</u></u>
Capital and reserves			
Called-up share capital	11	1,550,329	1,550,329
Profit and loss account	12	(294,939)	(388,640)
Shareholders' funds	13	<u><u>1,255,390</u></u>	<u><u>1,161,689</u></u>

The financial statements of Kingfisher International Holdings Limited (registered number 2558762) were approved by the Board of Directors and authorised for issue on 4 September 2013

They were signed on its behalf by



D Paramor
Director

Kingfisher International Holdings Limited
Notes to the financial statements
Year ended 31 January 2013

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

The Company's ultimate holding company is Kingfisher plc and the cash flows of the Company are shown in the consolidated 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 which are wholly controlled within the 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. Interest presented in the profit and loss account includes interest accrued on derivative financial instruments.

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.

Fixed asset investments

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

Kingfisher International Holdings Limited
Notes to the financial statements (continued)
Year ended 31 January 2013

1 Accounting policies (continued)

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 IFRS 7 "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 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.

Taxation

The income tax expense represents the sum of tax currently payable and deferred tax. Current tax is provided at amounts expected to be paid 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

	2013	2012
	£'000	£'000
Included within other income/(expense) are the following staff costs:		
Wages and salaries	35	37
Social security costs	4	5
	<u>39</u>	<u>42</u>

The Company had one employee during the financial year (2012: one)

Kingfisher International Holdings Limited
Notes to the financial statements (continued)
Year ended 31 January 2013

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 31 January 2013 (2012 £nil)

4 Profit/(loss) on ordinary activities before taxation

Auditor's remuneration of £4,000 (2012 £4,000) is borne by the ultimate parent company

5 Income from fixed asset investments

	2013 £'000	2012 £'000
Dividends from shares in Group undertakings	<u>80,937</u>	<u>-</u>

6 Financing income and charges

	2013 £'000	2012 £'000
Interest receivable from Group companies	<u>3,019</u>	<u>26,361</u>
	2013 £'000	2012 £'000
Interest payable to Group companies	<u>(39,250)</u>	<u>(79,663)</u>

7 Taxation on profit/(loss) on ordinary activities

	2013 £'000	2012 £'000
Current tax		
UK corporation tax credit on profit/(loss) for the year	-	(4,572)
Adjustments in respect of prior periods	<u>14</u>	<u>255</u>
Total current tax charge/(credit)	<u>14</u>	<u>(4,317)</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK for the year ended 31 January 2013 of 24 33% (2012 26 33%) The differences are explained below

Kingfisher International Holdings Limited
Notes to the financial statements (continued)
Year ended 31 January 2013

7 Taxation on profit/(loss) on ordinary activities (continued)

	2013 £'000	2012 £'000
Profit/(loss) on ordinary activities before taxation	<u>93,715</u>	<u>(42,387)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24 33% (2012 26 33%)	22,801	(11,160)
Effects of		
Overseas tax	-	17
Non-taxable (income)/expense	(19,692)	6,571
Utilisation of losses brought forward	(3,109)	-
Adjustments to prior periods corporation tax	<u>14</u>	<u>255</u>
Total tax charge/(credit) for the year	<u><u>14</u></u>	<u><u>(4,317)</u></u>

The UK corporation tax rate fell from 26% to 24% from 1 April 2012 and from 24% to 23% from 1 April 2013. Accordingly, the Company's profits for this accounting period are taxed at a blended rate of 24 33%.

A further reduction to 21% was announced in 2012, which is expected to take effect from 1 April 2014, and a subsequent reduction to 20% was announced in 2013, which is expected to take effect from 1 April 2015. Since these further reductions had not been substantively enacted at the balance sheet date, their impact is not included in these financial statements.

Kingfisher International Holdings Limited
Notes to the financial statements (continued)
Year ended 31 January 2013

8 Investments

	Investments in subsidiary undertakings £'000
Cost and net book value	
At 31 January 2013 and 31 January 2012	<u>3,575,109</u>

Significant 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 International Finance SA	Belgium	Ordinary	100	Investment
Martin Pecheur Limited	Jersey	Ordinary	100	Investment
Martin Pecheur Investments Limited	Jersey	Ordinary	100	Investment

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 (continued)
Year end 31 January 2013

9 Debtors

	2013	2012
	£'000	£'000
Amounts falling due within one year		
Amounts owed by Group undertakings	<u>43,383</u>	<u>46,934</u>

The amounts owed by Group undertakings at 31 January 2013 are rouble denominated, unsecured and interest is charged at MIBOR plus a margin for the term of the loan

10 Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Amounts owed to Group undertakings	2,290,155	2,344,083
Other creditors	-	49,045
Corporation Tax	<u>72,966</u>	<u>67,254</u>
	<u>2,363,121</u>	<u>2,460,382</u>

The amounts owed to Group undertakings as at 31 January 2013 which are both sterling and rouble denominated, are unsecured, and include the following

£1,567,048,088 is sterling denominated and falls due for repayment on 20 January 2014 and interest is charged at a rate of LIBOR plus a margin for the term of the loan

£43,278,474 is rouble denominated, unsecured and interest is charged at MIBOR plus a margin for the term of the loan

£676,999,968 is sterling denominated, interest free, has not fixed date of repayment and is repayable on demand

In the prior year, the other creditors balance included a provision of £49,000,000 in respect of liabilities which the Company would have been liable to settle on behalf of other Group undertakings. Since the end of the current financial year, those liabilities no longer exist and consequently the provision has been released to the profit and loss account in the current financial year

11 Called-up share capital

	2013	2012
	£'000	£'000
Allotted, called-up and fully paid		
1,550,329,290 (2012 1,550,329,290) ordinary shares of £1 each	<u>1,550,329</u>	<u>1,550,329</u>

Kingfisher International Holdings Limited
Notes to the financial statements (continued)
Year end 31 January 2013

12 Profit and loss account

	2013 £'000	2012 £'000
At start of year	(388,640)	(445,731)
Profit/(loss) for the financial year	93,701	(38,070)
Capital contribution	-	95,161
At end of year	<u>(294,939)</u>	<u>(388,640)</u>

The capital contribution of £95,161,000 in the prior year related to the waiver of unpaid preference share dividends due to Zeus Land Investments Limited on 4 August 2012

13 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit/(loss) for the financial year	93,701	(38,070)
Capital contribution (see note 12)	-	95,161
Net proceeds on the conversion of preference shares to ordinary shares	-	1,084,605
Net increase in shareholders' funds	93,701	1,141,696
Opening shareholders' funds	<u>1,161,689</u>	<u>19,993</u>
Closing shareholders' funds	<u>1,255,390</u>	<u>1,161,689</u>

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 (printed or downloaded) from www.kingfisher.com

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