

Registered Number: 2792411

SHELDON HOLDINGS LIMITED

Report and Financial Statements

For the Financial Year Ended

29 January 2011

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Sheldon Holdings Limited
Report and Financial Statements
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Sheldon Holdings Limited
Directors and officers

DIRECTORS

D Paramor
N Folland
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

Sheldon Holdings Limited
Directors' report

The Directors present their annual report and the audited 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.

Directors

The directors of the Company, who served during 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

Small Company exemption

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

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 expressed 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

Sheldon Holdings 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 the 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 and 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, 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 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

Sheldon Holdings Limited

Independent auditor's report to the sole member of Sheldon Holdings Limited

We have audited the financial statements of Sheldon Holdings 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 the sole shareholder 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 loss 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.

Sheldon Holdings Limited

**Independent auditor's report to the sole member of Sheldon 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
- 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.

Panos Kakoullis

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

Sheldon Holdings Limited
Profit and loss account
For the year ended 29 January 2011

	Notes	2011 £'000	2010 £'000
Income from fixed asset investments	5	-	586,454
Impairment of fixed asset investment	8	-	(176,750)
Profit on ordinary activities before interest and taxation		-	409,704
Interest payable to Group undertakings		(5,443)	(9,091)
(Loss) / profit on ordinary activities before taxation	4	(5,443)	400,613
Taxation on (loss) / profit on ordinary activities	6	1,524	2,545
(Loss) / profit for the financial year	12	(3,919)	403,158

The loss for the year arises solely from continuing operations.

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

There is no difference between the loss for the year stated above and the historical cost equivalent

Sheldon Holdings Limited
Balance sheet
as at 29 January 2011

Registered Number: 2792411

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	7	4,689,738	4,689,728
Current assets			
Debtors due within one year	8	575,908	589,028
Creditors: amounts falling due within one year	9	<u>(300,027)</u>	<u>(309,218)</u>
Net current assets		275,881	279,810
Net assets		<u>4,965,619</u>	<u>4,969,538</u>
Capital and reserves			
Called up share capital	10	1,760,399	1,760,399
Profit and loss reserve	11	3,205,220	3,209,139
Shareholder's funds	12	<u>4,965,619</u>	<u>4,969,538</u>

The financial statements on pages 6 to 12 were approved by the Board of Directors and were signed on its behalf by



D Paramor
 Director
 28 June 2011

Sheldon Holdings 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 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 Group 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 that are wholly owned subsidiaries within the Kingfisher plc Group.

The Directors' consideration of going concern is set out in the Directors' report on page 2.

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.

Foreign currency

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.

Sheldon Holdings Limited
Notes to the financial statements
as at 29 January 2011

1. Accounting policies (continued)

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 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 profit and loss account 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 in respect of the financial year ended 29 January 2011 (2010 nil)

4. (Loss)/profit on ordinary activities before taxation

Auditor's remuneration of £4,000 is borne by the parent company in the current year (2010 £4,000). No impairment of investment assets has been charged in the year (2010: £176,750,000)

5. Income from fixed asset investments

	2011	2010
	£'000	£'000
Income from shares in Group companies	<u>-</u>	<u>586,454</u>

6. Taxation on (loss) / profit on ordinary activities

	2011	2010
	£'000	£'000
UK corporation tax credit on (loss) / profit for the period	<u>(1,524)</u>	<u>(2,545)</u>

The tax assessed for the period is equal to (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:

Sheldon Holdings Limited
Notes to the financial statements
as at 29 January 2011

6. Taxation on (loss) / profit on ordinary activities (continued)

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	<u>(5,443)</u>	<u>400,613</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax for the UK of 28% (2010 28%)	(1,524)	112,172
Effects of		
Items not taxable	<u>-</u>	<u>(114,717)</u>
Total tax credit for the period	<u>(1,524)</u>	<u>(2,545)</u>

7. Investments

	Investments in subsidiary undertakings £'000
At 30 January 2010	4,689,728
Additions	<u>10</u>
At 29 January 2011	<u>4,689,738</u>

Additions

Additions to investments in subsidiary undertakings in the current year represent the acquisition of a private limited company in Denmark, Kingfisher International ApS, on 30 March 2010. The Company subscribed for shares equal to DKK 80,000 being its entire issued share capital.

In the prior year the Company acquired 100% of the issued share capital of Zeus Land Investments Limited from Kingfisher plc in exchange for consideration in the form of 1,266,378,133 shares of £1 in the Company as part of restructuring activities undertaken.

Impairment

No investments were impaired in the year.

A review of the carrying amounts of the Company's investments was performed in the prior year and as a result of this, an impairment charge of £176,750,000 was booked against B&Q Properties Ltd.

In the opinion of the directors, the aggregate value of the investments in the subsidiaries is not less than the amount stated in the Company's balance sheet.

Sheldon Holdings Limited
Notes to the financial statements
as at 29 January 2011

7. Investments (continued)

Interests in Group Undertakings

	Country of incorporation	Class of Share	% Owned	Main Activity
Waren Investments Ltd (company limited by guarantee)	England & Wales	Guarantee	100	Investment
B&Q Properties Limited	England & Wales	Ordinary	100	Investment
Kingfisher France Ltd	England & Wales	Ordinary	99.87	Investment
Kingfisher TMB Ltd	England & Wales	Ordinary	100	Inactive
B&Q Properties New Malden Ltd	England & Wales	Ordinary	100	Investment
Kingfisher International ApS	Denmark	Ordinary	100	Management Services
Zeus Land Investments Limited	England & Wales	Ordinary	100	Holding

8. Debtors: amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed by Group undertakings	575,158	587,772
Corporation tax	750	1,256
	<u>575,908</u>	<u>589,028</u>

Amounts owed by Group undertakings are unsecured and repayable on demand
They are also non-interest bearing

9. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed to Group undertakings	<u>(300,027)</u>	<u>(309,218)</u>

Amounts owed to Group undertakings are unsecured and repayable on demand. The
intercompany loan has a floating rate of 1.8144% (2010: 1.7925%)

Sheldon Holdings Limited
Notes to the financial statements
as at 29 January 2011

10. Share capital

	2011 £'000	2010 £'000
Allotted and fully paid 1,760,399,139 (2010:1,760,399,139) ordinary shares of £1 each	<u>1,760,399</u>	<u>1,760,399</u>

In the prior year, the Company acquired 100% of the issued share capital of Zeus Land Investments Limited from Kingfisher plc in exchange for consideration in the form of 1,266,378,133 shares of £1 in the Company

11. Profit and loss reserve

	2011 £'000	2010 £'000
At start of year	3,209,139	2,805,981
(Loss) / profit for the financial year	<u>(3,919)</u>	<u>403,158</u>
At end of year	<u>3,205,220</u>	<u>3,209,139</u>

12. Reconciliation of movements in equity shareholder's funds

	2011 £'000	2010 £'000
(Loss) / profit for the financial year	(3,919)	403,158
Issue of shares	<u>-</u>	<u>1,266,378</u>
Net addition to shareholder's funds	(3,919)	1,669,536
Opening equity shareholder's funds	<u>4,969,538</u>	<u>3,300,002</u>
Closing equity shareholder's funds	<u>4,965,619</u>	<u>4,969,538</u>

13. Ultimate holding company

The immediate and 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 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