

Registered Number: 2792411

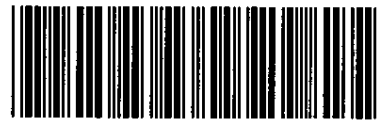
SHELDON HOLDINGS LIMITED

Annual Report and Financial Statements

For the Financial Year Ended

1 February 2014

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Sheldon Holdings Limited
Annual Report and Financial Statements
For the financial year ended 1 February 2014
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Sheldon Holdings Limited
Directors and officers

DIRECTORS

D Paramor
R C F Wardle

COMPANY SECRETARY

K Hudson

REGISTERED OFFICE

3 Sheldon Square
Paddington
London
United Kingdom
W2 6PX

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Sheldon Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements of Sheldon Holdings Limited (the "Company") for the 52 weeks ended 1 February 2014

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

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 1 to 31 of the Kingfisher plc Annual Report and Accounts 2013/14

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 8 to 17 of the Kingfisher plc Annual Report and Accounts 2013/14

Results and dividends

The loss for the year, after taxation, amounted to £60,292,000 (2013 £104,721,000) An interim dividend of £475,000,000 was paid (2013 £nil) The directors do not recommend the payment of a final dividend for the financial year (2013 £nil) The loss for the year of £60,292,000 (2013 £104,721,000) has been transferred to reserves

Small company exemption

This directors' report has been prepared in accordance with the provisions relating to small companies under section 415A of the Companies Act 2006

Directors

The directors of the Company, who served throughout the financial year, except as noted, are

D Paramor

R C F Wardle

K O'Byrne (resigned 21 February 2013)

R Altoft (alternate director to D Paramor, appointed 1 August 2013, resigned 19 September 2013)

B Marsh (alternate director to D Paramor, resigned 23 September 2013)

Sheldon Holdings Limited
Directors' report (continued)

Company secretary

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

K Hudson (re-appointed 14 June 2013)

P Moore (resigned 14 June 2013)

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

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/she ought to have taken as a director in order to make himself/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

Sheldon Holdings Limited
Directors' report (continued)

Directors' responsibilities statement

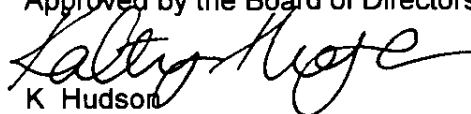
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

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 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 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
22 July 2014

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 financial year ended 1 February 2014 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 1 February 2014 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.

Sheldon Holdings Limited

**Independent auditor's report to the sole member of Sheldon Holdings Limited
(continued)**

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

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, or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report

Gareth Roberts

Gareth Roberts (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
22 July 2014

Sheldon Holdings Limited
Profit and loss account
For the year ended 1 February 2014

	Notes	2014 £'000	2013 £'000
Impairment of fixed asset investment	7	-	(67,385)
Loss on ordinary activities before interest and taxation		-	(67,385)
Interest payable to Group undertakings		(74,205)	(49,340)
Loss on ordinary activities before taxation	4	(74,205)	(116,725)
Taxation on loss on ordinary activities	5	13,913	12,004
Loss for the financial year	11	(60,292)	(104,721)

The loss for the year arises solely from continuing operations

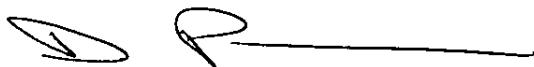
The Company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

Sheldon Holdings Limited
Balance sheet
as at 1 February 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	7	8,035,843	8,033,754
Current assets			
Debtors amounts falling due within one year	8	11,551	8,325
Creditors: amounts falling due within one year	9	<u>(3,741,325)</u>	<u>(3,200,718)</u>
Net current liabilities		(3,729,774)	(3,192,393)
Net assets		<u>4,306,069</u>	<u>4,841,361</u>
Capital and reserves			
Called up share capital	10	1,760,399	1,760,399
Profit and loss account	11	2,545,670	3,080,962
Shareholder's funds	12	<u>4,306,069</u>	<u>4,841,361</u>

The financial statements of Sheldon Holdings Limited (registered number 2792411) were approved by the Board of Directors and authorised for issue on 22 July 2014

They are signed on its behalf by



D Paramor
Director

Sheldon Holdings Limited
Notes to the financial statements
Year ended 1 February 2014

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 1 February 2014. The comparative financial year is for the 53 weeks ended 2 February 2013.

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 that are wholly owned subsidiaries 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.

Fixed asset investments

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

Foreign currencies

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 (continued)
Year ended 1 February 2014

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 (2013: none)

3. Directors' remuneration

None of the directors received any emoluments from the Company in respect of the financial year ended 1 February 2014 (2013: £nil)

4. Loss on ordinary activities before taxation

Auditor's remuneration of £4,000 (2013: £4,000) is borne by the ultimate parent company.

5. Taxation on loss on ordinary activities

	2014 £'000	2013 £'000
UK corporation tax credit on loss for the year	<u>(13,913)</u>	<u>(12,004)</u>

The tax credit for the period is lower than the standard rate of corporation tax in the UK for the year ended 1 February 2014 of 23.17% (2013: 24.33%). The differences are explained below:

Sheldon Holdings Limited
Notes to the financial statements (continued)
Year ended 1 February 2014

5. Taxation on loss on ordinary activities (continued)

	2014 £'000	2013 £'000
Loss on ordinary activities before taxation	<u>(74,205)</u>	<u>(116,725)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax for the UK of 23 17% (2013 24 33%)	(17,193)	(28,399)
Effects of		
Income not taxable	-	(16,395)
Tax on profits of overseas subsidiaries	<u>3,280</u>	<u>-</u>
Total tax credit for the year	<u>(13,913)</u>	<u>(12,004)</u>

The UK corporation tax rate decreased from 24% to 23% from 1 April 2013, then to 21% from 1 April 2014, and will fall to 20% from 1 April 2015. Accordingly, the Company's taxable loss for this accounting period is tax relieved at a blended rate of 23 17% (2013 24 33%).

6. Dividends paid

	2014 £'000	2013 £'000
Dividends payable to equity holders	<u>475,000</u>	<u>-</u>

The interim dividend for the year ended 1 February 2014 was 26 983p (2013 £nil) per redeemable ordinary share. No final dividend was proposed.

Sheldon Holdings Limited
Notes to the financial statements (continued)
Year ended 1 February 2014

7. Investments

	Investments in subsidiary undertakings £'000
At 3 February 2013	8,033,754
Additions	2,089
Disposal	-
At 1 February 2014	<u>8,035,843</u>

Additions

Additions to investments in subsidiary undertakings in the current year represent the following acquisitions

- 9,937,512 ordinary shares of €1.25 each in B&Q Ireland Limited on 22 November 2013 for €2,500,000 consideration,
- One ordinary share of RON 0.1 in Brico Development S.A. on 28 January 2014 for RON 0.1 consideration,
- One ordinary share of RON 0.1 in Brico Foncier S.A. on 28 January 2014 for RON 0.1 consideration,
- One ordinary share of RON 0.1 in Brico Imobiliare Calarasi S.A. on 28 January 2014 for RON 0.1 consideration,
- One ordinary share of RON 0.1 in Bricostore Romania S.A. on 28 January 2014 for RON 0.1 consideration,
- One ordinary share of RON 0.1 in Sorod S.A. on 28 January 2014 for RON 0.1 consideration

Disposals

The investment in Sheldon Euro Investments Limited was sold on 1 August 2013 for consideration of £0.88

A review of the carrying amount of the Company's investments was performed in the year and 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

In the prior year Sheldon Euro Investments Limited returned capital of £1,572,342 to the Company. In addition, an impairment charge of £67,385,000 was booked against the investment in this entity

Sheldon Holdings Limited
Notes to the financial statements (continued)
Year ended 1 February 2014

7. Investments (continued)

Significant interests in Group undertakings

	Country of Incorporation/registration	Class of Share	% Owned	Main Activity
B&Q Properties Limited	England and Wales	Ordinary	100	Property Investment
B&Q Properties New Malden Limited	England and Wales	Ordinary	100	Property Investment
Kingfisher France Limited	England and Wales	Ordinary	99.87	Investment
Kingfisher Future Homes Limited	England and Wales	Ordinary	100	Investment
Kingfisher TMB Limited	England and Wales	Ordinary	100	Inactive
Waren Investments Limited (company limited by guarantee)	England and Wales	Guarantee	100	Investment
Zeus Land Investments Limited	England and Wales	Ordinary	100	Investment
B&Q (Retail) Guernsey Limited	Guernsey	Ordinary	100	Trading
B&Q Ireland Limited	Ireland	Ordinary	100	Trading
Martin Pecheur Holdings Limited	Ireland	Ordinary	100	Investment
Castorama Do Brazil Participacoes Ltda	Brazil	Ordinary	100	Property Investment
Kingfisher International ApS	Denmark	Ordinary	100	Management Services
Martin Pecheur Finance SARL	Luxembourg	Ordinary	100	Investment
Brico Depot Portugal SA	Portugal	Ordinary	100	Investment

Sheldon Holdings Limited
Notes to the financial statements (continued)
Year ended 1 February 2014

8 Debtors: amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed by Group undertakings	1,373	-
Corporation tax	10,178	8,325
	<u>11,551</u>	<u>8,325</u>

9. Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Amounts owed to Group undertakings	<u>3,741,325</u>	<u>3,200,718</u>

Amounts owed to Group undertakings are unsecured and repayable on demand. The current intercompany loans include four loans and related accrued interest. One loan is for a principal amount of £985m, at an interest rate based on Sterling Overnight Index (SONIA) plus a margin and another loan is for a principal amount of £912m, at an annual fixed rate of 4.74%. Two other loans have closing balances at 1 February 2014 of £1,576m and £247m. Annual rates of these loans are based on the SONIA plus a margin.

10. Called up share capital

	2014	2013
	£'000	£'000
Allotted, called up and fully paid 1,760,399,139 (2013 1,760,399,139) ordinary shares of £1 each	<u>1,760,399</u>	<u>1,760,399</u>

11. Profit and loss reserve

	2014	2013
	£'000	£'000
At start of year	3,080,962	3,185,683
Loss for the financial year	(60,292)	(104,721)
Dividends paid on equity shares (note 6)	(475,000)	-
At end of year	<u>2,545,670</u>	<u>3,080,962</u>

Sheldon Holdings Limited
Notes to the financial statements (continued)
Year ended 1 February 2014

12. Reconciliation of movements in equity shareholder's funds

	2014	2013
	£'000	£'000
Loss for the financial year	(60,292)	(104,721)
Dividends paid on equity shares (note 6)	<u>(475,000)</u>	<u>-</u>
Net decrease in shareholder's funds	(535,292)	(104,721)
Opening equity shareholder's funds	<u>4,841,361</u>	<u>4,946,082</u>
Closing equity shareholder's funds	<u>4,306,069</u>	<u>4,841,361</u>

13. Ultimate holding company

The immediate and ultimate parent company is Kingfisher plc which is incorporated in the United Kingdom and 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 financial statements are consolidated is that headed by Kingfisher plc, the Company's ultimate parent