

New England Paint Company Limited

Annual Report and Financial Statements

for the year ended 31 January 2018

Registered number: 04056989



New England Paint Company Limited

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New England Paint Company Limited

Company directory

Registered Office

3 Sheldon Square
Paddington
London
W2 6PX
United Kingdom

New England Paint Company Limited is a company limited by shares

Directors

P. Moore
J-N. Groleau

Company Secretary

P. Moore

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

New England Paint Company Limited

Directors' report

The directors present their annual report and audited financial statements of New England Paint Company Limited (the "Company") for the financial year ended 31 January 2018.

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 that the Company will continue these operations for a minimum of 12 months after the signing date.

Results and dividends

The profit for the year, after taxation, amounted to £224,000 (2016/17: £704,000). The profit for the year was primarily derived from interest receivable on loans to Group undertakings.

The directors do not recommend the payment of a dividend for the year (2016/17: £nil). The directors did not pay an interim dividend during the year (2016/17: £nil), nor will there be any post year-end dividend payouts for the year.

Directors

The directors, who served throughout the year and until the date of signing of these financial statements were as follows:

J-N. Groleau
P. Moore

Company Secretary

The company secretary, who served throughout the year was as follows:

P. Moore

Going concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence. Thus they continue to adopt the going concern basis in preparing the annual financial statements (refer to note 1 for further information).

Future developments

The directors expect the general level of activity to remain consistent with 2017/18 in the forthcoming year.

Post balance sheet events

No post balance sheet events have occurred from 31 January 2018.

New England Paint Company Limited

Directors' report (continued)

Auditor

Deloitte LLP will continue to hold office in accordance with section 487 of the Companies Act 2006.

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report 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 the 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.

Statement of directors' responsibilities

The following statement, which should be read in conjunction with the independent auditor's report, is made with a view to distinguishing for shareholders the responsibilities of the directors and the auditor in relation to these financial statements.

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), including FRS 101 Reduced Disclosure Framework. 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:

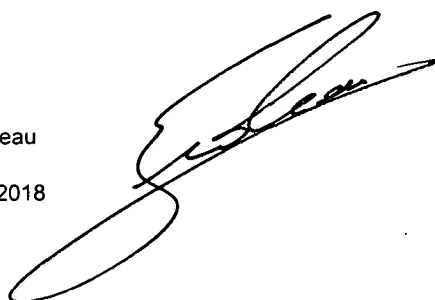
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board:

J-N. Groleau
Director
26 June 2018



New England Paint Company Limited

Independent auditor's report to the members of New England Paint Company Limited

Report on the audit 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 31 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of New England Paint Company Limited (the 'company') which comprise:

- the income statement;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 10

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

New England Paint Company Limited

Independent auditor's report to the members of New England Paint Company Limited

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemption in preparing the strategic report

We have nothing to report in respect of these matters.

D. Winstone

Daryl Winstone (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

24 June 2018

New England Paint Company Limited

Income Statement

Year ended 31 January 2018

£'000	Notes	2017/18	2016/17
Finance income	3	277	880
Profit before taxation		277	880
Income tax expense	6	(53)	(176)
Profit for the year		224	704
Total comprehensive income for the year		224	704

The notes on pages 10 to 14 form part of the financial statements.

All of the above transactions relate to continuing operations. There was no other comprehensive income during the current and preceding year and accordingly a separate statement of comprehensive income has not been prepared.

New England Paint Company Limited

Statement of changes in equity

Year ended 31 January 2018

£'000	Share capital	Share premium	Retained earnings	Total
At 1 February 2017	1,078	118,433	2,037	121,548
Total comprehensive income and profit for the year	-	-	224	224
At 31 January 2018	1,078	118,433	2,261	121,772
At 1 February 2016	1,078	118,433	1,333	120,844
Total comprehensive income and profit for the year	-	-	704	704
At 31 January 2017	1,078	118,433	2,037	121,548

The notes on pages 10 to 14 form part of the financial statements.

New England Paint Company Limited

Company Registered number: 04056989

Balance sheet

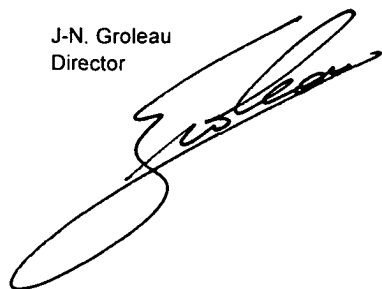
At 31 January 2018

£'000	Notes	2017/18	2016/17
Non-current assets			
Investments in subsidiaries	7	59,755	59,755
Current assets			
Current tax assets		11	-
Other receivables	8	62,006	61,881
Total assets		121,772	121,636
Current liabilities			
Current tax liabilities		-	(88)
Total liabilities		-	(88)
Net current assets		62,006	61,793
Net assets		121,772	121,548
Equity			
Share capital	9	1,078	1,078
Share premium		118,433	118,433
Retained earnings		2,261	2,037
Total equity		121,772	121,548

The notes on pages 10 to 14 form part of the financial statements.

The financial statements were approved by the Board of Directors on 26 June 2018 and were signed on its behalf by:

J-N. Groleau
Director



New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2018

1 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

New England Paint Company Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the directors' report on pages 3 and 4.

The financial statements have been prepared in accordance with FRS 101 as issued by the Financial Reporting Council and applied in accordance with the provisions of the Companies Act 2006.

The current financial year is the calendar year ended 31 January 2018 ('the year' or '2017/18'). The comparative financial year is the calendar year ended 31 January 2017 ('the prior year' or '2016/17').

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006.

These financial statements are separate financial statements. The Company is exempt under section 400 of the Companies Act 2006 from the preparation of consolidated financial statements, as it is included in the group financial statements of its ultimate parent, Kingfisher plc.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, related party transactions, financial instruments disclosures, standards not yet effective and capital management. Where required, equivalent disclosures are given in the consolidated financial statements of Kingfisher plc, which are publicly available.

There are no new standards, amendments or interpretations, which are mandatory for the first time for the financial year ended 31 January 2018, that are relevant and material for New England Paint Company Limited.

b. Going concern

The directors of New England Paint Company Limited, having made appropriate enquiries, consider that adequate resources exist for the Company to continue in operational existence and that, therefore, it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

c. Interest receivable

Interest receivable is accrued on a daily basis.

d. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on 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.

e. Investments in subsidiary companies

Investments in subsidiary companies are held at cost less accumulated impairment losses.

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2018

1 Principal accounting policies (continued)

f. Financial assets and liabilities

Classification

Financial assets are classified into the following specific category: 'other receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial liabilities are classified as 'other payables'.

Recognition and measurement

Other receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'other receivables'. Other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Other payables

Other payables, including borrowings, are initially measured at fair value, net of transaction costs. Other payables are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where approximate, a shorter period to the net carrying amount on initial recognition.

2 Critical accounting estimates and judgements

The preparation of the financial statements under FRS 101 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates, judgements and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

There have been no critical judgements during the year.

Source of estimation uncertainty

Impairment of investments:

As required, the Company applies procedures to ensure that its assets are carried at no more than their recoverable amount. The procedures, by their nature, require estimates and assumptions to be made. The most significant are set out below.

At each reporting date the Company is required to assess whether there is objective evidence that its investments in subsidiaries may be impaired. This requires estimates of the investments' recoverable amounts, including present values of the Company's share of future cash flows. Please refer to Note 7.

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2018

3 Finance income

£'000	2017/18	2016/17
Interest receivable from Group undertakings	277	880
Finance income	277	880

4 Employees' and directors' remuneration

There were no employees or staff costs for the financial year ended 31 January 2018 (2016/17: £nil).

None of the directors received any emoluments from the Company in respect of the financial year ended 31 January 2018 (2016/17: £nil).

5 Auditor's remuneration

The auditor's remuneration for the auditing of the financial statements of £1,000 (2016/17: £1,000) is borne by Kingfisher plc. No recharge will be made to the Company for these costs.

6 Income tax expense

£'000	2017/18	2016/17
UK corporation tax		
Current tax on profits for the year	53	176
Income tax expense	53	176

Factors affecting tax charge for the year

The UK corporation tax rate reduced in the current year from 20% to 19% with effect from 1 April 2017, and accordingly, the Company's profits for this accounting period are taxed at a rate of 19.17% (2016/17: 20%).

From 1 April 2020 the UK corporation tax rate will fall to 17%.

£'000	2017/18	2016/17
Profit before taxation	277	880
Profit multiplied by the standard rate of corporation tax in the UK of 19.17% (2016/17: 20%)	53	176
Income tax expense	53	176

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2018

7 Investments in subsidiaries

£'000	Investments in subsidiary undertakings
Cost and Net book value	
At 1 February 2017	59,755
At 31 January 2018	59,755
At 1 February 2016	59,755
At 31 January 2017	59,755

The Company holds 13% of the ordinary share capital of Sheldon Poland Investments Limited⁽¹⁾, a company incorporated in the UK. Sheldon Poland Investments Limited's main function is as an investment company.

(1) Registered office: 3 Sheldon Square, Paddington, London, W2 6PX

8 Other receivables

£'000	2017/18	2016/17
Current		
Amounts owed by Group undertakings	62,006	61,881
Other receivables	62,006	61,881

Amounts owed by Group undertakings are sterling denominated. £57m (2016/17: £57m) of the balance is accruing interest at a floating rate, based on 6 Month LIBOR (London Interbank Offer Rate) which at the year-end was 0.42% (rate for the year 2016/17: 1.55%). The remaining £5m (2016/17: £5m) of the balance is accruing interest at a floating rate, based on 1 week LIBOR less a margin of 25 basis points. These balances have no fixed date of repayment and are repayable on demand.

9 Share capital

	Number of ordinary shares in thousands	Ordinary share capital £'000
At 1 February 2017	1,078	1,078
At 31 January 2018	1,078	1,078
At 1 February 2016	1,078	1,078
At 31 January 2017	1,078	1,078

As at 31 January 2018, 107,747,000 ordinary shares has been issued at £0.01 each.

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2018

10 Ultimate holding company

The Company's immediate parent undertakings are Sheldon Holdings Limited⁽¹⁾, a company incorporated in the United Kingdom and registered in England and Wales, and Castorama Polska SP. Z o. o.⁽²⁾, a company incorporated and registered in Poland.

(1) Registered office: 3 Sheldon Square, Paddington, London, W2 6PX

(2) Registered office: Ul. Krakowiakow 78, 02-255 Warszawa, Poland

The Company's ultimate parent company is Kingfisher plc⁽¹⁾, which is incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group into which the Company's financial statements are consolidated is that headed by Kingfisher plc. A copy of the Annual Report and Financial Statements for Kingfisher plc can be obtained from www.kingfisher.com.