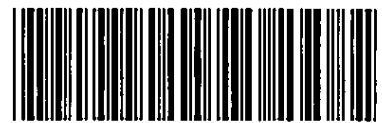


Registered Number: 4985362

BUDLE FINANCE LIMITED
Report and Financial Statements
For the Financial Year Ended
31 January 2009

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Budle Finance Limited
Report and Financial Statements
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Budle Finance Limited
Directors and officers

DIRECTORS

N. Folland
D. Paramor

SECRETARY

M. Chambers

REGISTERED OFFICE

3 Sheldon Square
Paddington
London
W2 6PX

AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Budle Finance Limited
Directors' report

The directors present their report and financial statements of the Company for the year ended 31 January 2009.

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. The Company has a £37m facility with Kingfisher plc which can be used to invest in future ventures. The Company's directors review investment opportunities periodically.

The Company is a wholly-owned subsidiary of Kingfisher plc. From the perspective of the Company, 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 Kingfisher plc and its subsidiaries which provide 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 28 of Kingfisher plc's Annual Report and Accounts 2009.

Key performance indicators ("KPI's")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business. The KPI's for the Kingfisher plc group can be found on page 9 of the Kingfisher plc Annual Report and Accounts 2009.

Results and dividends

The profit for the year, after taxation, amounted to £1,228,000 (2008: profit of £1,518,000). This is after taking into account preference dividends of £2,000 (2008: £2,000) which were declared for the financial year. The Directors do not recommend the payment of a dividend for the financial year (2008: £nil). The retained profit for the year of £1,228,000 (2008: £1,518,000) has been transferred to reserves.

Elective resolution

On 24 March 2004 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.

Budle Finance Limited
Directors' report (continued)

Directors

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

N. Folland	
D. Paramor	(appointed 22 December 2008)
J. Skelton	(appointed 27 October 2008; resigned 22 December 2008)
D. Tatton- Brown	(resigned 13 October 2008)

Directors' indemnities

During the year, indemnities that are 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006 were in force under which Kingfisher plc agreed to indemnify Duncan Tatton-Brown to the extent permitted by law, in respect of all losses arising out of, or in connection with the execution of his powers, duties and responsibilities, as a director of Kingfisher plc or any of its subsidiaries.

As at the date of this report, there are no such qualifying third party indemnity provisions in place for the benefit of any of the directors.

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 financial statements.

Budle Finance Limited
Directors' report (continued)

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 responsible for preparing the 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.



N. Folland
Director
5 November 2009

Budle Finance Limited**Independent auditors' report to the members of Budle Finance Limited**

We have audited the financial statements of Budle Finance Limited for the year ended 31 January 2009 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we 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.

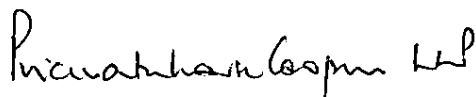
Budle Finance Limited

**Independent auditors' report to the members of Budle Finance 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 31 January 2009 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
Chartered Accountants and Registered Auditors
London
6 November 2009

Budle Finance Limited
Profit and loss account
For the year ended 31 January 2009

	Notes	2009 £'000	2008 £'000
Interest payable and similar charges	3	(2)	(2)
Interest receivable and similar income	4	<u>1,708</u>	<u>2,170</u>
Profit on ordinary activities before taxation	5	1,706	2,168
Taxation on profit on ordinary activities	6	(478)	(650)
Profit for the financial year	10	<u>1,228</u>	<u>1,518</u>

The profit 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.

Budle Finance Limited
Balance sheet
as at 31 January 2009

Registered Number: 4985362

	Notes	2009 £'000	2008 £'000
Current assets			
Debtors due after one year	7	38,203	37,155
Current liabilities			
Creditors – due within one year	8	<u>(219)</u>	<u>(399)</u>
Net current assets		37,984	36,756
Creditors – due in more than one year	8	(40)	(40)
Net assets		<u>37,944</u>	<u>36,716</u>
Capital and reserves			
Called up share capital	9	20	20
Share premium		32,060	32,060
Profit and loss reserve	10	5,864	4,636
Equity shareholder's funds	11	<u>37,944</u>	<u>36,716</u>

The financial statements on pages 7 to 13 were approved by the Board of Directors and were signed on its behalf by:


D. Paramor
Director
5 November 2009

Budle Finance Limited
Notes to the financial statements
as at 31 January 2009

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 current financial year is the 52 weeks ended 31 January 2009. The comparative financial year is for the 52 weeks ended 2 February 2008.

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 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

Interest receivable and payable is accrued on a daily basis.

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.

Taxation

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

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.

Budle Finance Limited
Notes to the financial statements
as at 31 January 2009

2 Employees and directors

The Company had no employees during the financial year (2008: nil).

None of the directors received any emoluments from the Company in respect of the financial year ended 31 January 2009 (2008: £nil).

3 Interest payable and similar charges

	2009 £'000	2008 £'000
Dividends on B ordinary shares (note 9)	(1)	(1)
Dividends on redeemable preference shares (note 9)	(1)	(1)
	<u>(2)</u>	<u>(2)</u>

4 Interest receivable and similar income

	2009 £'000	2008 £'000
Interest on amounts owed by group undertakings	1,708	2,170
	<u>1,708</u>	<u>2,170</u>

5 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the ultimate parent company.

6 Taxation

	2009 £'000	2008 £'000
UK corporation tax charge for the year	478	650
	<u>478</u>	<u>650</u>

There is no difference between the standard rate of corporation tax in the UK for the year ended 31 January 2009 of 28% (2008: 30%) and the average effective tax rate.

Budle Finance Limited
Notes to the financial statements
as at 31 January 2009

7 Debtors

	2009	2008
	£'000	£'000
Amounts due from group undertakings	<u>38,203</u>	<u>37,155</u>
	<u>38,203</u>	<u>37,155</u>

Amounts due from group undertakings are unsecured, accruing interest at a floating rate which at the year end was 5.84% and have no fixed date of repayment.

8 Creditors

	2009	2008
	£'000	£'000
Amounts falling due within one year		
Corporation tax	217	397
Dividends payable	<u>2</u>	<u>2</u>
	<u>219</u>	<u>399</u>

Amounts falling due in more than one year

B ordinary shares (note 9)	20	20
Redeemable preference shares (note 9)	<u>20</u>	<u>20</u>
	<u>40</u>	<u>40</u>

Budle Finance Limited
Notes to the financial statements
as at 31 January 2009

9 Share capital

	2009	2008
	£'000	£'000
Authorised:		
50,000 A ordinary shares of £1 each	50	50
50,000 B ordinary shares of £1 each	50	50
50,000 redeemable preference shares of £1 each	50	50
	<u>150</u>	<u>150</u>
Allotted and fully paid:		
20,070 A ordinary shares of £1 each	20	20
19,996 B ordinary shares of £1 each	20	20
20,000 redeemable preference shares of £1 each	20	20
	<u>60</u>	<u>60</u>
Ordinary shares classified as equity	20	20
Ordinary shares classified as debt	20	20
Redeemable preference shares classified as debt	20	20
	<u>60</u>	<u>60</u>

The Preference Shares are redeemable by the Company at any time after 1 April 2005. The holders of Preference Shares shall be entitled, in priority to the holders of any other class of share in the Company's share capital, to a non-cumulative preferential dividend (the Preference Dividend) at the rate per annum of LIBOR on the nominal amount for the time being paid up (or credited as paid up) on each Preference Share held by them respectively. They are also entitled, in priority to the holders of any other class of share in the Company's share capital, to repayment of paid up preference share capital in the event of the Company winding up or returning its share capital to shareholders.

The holders of B Ordinary Shares shall be entitled, following payment of the Preference Dividend, to receive out of any remaining distribution available, in priority to any dividend paid to the holders of the A Ordinary Shares, a non-cumulative Preferential Dividend at the rate per annum of LIBOR on the nominal amount for the time being paid up on each B Ordinary Share held by them respectively; and a total of 0.01 per cent of the distribution available (if any) following payment of the Preference Dividend and the B Share Preference Dividend with such B Share Dividend to be apportioned pro rata among the holders of the B Ordinary Shares for each B Ordinary Share held by them respectively and to rank pari passu with the holders of A Ordinary Shares' entitlement to the A Share Dividend. They are also entitled on a winding up or other return of capital to shareholders, of an amount paid up on each B Ordinary Share, ranking pari passu with the holders of A Ordinary Shares entitlement, and, 0.01 per cent of any surplus remaining, with such amount to be apportioned pro rata among the holders of B Ordinary Shares for each B Ordinary Share held by them respectively.

Budle Finance Limited
Notes to the financial statements
as at 31 January 2009

10 Profit and loss reserve

	2009	2008
	£'000	£'000
At start of year	4,636	3,118
Profit for the financial year	<u>1,228</u>	<u>1,518</u>
At end of year	<u>5,864</u>	<u>4,636</u>

11 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Profit for the financial year	<u>1,228</u>	<u>1,518</u>
Net increase in shareholders' funds	<u>1,228</u>	<u>1,518</u>
Opening shareholders' funds	<u>36,716</u>	<u>35,198</u>
Closing shareholders' funds	<u>37,944</u>	<u>36,716</u>

12 Ultimate holding company

The immediate parent company is Halcyon Finance 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.