

# **Kingfisher International Products Limited**

**Annual Report and Financial Statements**

**for the year ended 31 January 2022**

**Registered number: 09861549**



# Kingfisher International Products Limited

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# Kingfisher International Products Limited

## Company directory

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### Registered address

3 Sheldon Square

Paddington

London

W2 6PX

United Kingdom

### Board of Directors

H Solère

J Smith

C Barry

### Company Auditor

Deloitte LLP

Statutory Auditor

Reading

United Kingdom

# Kingfisher International Products Limited

## Strategic report

For the year ended 31 January 2022

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The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### Principal Activities

Kingfisher International Products Limited (the "Company") operates as an offer and procurement company on behalf of the Kingfisher plc group of companies (the "Group"). The Company also holds Intellectual Property Rights relating to Kingfisher Group brands.

### Business Review

The profit for the year ended 31 January 2022, after taxation, amounted to £37,838k (2021: £90,855k). The profit for the year has reduced following completion of a fundamental reorganisation of the Group's commercial operating model as part of the "Powered by Kingfisher strategy", with the Company focussing on driving OEB sales growth for the Kingfisher Group.

Net Assets at year end were £237,043k (2021: £197,983k). This is predominantly composed of intangible assets of £6,955k (2021: £3,460k), net amounts owed by Group undertakings for £249,973k (2021: £229,226k) and net outstanding amounts owed to third parties of £24,765k (2021: £23,952k).

### Principal risks and uncertainties

The Company is a wholly-owned subsidiary of 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 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 42 to 48 of the Kingfisher plc 2021/22 Annual Report and Accounts.

### Financial risk management

The Company operates as an offer and procurement 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 Group Treasury, which has in place a Board approved treasury policy and a risk management programme that ensures the impact of such risks are minimised. Further information on the Group's financial risk management policies can be found in note 25 of the Kingfisher plc 2021/22 Annual Report and Accounts.

### Key performance indicators

The Directors of the Company manage the Company's operations on a Group basis and so the Directors of the Company believe that analysis using key performance indicators (KPIs) for the Company, other than the above as Profit Before Taxation and Net Assets disclosed as KPIs above, is not necessary for an understanding of the development, performance or position of the business of the Company. The Group's development, performance and position is discussed in the Kingfisher plc Annual Report and Accounts which does not form part of this report.

# Kingfisher International Products Limited

## Strategic report (continued)

For the year ended 31 January 2022

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### S.172(1) and stakeholder engagement statement

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172 (s172) of the Companies Act 2006 (the 'Act').

#### Investors

When making decisions, the Directors have regard to the interests of stakeholders relevant to the Company. As well as the likely consequences of any decision in the long term, the desirability of the Company maintaining a reputation for high standards of business conduct, and employee interests where appropriate. They also fulfil their responsibilities through Kingfisher's highly developed framework, which includes but is not limited to Kingfisher plc Group policies, business principles and the Kingfisher Code of Conduct. The Directors acknowledge that every decision they make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision, values together with its strategic priorities and having a process in place for decision-making, they do, however, aim to make sure that their decisions are consistent and predictable.

#### National and international external regulators of product safety

As is normal for large companies and particularly those that are part of a wider Group of entities, such as Kingfisher International Products Limited, the day-to-day management of the Company is delegated to executives who, in turn, engage management in setting, approving, and overseeing execution of the business strategy and related policies. The Board of Kingfisher International Products Limited reviews financial and operational performance progress against key sustainability and CSR performance indicators, product safety and performance metrics, key HR metrics and legal and regulatory compliance. We also review other areas over the course of the financial year including the reporting from the Company's Compliance and Ethics Committee and its Internal Audit director. This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The purpose of Kingfisher International Products Limited is to provide sourcing and other services (such as group supply and logistics, ranging, product design, quality and sustainability, brand, communications, content and merchandising, master data, planning & trading, human resources and finance and legal services) to our retail banners within the Kingfisher Group of companies. As well as its affiliates in the wider Kingfisher Group in which it operates, the Company's key stakeholders include our customers, colleagues, suppliers, regulators & governments, and national and international external regulators of product safety. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Kingfisher Group means that generally our stakeholder engagement best takes place at an operational or Group level.

#### Regulators & governments

We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social, and other issues than by working as an individual company. Please see pages 63-67 of the 2021-22 Kingfisher plc Annual Report and Accounts for details of operational and Group-level stakeholder engagement with the Company's stakeholders as well as those of the Kingfisher Group regarding issues to which the Directors must have regard.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk, ESG matters and the outcomes of specific pieces of engagement (for example, the results of customer and supplier surveys and focus groups). As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of our stakeholders' concerns and to comply with our s172 duty to promote success of the Company for the benefit of its members as a whole.

# Kingfisher International Products Limited

## Strategic report (continued)

For the year ended 31 January 2022

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### S.172(1) and stakeholder engagement statement (continued)

Set out below are some specific examples of the Board's approach to stakeholder engagement and how that engagement has influenced the Directors of Kingfisher International Products Limited's decisions during the year.

#### Colleagues

Our colleagues continue to remain apprised of pertinent developments in relation to the Company's commercial operating model, remote-working policy, wellness campaigns and inclusive Company commitments via a mix of communication channels and management updates. This has included virtual Team live events, e-newsletter updates, vlogs, and posts on the Company's SharePoint intranet. Mandatory training has also continued to be rolled out to all employees via improved materials and learning examples.

#### Suppliers

The Company continues to regularly evaluate and improve its interactions with suppliers and during the period, organised an Own Exclusive Brand vendor survey in order to better understand areas requiring development and improvement. Improvement action plans were subsequently put in place across the Company's sourcing markets to address areas requiring additional focus.

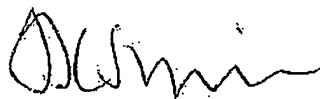
#### Customers

Customer safety and satisfaction are pivotal to the success of our business. The needs, behaviours and feedback of our customers are collected, assessed, and used to develop our long-term strategy and to help us better understand our customers' requirements. We continue to transform our product ranges to make greener, healthier homes accessible to everyone; and remain committed to supporting the Group's Responsible Business priorities in respect of reducing carbon emissions and becoming Forest Positive by 2025.

#### Future developments

The Company will continue to develop and expand its franchising operation, with the opening of B&Q-franchised stores in Saudi Arabia and expanding into further territories in the Middle East and potentially beyond.

Approved by the Board and signed on its behalf by:



J Smith

Director

3 October 2022

# Kingfisher International Products Limited

## Directors' report and responsibility statement

**For the year ended 31 January 2022**

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The Directors present their annual report and audited financial statements of the Company for the year ended 31 January 2022.

### Principal activities and review of the business

During the year, the Company acted as a procurement company within the Kingfisher plc group (the "Group"). The Directors currently envisage the Company will continue these operations going forwards and will continue to support Kingfisher plc's strategic plans.

Future developments and Financial Risk Management are discussed in the Strategic report on pages 2 to 4.

### Results and Dividends

The profit for the 12 months to 31 January 2022, after taxation, amounted to £37,838k (2021: £90,855k). The decrease in profit for the year was primarily due to the implementation of the Group commercial operating model.

The Directors do not recommend the payment of a final dividend for the year (2021: nil). There were no interim dividends in the year (2021: nil).

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Employee consultation

The Company operates a policy of direct and systematic communication on all relevant matters including the Company's business performance and current market issues with employees via several channels of communication, including engagement surveys, briefing groups, employee forums and internal newsletters. Senior management hold quarterly briefing sessions with employees where the financial results of both the Company and Kingfisher plc are discussed, along with the economic factors that may impact the performance of the Company and the Group.

In addition, Kingfisher plc's intranet systems are used to communicate results announcements for the Group and to distribute information about other important business developments.

All employees are entitled to participate in a savings related share option scheme operated by Kingfisher plc, the parent undertaking, regardless of number of hours worked, provided they meet certain service conditions.

### Engagement with suppliers, customers and other stakeholders

For details on how the Company engages with its suppliers, customers and other stakeholders, please refer to the S.172(1) and stakeholder engagement statement on pages 3 to 4.

# Kingfisher International Products Limited

## Directors' report and responsibility statement (continued)

For the year ended 31 January 2022

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### Directors

The Directors, who served during the year and up to the date of signing, were as follows:

J Smith

H Solère

M Lee (resigned 31 May 2022)

C Barry (appointed 01 December 2021)

P Moore (appointed 01 June 2021) (resigned 01 December 2021)

E Nebol (appointed 01 March 2021) (resigned 01 June 2021)

### Company Secretaries

The Company secretaries of the Company, who served during the year, together with their dates of appointment and resignation, where appropriate, are as shown below:

P Moore (resigned 01 June 2021)

A Lawrence (resigned 26 February 2021)

### Going Concern

The Directors of Kingfisher International Products Limited, having made appropriate enquiries and based on the Company's liquidity position and cash flow projections, including a forward looking remote scenario, the Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 January 2022 (note 1b).

### Auditor

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 re-appointed as auditor in the absence of an Annual General Meeting.

### 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 they ought to have taken as a Director in order to make themselves 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 provision of S418 of the Companies Act 2006.

# Kingfisher International Products Limited

## Directors' report and responsibility statement (continued)

For the year ended 31 January 2022

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### 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), 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 year.

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 UK 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Subsequent events

There were no events after the reporting period which required adjustment or disclosure in these financial statements.

Approved by the Board and signed on its behalf by:



J Smith

Director

3 October 2022

# Kingfisher International Products Limited

## Independent auditor's report to the members of Kingfisher International Products Limited

For the year ended 31 January 2022

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### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Kingfisher International Products Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 January 2022 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 which comprise:

- the income statement;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 24.

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" (United Kingdom Generally Accepted Accounting Practice).

#### 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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

# Kingfisher International Products Limited

## Independent auditor's report to the members of Kingfisher International Products Limited

For the year ended 31 January 2022

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### Other information (continued)

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 course of 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 this gives rise to material misstatement in the financial statements themselves. 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 this regard.

### 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

# Kingfisher International Products Limited

## Independent auditor's report to the members of Kingfisher International Products Limited

For the year ended 31 January 2022

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### Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures to address it are described below:

- Intercompany Revenue: there is a presumed risk over the validity of the intercompany revenue recognised, and by proxy the accuracy and completeness of intercompany revenue.

- We assessed the design and implementation of key controls relating to the validity of intercompany revenue.
- We performed a consideration of the business rationale of the recharges to intercompany entities, in order to test the validity of the internal revenue.
- We performed a test of details of individual invoices raised to Intercompany entities for recharges.
- We performed a reconciliation of intercompany balances by reviewing intercompany mismatch report.
- We performed a review of journals to ensure that all months have a relevant journal to be recognised and that they were in line with expectation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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.

# Kingfisher International Products Limited

## Independent auditor's report to the members of Kingfisher International Products Limited

For the year ended 31 January 2022

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### 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

### 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.

C. Siviter

Claire Siviter FCA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

3 October 2022

# Kingfisher International Products Limited

## Income Statement

For the year ended 31 January 2022

£'000	Notes	31 Jan 2022			31 Jan 2021		
		Before adjusting items	Adjusting items (note 4)	Total	Before adjusting items	Adjusting items (note 4)	Total
Revenue	3	280,109	-	280,109	367,175	-	367,175
Cost of sales		(9,953)	-	(9,953)	(360)	-	(360)
Gross profit		270,156	-	270,156	366,815	-	366,815
Administrative expenses		(222,269)	229	(222,040)	(250,042)	(2,974)	(253,017)
Operating profit		47,887	229	48,116	116,772	(2,974)	113,798
Finance costs		(142)	-	(142)	(158)	-	(158)
Profit before taxation	5	47,745	229	47,974	116,614	(2,974)	113,640
Income tax (charge) / credit	7	(10,093)	(43)	(10,136)	(23,350)	565	(22,785)
Profit for the year		37,652	186	37,838	93,264	(2,409)	90,855

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

# Kingfisher International Products Limited

## Statement of changes in equity

For the year ended 31 January 2022

£'000	Attributable to equity shareholders of the Company			
	Share capital	Retained earnings / (losses)	Cash flow hedge reserve	Total
<b>At 1st February 2021</b>	<b>200,000</b>	<b>(2,013)</b>	<b>(4)</b>	<b>197,983</b>
Total comprehensive profit for the year	-	37,838	-	37,838
Share-based compensation	-	968	-	968
Deferred tax on share-based compensation	-	164	-	164
Cash flow hedge reserve	-	-	110	110
Deferred tax on cash flow hedge reserve	-	-	(20)	(20)
<b>At 31 January 2022</b>	<b>200,000</b>	<b>36,957</b>	<b>86</b>	<b>237,043</b>

£'000	Share capital	Retained loss	Cash flow hedge reserve	Total
<b>At 1st February 2020</b>	<b>200,000</b>	<b>(92,762)</b>	<b>-</b>	<b>107,238</b>
Total comprehensive profit for the year	-	90,855	-	90,855
Share-based compensation	-	(169)	-	(169)
Deferred tax on share-based compensation	-	63	-	63
Cash flow hedge reserve	-	-	(5)	(5)
Deferred tax on cash flow hedge reserve	-	-	1	1
<b>At 31 January 2021</b>	<b>200,000</b>	<b>(2,013)</b>	<b>(4)</b>	<b>197,983</b>

# Kingfisher International Products Limited

## Balance sheet

As at 31 January 2022

£'000	Notes	31 Jan 2022	31 Jan 2021
<b>Non-current assets</b>			
Intangible assets	10	6,955	3,460
Property, plant and equipment	11	60	-
Rights of use assets	12	1,230	1,712
Deferred tax asset	8	1,363	1,219
<b>Total non-current assets</b>		<b>9,608</b>	<b>6,391</b>
<b>Current assets</b>			
Inventories	13	4,166	-
Trade and other receivables	14	322,423	292,185
Derivative assets	17	143	-
Cash and cash equivalents		3,790	3
<b>Total current assets</b>		<b>330,522</b>	<b>292,188</b>
<b>Total assets</b>		<b>340,130</b>	<b>298,579</b>
<b>Current liabilities</b>			
Trade and other payables	15	(99,604)	(89,773)
Derivative liabilities	17	(37)	(6)
Current tax liabilities		(1,201)	(7,469)
Lease liabilities	16	(257)	(463)
Provisions	18	(821)	(1,430)
<b>Total current liabilities</b>		<b>(101,920)</b>	<b>(99,141)</b>
<b>Non-current liabilities</b>			
Lease liabilities	16	(1,167)	(1,455)
<b>Total non-current liabilities</b>		<b>(1,167)</b>	<b>(1,455)</b>
<b>Total liabilities</b>		<b>(103,087)</b>	<b>(100,596)</b>
<b>Total net current assets</b>		<b>228,602</b>	<b>193,047</b>
<b>Net assets</b>		<b>237,043</b>	<b>197,983</b>
<b>Equity</b>			
Share capital	19	200,000	200,000
Retained earnings / (losses)		36,957	(2,013)
Cash flow hedge reserve		86	(4)
<b>Total equity</b>		<b>237,043</b>	<b>197,983</b>

The financial statements of Kingfisher International Products Limited (Registered Number 09861549) were approved by the Board of Directors on 3 October 2022 and signed on its behalf by:



J Smith  
Director

# Kingfisher International Products Limited

## Notes to the financial statements

For the year ended 31 January 2022

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### 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

Kingfisher International Products Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 5.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 '*Reduced Disclosure Framework*' (FRS 101) as issued by the FRC as applied in accordance with the provisions of the Companies Act 2006.

The current financial year is the year ended 31 January 2022 (the "year"). 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 presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

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, the impact of new accounting standards not yet effective, financial instruments, capital management, share-based payments and related party transactions. Where required, equivalent disclosures are given in the consolidated accounts of Kingfisher plc. The consolidated accounts of Kingfisher plc are publicly available and can be obtained from the Company Secretary, 3 Sheldon Square, Paddington, W2 6PX.

#### b. Going Concern

The Directors of Kingfisher International Products Limited consider that adequate resources exist for the Company to continue in operational existence along with having strength of the balance sheet in terms of having a strong net asset position and that, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 January 2022. Furthermore, the Directors have concluded that there is not a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern.

#### c. Revenue

Revenue is recognised by the Company for services provided to the rest of the Group, relating to both procurement activities and the collection of service fees, and the management of intellectual property rights. Amounts are stated net of value added taxes where applicable. Sourcing fees are recognised when the sourcing service is provided. Brand royalties are recognised as per volumes sold or on a fixed fee basis where applicable.

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

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Revenue is also recognised by the Company for the sale of goods to our franchise partner in other territories or other Kingfisher Group Companies. The associated product sales and cost of goods is recognised at the point the ownership of the goods is passed onto our partners or Kingfisher Group Company.

Amounts are stated net of value added taxes where applicable.

### d. Taxation

The income tax charge represents the sum of the tax currently payable. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax has been recognised where required.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences or unused tax losses can be utilised. Deferred tax assets and liabilities are not generally recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

### e. Foreign Exchange Transactions

Transactions denominated in foreign currencies are translated into the functional currency GBP at the exchange rates 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 are translated into pounds at the rates of exchange at the balance sheet date. Exchange differences on monetary items are taken to the income statement.

### f. Intercompany debtors and creditors

Amounts due to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Amounts due by Group undertakings are unsecured, an interest applied, have no fixed date of repayment and are repayable on demand.

### g. Property, plant and equipment

#### (i) Cost

Property, plant and equipment held for use in the business are carried at cost less accumulated depreciation and any provisions for impairment.

#### (ii) Depreciation

Depreciation is provided to reflect a straight-line reduction from cost to estimated residual value over the estimated useful life of the asset as follows

Fixtures and fittings	-	between 4 and 20 years
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# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

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### (iii) Impairment

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future pre-tax cash flows ('value-in-use') of the relevant cash generating unit or fair value less costs to sell if higher. The discount rate applied is based upon the Company's weighted average cost of capital with appropriate adjustments for the risks associated with the relevant cash generating unit. Any impairment in value is charged to the income statement in the period in which it occurs.

### h. Intangible assets

Intangible assets are carried in the balance sheet at cost less accumulated amortisation and any provisions for impairment. Amortisation is provided to reflect a straight-line reduction from cost to estimated residual value over the estimated useful life of the asset. The useful economic life of the intangible assets has been assessed over the estimated useful life of the asset as follows

Brands	5 years from acquisition date.
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Intangible assets are reviewed for impairment if events or changes in circumstances indicate that their carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash generating unit is determined as the higher of fair value less costs to sell and value-in-use, calculated on the basis of management's assumptions and estimates.

### i. Pensions

For defined contribution plans, the Company pays contributions to privately administered pension plans on a contractual basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

### j. Leased assets

#### Lessee accounting

The Company assesses whether a contract is or contains a lease at inception of the contract. Typically, lease contracts relate to properties such as distribution centres, and equipment leases such as vehicles. For leases in which the Company is a lessee, the Company recognises a right-of-use asset and a lease liability.

The liability is initially measured as the present value of the lease payments not yet paid at the commencement date, discounted at an appropriate discount rate. Where the implicit rate in the lease is not readily determinable, an incremental borrowing rate is calculated and applied. The calculation methodology is based upon applying a financing spread to a risk-free rate, with the resulting rate including the effect of the credit worthiness of the Company, as well as the underlying term, currency and start date of the lease agreement.

Lease payments used in the measurement of the lease liability principally comprise fixed lease payments (subject to indexation/rent reviews) less any incentives. The lease liability is subsequently measured using an effective interest method whereby the carrying amount of the lease liability is measured on an amortised cost basis, and the interest expense is allocated over the lease term. The lease term comprises the non-cancellable lease term, in addition to optional periods when the Company is reasonably certain to exercise an option to extend (or not to terminate) a lease.

The Company remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever an event occurs that changes the term or payment profile of a lease, such as the renewal of an existing lease, the exercise of lease term options, market rent reviews and indexation.

The right-of-use assets are initially measured at the amount equal to the lease liability, adjusted by any upfront lease payments or incentives and any initial direct costs incurred. Subsequently, the assets are measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a straight-line basis over the remaining lease term.

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

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### k. Inventories

Inventories are carried at the lower of cost and net realisable value, on a weighted average cost basis.

Trade discounts and rebates received are deducted in determining the cost of purchase of inventories. Cost includes appropriate attributable overheads and direct expenditure incurred in the normal course of business in bringing goods to their present location and condition. Costs of inventories include the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Write downs to net realisable value are made for slow moving, display, damaged or obsolete items and other events or conditions resulting in expected selling prices being lower than cost. The carrying value of inventories reflects known and expected losses of product in the ordinary course of business.

### l. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### m. 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 financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Company has substantially transferred the risks and rewards of ownership. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and liabilities are offset only when the Group has a currently enforceable legal right to set-off the respective recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### (i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks.

#### (ii) Trade and other receivables

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost less any provision for bad and doubtful debts.

#### (iii) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost.

#### (iv) Derivatives and hedge accounting

Where hedge accounting is not applied, or to the extent to which it is not effective, changes in the fair value of derivatives are recognised in the income statement as they arise. Changes in the fair value of derivatives transacted as hedges of operating items and financing items are recognised in operating profit and net finance costs respectively.

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

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Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently carried at fair value. The accounting treatment of derivatives and other financial instruments classified as hedges depends on their designation, which occurs at the start of the hedge relationship. The Company designates a financial instrument as:

- a hedge of a highly probable forecast transaction or firm commitment ('cash flow hedge');

### Cash flow hedges

Changes in the effective portion of the fair value of derivatives that are designated as hedges of future cash flows are recognised directly in other comprehensive income, with any ineffective portion being recognised immediately in the income statement where relevant. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time it is recognised, the associated gains or losses on the derivative that had previously been deferred in equity are included in the initial measurement of the non-financial asset or liability. For hedges that result in the recognition of a financial asset or liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

### n. Adjusting items

The separate reporting of adjusting items, which are presented as adjusting within their relevant income statement category, include items which by virtue of their size and/or nature, do not reflect the Company's ongoing trading performance. The principal items which are included as adjusting items are the costs of significant restructuring.

## 2 Critical accounting estimates and judgements

The preparation of the financial statements under FRS101 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 Directors do not consider that any of the critical accounting estimates made within these financial statements are significant.

### Critical accounting judgements

#### Adjusting items

The Company separately reports adjusting items in order to calculate adjusted results, as it believes these adjusted measures provide additional useful information on continuing performance and trends to shareholders.

Judgement is required in determining whether an item should be classified as an adjusting item or included within adjusted results.

The Company's definition of adjusting items is outlined in note 1(n). During the year the Company has recorded, before taxation, adjusting items of £229,000 (2021: (£2,974,000)). Refer to note 4 for further information on adjusting items.

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 3 Revenue

The following items of revenue have been credited in arriving at profit before taxation:

£'000	31 Jan 2022	31 Jan 2021
Brand royalties	103,568	108,180
Sourcing activity	165,110	258,551
Franchising	7,042	444
Sales of product to other Group Companies	4,389	-
<b>Revenue</b>	<b>280,109</b>	<b>367,175</b>

### Segmental analysis

An analysis of the Company's revenue by geographical market is set out below.

£'000		UK and Ireland	France	Other International		Total
				Poland	Other	
<b>Revenue</b>	31 Jan 2022	<b>127,961</b>	<b>104,580</b>	<b>28,861</b>	<b>18,707</b>	<b>280,109</b>
	31 Jan 2021	<b>159,411</b>	<b>133,934</b>	<b>50,390</b>	<b>23,440</b>	<b>367,175</b>

The operating segments disclosed above are based on the information reported internally, representing the geographical areas in which the Company's related parties operate. There is only one business segment which is being a procurement company within the Group. The 'Other' category consists of Spain, Portugal, Romania, UAE and KSA.

### 4 Adjusting items

£'000	31 Jan 2022	31 Jan 2021
<b>Included within administrative expenses</b>		
Commercial operating model restructuring	229	(2,974)
<b>Adjusting items before tax</b>	<b>229</b>	<b>(2,974)</b>
Tax on adjusting items	(43)	565
<b>Adjusting items</b>	<b>186</b>	<b>(2,409)</b>

In September 2020, the Company commenced formal consultation with employee representatives regarding its proposal to implement a new commercial operating model. A credit of £186k (2021: charge of £2,409k) has been recognised in the current year due to cost savings as compared with the original restructuring provision recognised as adjusting items.

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 5 Profit before taxation

The following items of expense/(income) have been charged / (credited) in arriving at profit before taxation:

£'000	31 Jan 2022	31 Jan 2021
Amortisation of other intangible assets <sup>(1)</sup>	4,995	4,195
Depreciation of rights of use assets	434	450
Profit on disposal	-	(14)
- Fixtures, fittings and equipment	-	(14)
Foreign exchange losses	2,172	1,069
Audit fee payable for the audit of the financial statements	22	21

(1) The amortisation of intangible assets charge of £4,995k (2021: £4,195k) is included in administrative expenses.

### 6 Employees and Directors

£'000	31 Jan 2022	31 Jan 2021
Wages and salaries	35,733	45,743
Social security costs	4,916	4,170
Post-employment benefits		
- Defined contribution	2,837	3,712
Share-based payments expense	2,962	1,659
<b>Employee benefit expenses</b>	<b>46,448</b>	<b>55,284</b>

Number	31 Jan 2022	31 Jan 2021
Administration	437	560
<b>Average monthly number of persons employed (including Directors)</b>	<b>437</b>	<b>560</b>

#### Directors' emoluments

£'000	31 Jan 2022	31 Jan 2021
<b>Directors' remuneration</b>	<b>1,765</b>	<b>2,005</b>

#### The number of Directors who :

	31 Jan 2022	31 Jan 2021
Are members of a defined contribution scheme	2	3
Exercised options during the year	2	4
Had awards receivable in the form of shares under long-term incentive scheme	2	3

#### Remuneration of the highest paid Director :

£'000	31 Jan 2022	31 Jan 2021
<b>Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes</b>	<b>768</b>	<b>593</b>

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 7 Income tax

£'000	31 Jan 2022	31 Jan 2021
<b>UK corporation tax</b>		
Current tax on profit for the year	(9,028)	(21,561)
Adjustments in respect of prior years	(340)	(254)
	<b>(9,368)</b>	<b>(21,815)</b>
<b>Overseas tax</b>		
Current tax on profits for the year	(768)	(700)
	<b>(768)</b>	<b>(700)</b>
<b>Deferred tax</b>		
Current year	(421)	(264)
Effect of change in tax rate charge	15	126
Adjustment in respect of prior years	406	(132)
	<b>0</b>	<b>(270)</b>
<b>Income tax charge</b>	<b>(10,136)</b>	<b>(22,785)</b>

#### Factors affecting tax charge for the year

The Company's profits for this accounting period are taxed at a rate of 19% (2020/21: 19%).

The UK corporation tax rate was legislated to increase from 19% to 25% from 1 April 2023 and its effect is reflected in these financial statements. However on 23 September 2022, the Chancellor of the Exchequer announced that the planned tax rate change to 25% would no longer be implemented and that the main rate would remain at 19%. As this rate change had not been substantially enacted at the balance sheet date, the impact is not included in these financial statements. If the change had been substantively enacted, the effect would be to decrease the net deferred tax asset by £9k.

£'000	31 Jan 2022	31 Jan 2021
Profit before taxation	47,974	113,640
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020/21: 19%)	(9,115)	(21,591)
Net expenses not deductible for tax purposes	(1,096)	(934)
Adjustments in respect of prior years	66	(386)
Adjustments in respect of changes in tax rates	9	126
<b>Income tax charge</b>	<b>(10,136)</b>	<b>(22,785)</b>

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 8 Deferred tax

£'000	31 Jan 2022	31 Jan 2021
Deferred tax asset	1,363	1,219
	<b>1,363</b>	<b>1,219</b>

£'000	Total	Total
At 1st February	1,219	1,425
(Debit) / Credit to income statement	-	(270)
Credit to statement of changes in equity	144	64
At 31 January	<b>1,363</b>	<b>1,219</b>

### 9 Dividends

The Directors do not recommend the payment of a final dividend for the year (2021: nil). There were no interim dividends in the year (2021: nil).

### 10 Intangible assets

£'000	Brands	Total
<b>Cost</b>		
At 1 February 2021	19,917	19,917
Additions	8,490	8,490
At 31 January 2022	<b>28,407</b>	<b>28,407</b>
<b>Amortisation</b>		
At 1 February 2021	(16,457)	(16,457)
Charge for the year	(4,995)	(4,995)
At 31 January 2022	<b>(21,452)</b>	<b>(21,452)</b>
<b>Net carrying amount</b>		
At 31 January 2022	<b>6,955</b>	<b>6,955</b>
At 31 January 2021	<b>3,460</b>	<b>3,460</b>

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 11 Property, plant and equipment

£'000	Cars	Fixtures, fittings and equipment	Total
<b>Cost</b>			
At 1 February 2021	33	-	33
Additions	-	60	60
Disposals	(33)	-	(33)
At 31 January 2022	-	60	60
<b>Accumulated Depreciation</b>			
At 1 February 2021	(33)	-	(33)
Disposals	33	-	33
At 31 January 2022	-	-	-
<b>Net carrying amount</b>			
At 31 January 2022	-	60	60
At 31 January 2021	-	-	-

### 12 Rights of use assets

£'000	Property	Equipment	Total
<b>Cost</b>			
At 1 February 2021	2,147	404	2,551
Disposals	-	(48)	(48)
At 31 January 2022	2,147	356	2,503
<b>Accumulated Depreciation</b>			
At 1 February 2021	(646)	(193)	(839)
Charge for the year	(370)	(64)	(434)
At 31 January 2022	(1,016)	(257)	(1,273)
<b>Net carrying amount</b>			
At 31 January 2022	1,131	99	1,230
At 31 January 2021	1,501	211	1,712

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 13 Inventories

£'000	31 Jan 2022	31 Jan 2021
Finished goods for resale	4,166	-

There is no material difference between the balance sheet value of inventories and their replacement cost. The cost of inventories recognised as an expense and included in cost of sales for the year ended 31 January 2022 is £9,951k (2021: nil).

### 14 Trade and other receivables

£'000	31 Jan 2022	31 Jan 2021
<b>Current</b>		
Trade receivables	2,407	625
Amounts owed by Group undertakings	320,016	291,560
<b>Trade and other receivables</b>	<b>322,423</b>	<b>292,185</b>

Interest is received on the intercompany balance at a rate of 2.70% (2021: 0.13%) for GBP balances of £232,006k (2021: £191,975k) and 0.88% (2021: 0.39%) for EUR balances of €16,598k (2021: €24,118k).

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

### 15 Trade and other payables

£'000	31 Jan 2022	31 Jan 2021
<b>Current</b>		
Amounts owed to Group undertakings	70,043	62,334
Other taxation and social security	2,389	2,862
Other payables	27,172	24,577
<b>Trade and other payables</b>	<b>99,604</b>	<b>89,773</b>

There is no interest paid on the intercompany balance. Amounts due to Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 16 Lease liabilities

£'000	31 Jan 2022	31 Jan 2021
<b>Current</b>		
Finance leases	257	463
	<b>257</b>	<b>463</b>
<b>Non-current</b>		
Finance leases	1,167	1,455
	<b>1,167</b>	<b>1,455</b>

Future minimum lease payments under finance leases are as follows:

£'000	31 Jan 2022	31 Jan 2021
Less than one year	257	463
One to five years	1,167	1,393
More than five years	-	62
	<b>1,424</b>	<b>1,918</b>

### 17 Derivatives

£'000	31 Jan 2022	31 Jan 2021
Foreign exchange contracts	143	-
<b>Derivative assets</b>	<b>143</b>	<b>-</b>
Foreign exchange contracts	(37)	(6)
<b>Derivative liabilities</b>	<b>(37)</b>	<b>(6)</b>

The fair values are calculated by discounting future cash flows arising from the instruments and adjusted for credit risk. These fair value measurements are all made using observable market rates of interest, foreign exchange and credit risk.

Forward foreign exchange contracts hedge currency exposures of forecast inventory purchases. At 31 January 2022 the amount of such contracts is £11,721k (2021: £1,638k). The associated fair value gains and losses will be transferred to inventories when the purchases occur during the next 12 months.

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

### 18 Provisions

£'000	Restructuring	Total
At 1 February 2021	(1,430)	(1,430)
Release to income statement	229	229
Utilised in the year	380	380
At 31 January 2022	(821)	(821)

£'000	Restructuring	Total
At 1 February 2020	-	-
Charge to income statement	(2,974)	(2,974)
Utilised in the year	1,544	1,544
At 31 January 2021	(1,430)	(1,430)

In September 2020, the Company commenced formal consultation with employee representatives regarding its proposal to implement a new commercial operating model. A credit of £186k (2021: charge of £2,409k) has been recognised in the current year due to cost savings as compared with the original restructuring provision recognised as adjusting items.

### 19 Share capital

£'000	Number of ordinary shares	Ordinary share capital
At 1 February 2021	200,000	200,000
At 31 January 2022	200,000	200,000

As at 31 January 2022, 200,000,001 ordinary shares have been issued at £1 each. The shares have attached to them full voting, dividend and capital distribution rights.

There were no changes in share capital during the year.

### 20 Post-employment benefits

The Company participates in a funded defined contribution scheme:

#### Defined contribution schemes

Pension costs for the defined contribution scheme, at rates specified in the scheme's rules, are as follows

£'000	31 Jan 2022	31 Jan 2021
Charge to operating profit	2,837	3,712

# Kingfisher International Products Limited

## Notes to the financial statements (continued)

For the year ended 31 January 2022

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### 21 Share based payments

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The Company participates in a number of share incentive plans including the Kingfisher Alignment Share and Transformation Incentive Plan ('KASTIP'), Kingfisher Incentive Share Plan ('KISP'), Long Term Incentive Plan ('LTIP') UK Sharesave plans, and the '1+1' all-colleague share plan.

The KASTIP is granted based on a three-year service condition. Under the KISP, share awards are deferred for three years. The awards were granted as nil cost options. Vesting dates may vary according to individual grants.

LTIP was granted annually based on performance over a three-year period. Performance conditions were based on 50% EPS and 50% Kingfisher Economic Profit ('KEP'). The awards were granted as nil cost options, and only accrue dividends after they vest. Vesting dates varied according to individual grants.

Under the UK Sharesave scheme, eligible UK employees have been invited to enter into HMRC-approved savings contracts for a period of three or five years, whereby shares may be acquired with savings under the contract. The option price is the average market price over three days shortly before the invitation to subscribe, discounted by 20%. Options are exercisable within a six-month period from the conclusion of a three- or five-year period.

The '1+1' share plan provided all our colleagues with the opportunity to purchase shares up to a specified maximum total contribution. Following a holding period of one year, Kingfisher matches each participant's investment (awarding one free share for every share bought) up to the specified maximum.

The rules of all schemes include provision for the early exercise of options in certain circumstances.

The rights for each of the instruments is granted by the ultimate parent company, Kingfisher plc, and settled by shares in Kingfisher plc. On vesting of the individual arrangements, the employee obligation is settled by Kingfisher plc and the Company is recharged the fair value of the award.

Options have been exercised on a regular basis throughout the year. On that basis, the weighted average share price during the year, rather than at the date of exercise, is £3.38 (2020/21: £2.36). The options outstanding at the end of the year have exercise prices ranging from nil to £3.06 and a weighted average remaining contractual life of 6.6 years (2020/21: 6.4 years).

In the current year the Company recognised a total expense of £2,962k (2020/21: £1,659k) relating to equity-settled share-based payment transactions.

### 22 Ultimate holding company

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The Company's ultimate parent company is Kingfisher plc, 3 Sheldon Square, London W2 6PX, 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 Accounts for Kingfisher plc can be obtained from [www.kingfisher.com](http://www.kingfisher.com).

The Company's immediate parent company is Sheldon Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. The registered address of Sheldon Holdings Limited is 3 Sheldon Square, Paddington, London W2 6PX.

# **Kingfisher International Products Limited**

## **Notes to the financial statements (continued)**

**For the year ended 31 January 2022**

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### **23 Post balance sheet events**

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There were no events after the reporting period which required adjustment or disclosure in these financial statements.

### **24 Related party transactions**

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The Company has taken advantage of the exemptions available under FRS 101 not to disclose transactions with wholly-owned members of the Group headed by Kingfisher plc.