

CHECKBURY LIMITED

Directors' report and financial statements

31 January 2009

Company No: 1131608

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Directors' report and financial statements

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Directors' report

The Directors present their directors' report and the financial statements for the 52 week period ended 31 January 2009.

Business review

The principal activity of the Company is property investment.

The profit on ordinary activities before taxation amounts to £4,291,000 for the period ended 31 January 2009 (2008: £3,763,000).

Dividends

No dividend was paid in the period (2008: £2,000,000).

Directors and Directors' interests

The Directors who served during the period were:

W G Boyd
M A Jenkins

None of the Directors had any beneficial interest in the share capital of the Company during the period (2008: nil).

Political and charitable contributions

The Company made no charitable or political contributions during the period (2008: £nil).

Disclosure of information to auditors

Each of the Directors at the date hereof confirms that:

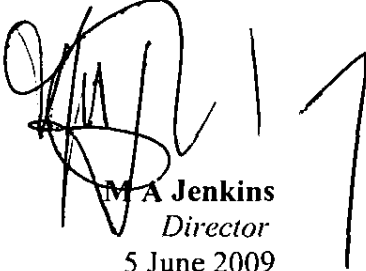
- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board,

15 Golden Square
London,
W1F 9JG



M A Jenkins
Director
5 June 2009

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Independent auditors' report to the members of Checkbury Limited

We have audited the financial statements of Checkbury Limited for the 52 weeks 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.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 January 2009 and of its profit for the period 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

5 June 2009

Profit and loss account
for the 52 weeks ended 31 January 2009

	Notes	52 weeks ended 31 January 2009 £000	52 weeks ended 2 February 2008 £000
Rent receivable from properties		1,791	1,776
Rent payable on properties		<u>(209)</u>	<u>(177)</u>
Gross profit		1,582	1,599
Administrative expenses		<u>(176)</u>	<u>(215)</u>
Operating profit		1,406	1,384
Interest receivable and similar income	2	3,394	2,949
Interest payable and similar charges	2	<u>(509)</u>	<u>(570)</u>
Profit on ordinary activities before taxation	3	4,291	3,763
Tax on profit on ordinary activities	5	<u>(1,239)</u>	<u>(1,185)</u>
Profit on ordinary activities after taxation	12	<u>3,052</u>	<u>2,578</u>

The results shown above are in respect of continuing operations. There were no gains or losses recognised other than those in the profit and loss account for either period.

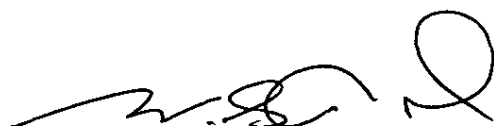
The notes on pages 7 to 11 form part of these financial statements.

Balance sheet
at 31 January 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Tangible fixed assets	7	9,675	10,232
Current assets			
Debtors	8	73,627	69,373
Creditors:			
amounts falling due within one year	9	<u>(11,323)</u>	<u>(10,678)</u>
Net current assets		<u>62,304</u>	<u>58,695</u>
Net assets		<u>71,979</u>	<u>68,927</u>
Capital and reserves			
Called up share capital	11	16,400	16,400
Share premium account	12	23,850	23,850
Revaluation reserve	12	4,170	4,299
Profit and loss account	12	<u>27,559</u>	<u>24,378</u>
Shareholders' funds		<u>71,979</u>	<u>68,927</u>

The notes on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the board of Directors on 5 June 2009 and were signed on its behalf by:



W G Boyd
Director

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements and in the current and preceding period.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention as modified by the revaluation of freehold and long leasehold properties.

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Rent receivable from properties

Rent receivable from properties is recognised on a straight line basis over the relevant rental period.

Operating lease rentals

Rentals payable under certain leases are recognised on a straight line basis over the life of the leases.

Depreciation and amortisation

Depreciation is provided on freehold and long leasehold retail premises over an estimated useful life not exceeding 50 years. Freehold land is not depreciated.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

2. Net interest receivable/(payable)

	2009 £000	2008 £000
Interest receivable on amounts owed by Group undertakings	<u>3,394</u>	<u>2,949</u>
Interest payable on amounts owed to Group undertakings	<u>(509)</u>	<u>(570)</u>

Notes (continued)

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2009 £000	2008 £000
Depreciation	146	186
Auditors remuneration	<u>2</u>	<u>2</u>

There were no employees in the current or preceding periods.

The auditors received no remuneration for any non-audit services in either period.

4. Remuneration of Directors

None of the Directors received any remuneration from the Company during the current or preceding period.

5. Taxation

	2009 £000	2008 £000
UK corporation tax charge for the period	<u>1,239</u>	<u>1,185</u>

	2009 %	2008 %
UK statutory tax rates	28.3	30.0
Expenditure permanently disallowable for tax, net of permanent undercharges	<u>0.6</u>	<u>1.5</u>
Effective tax rate in the accounts	<u>28.9</u>	<u>31.5</u>

6. Dividends

No dividend was paid in the period (2008: £2,000,000).

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is £nil (2008: £nil).

Notes (continued)

7. Tangible fixed assets

	Freehold property £000	Long leasehold property £000	Short leasehold property £000	Total £000
Valuation				
At 2 February 2008	8,955	1,842	1,300	12,097
Disposals	(441)	-	-	(441)
At 31 January 2009	<u>8,514</u>	<u>1,842</u>	<u>1,300</u>	<u>11,656</u>
Depreciation				
At 2 February 2008	1,498	173	194	1,865
Charge for the period	84	29	33	146
Disposals	(30)	-	-	(30)
At 31 January 2009	<u>1,552</u>	<u>202</u>	<u>227</u>	<u>1,981</u>
Net book value				
At 31 January 2009	<u>6,962</u>	<u>1,640</u>	<u>1,073</u>	<u>9,675</u>
At 2 February 2008	<u>7,457</u>	<u>1,669</u>	<u>1,106</u>	<u>10,232</u>

Freehold and long leasehold properties were valued in 1992 by professional valuers on an existing use basis, except for one property that was valued on an open market basis.

The net book value of properties determined on a historical cost basis would be:

	2009 £000	2008 £000
Cost	7,488	7,798
Depreciation	<u>(1,728)</u>	<u>(1,653)</u>
	<u>5,760</u>	<u>6,145</u>

8. Debtors

	2009 £000	2008 £000
Amounts owed by Group undertakings	<u>73,627</u>	<u>69,373</u>

Notes (continued)

9. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to Group undertakings	8,900	8,393
Corporation tax	2,423	2,285
	<u>11,323</u>	<u>10,678</u>

10. Deferred taxation

There is no liability for deferred taxation in respect of properties stated in the accounts at valuation.

11. Called up share capital

	2009 £000	2008 £000
<i>Authorised, allotted, called up and fully paid:</i>		
16,400,000 ordinary shares of £1 each	<u>16,400</u>	<u>16,400</u>

12. Reserves

	Share premium account £000	Revaluation reserve £000	Profit and loss account £000
At 2 February 2008	23,850	4,299	24,378
Profit for the period	-	-	3,052
Release of revaluation reserve	-	(129)	129
At 31 January 2009	<u>23,850</u>	<u>4,170</u>	<u>27,559</u>

Notes (continued)

13. Commitments and contingent liabilities

The annual commitments under non-cancellable operating leases are as follows:

	2009	2008
	Land &	Land &
	buildings	buildings
	£000	£000
Operating leases which expire:		
In the second to fifth years inclusive	57	-
After more than five years	136	162
	193	162

The Group entered into a \$380m US private placement Note Term Series Purchase Agreement in March 2006 that is guaranteed by the Company and by other members of the Group. On 26 June 2008 the Group entered into a new \$520m unsecured revolving credit facility agreement to replace the \$390m facility agreement made in September 2004, both being guaranteed by the Company and by other members of the Group.

On 13 March 2009, the Group entered into amendment agreements to the revolving credit facility agreement and note purchase agreement which, among other things, made the fixed charge coverage more lenient, reduced the amount available under the revolving credit facility by \$150 million to \$370 million, resulted in a \$100 million prepayment at par of notes on 18 March 2009, increased interest rates and restricts distributions to shareholders. These amended facilities are both guaranteed by the Company and by other members of the Group.

14. Related party transactions

Under FRS 8, the Company is exempt from the requirements to disclose transactions with fellow Group companies on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. There are no other related party transactions that require disclosure in these accounts.

15. Ultimate holding Company

Until 11 September 2008, the ultimate parent company of the Group was Signet Group plc, a company registered in England and Wales. On 11 September 2008, Signet Group plc became a wholly-owned subsidiary of Signet Jewelers Limited, a new company incorporated in Bermuda under the Companies Act 1981 of Bermuda, following the completion of a scheme of arrangement approved by the High Court of Justice in England and Wales under the UK Companies Act 2006. Shareholders of Signet Group plc became shareholders of Signet Jewelers Limited owning 100% of the Company. In addition, the primary listing of the Group moved to the New York Stock Exchange from the London Stock Exchange. The financial statements of Signet Jewelers Limited which consolidate the results of Checkbury Limited are available to the public and may be obtained from 15 Golden Square, London W1F 9JG.