

Registered Number: 2558762

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

Report and Financial Statements

For the Financial Year Ended

28 January 2006



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Kingfisher International Holdings Limited
Report and Financial Statements
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Kingfisher International Holdings Limited
Directors and officers

DIRECTORS

H.M. Jones
D.E. Tatton-Brown

SECRETARY

M.B. Chambers

REGISTERED OFFICE

3 Sheldon Square
Paddington
London
W2 6PX

AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Kingfisher International Holdings Limited

Directors' report

The directors present their report and financial statements of the Company for the year ended 28 January 2006.

Principal activities and review of the business

The Company operates as an investment company whose subsidiaries are incorporated outside the United Kingdom and intends to continue to do so for the foreseeable future.

Results and Dividends

The loss for the year, after taxation, amounted to £19,454,000 (2005: profit of £1,512,000). The directors do not recommend the payment of a dividend for the financial year (2005: £nil). The retained loss for the year of £19,454,000 (2005: profit of £1,512,000) has been transferred to reserves.

Elective Resolution

On 2 December 1991 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an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked.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.

Directors and directors' interests

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

H.M. Jones
D.E. Tatton-Brown

None of the directors have any beneficial interest in the shares of the Company. The interests of D.E. Tatton Brown in the share capital of Kingfisher plc are shown in the financial statements of that company.

Kingfisher International Holdings Limited Directors' Report

Directors and directors' interests (continued)

The interests of H.M. Jones in the share capital of Kingfisher plc are as follows:

Ordinary Shares of 15 5/7p each of Kingfisher plc:

	As at 29 Jan 2005	As at 28 Jan 2006
H.M. Jones	47,558	67,632

Options for 15 5/7p Ordinary Shares of Kingfisher plc (other than KIS Share awards):

	As at 29 Jan 2005	Options Granted	Options Exercised	Options Lapsed	As at 28 Jan 2006
H.M. Jones	300,832	5,324	6,019	-	300,137

KIS Share awards:

Name	Contingent shares held at start of year	Award price per share	Market price per share on date awarded	Number of contingent shares awarded in year – before TSR multiplier	Number of contingent shares held at end of year – before TSR multiplier	Number of contingent shares held at end of year – assuming maximum TSR multiplier achieved ¹	Vesting date	Lapse date
H. M. Jones	52,615	288.5p	286p	-	52,615	52,615	05/04/07	05/10/07
	-	286.92p	285.5p	24,043	24,043	33,660	06/04/08	06/10/08

¹ Once the contingent award is made in respect of the bonus earned, the only qualifying condition to receive the award before the application of the TSR Multiplier is to be in the employment of the Company at the vesting date. To receive further shares under the application of the TSR Multiplier the TSR over the three year period following the year for which the bonus was earned must be above the median for the comparator group (FTSE 100 index). Further information regarding the KIS Share awards scheme can be found in the Kingfisher plc accounts 2006 on page 37.

The market price of Kingfisher plc shares at 28 January 2006 was 242.5p and the range during the year was 201p to 312.25p.

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 accounts.

H.M. Jones
Director

25 July 2006

Kingfisher International Holdings Limited
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 required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year to that date. In preparing the financial statements the directors are required:

To ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

To take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

To apply suitable accounting policies in a consistent manner and supported by reasonable and prudent judgements and estimates where necessary.

To comply with all applicable accounting standards (except where any departures from this requirement are explained in the Notes to the Financial Statements).

To prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

We have audited the financial statements of Kingfisher International Holdings Limited for the year ended 28 January 2006 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 January 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

25 July 2006

Kingfisher International Holdings Limited
Profit and Loss account
For the year ended 28 January 2006

	Notes	2006 £000	2005 £000
Administrative expenses		-	19
Income from fixed asset investments	5	848	1,973
Amounts written off fixed asset investment	9	<u>(20,244)</u>	<u>-</u>
Profit on ordinary activities before interest		(19,396)	1,992
Interest receivable	6	-	113
Interest payable	7	<u>-</u>	<u>(128)</u>
Profit on ordinary activities before taxation	4	(19,396)	1,977
Taxation on profit on ordinary activities	8	<u>(58)</u>	<u>(465)</u>
Retained (loss)/profit for the year	13	<u>(19,454)</u>	<u>1,512</u>

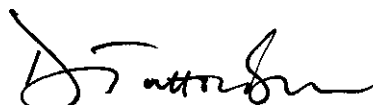
The result for the year arises solely from continuing operations.

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.

Kingfisher International Holdings Limited
Balance sheet
As at 28 January 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Investments	9	51,924	15,132
Current assets			
Debtors due within one year	10	36	80
Creditors: amounts falling due within one year	11	<u>(83,719)</u>	<u>(27,517)</u>
Net current liabilities		(83,683)	(27,437)
Net liabilities		<u>(31,759)</u>	<u>(12,305)</u>
Capital and reserves			
Called up share capital	12	26,784	26,784
Profit and loss account	13	(58,543)	(39,089)
Equity Shareholder's funds	14	<u>(31,759)</u>	<u>(12,305)</u>



D.E. Tatton-Brown
 Director
 25 July 2006

Kingfisher International Holdings Limited
Notes to the financial statements
at 28 January 2006

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are made up to the nearest Saturday to 31 January, so as to coincide with its ultimate holding company.

The Company is dependent on continuing finance being made available by its parent company to enable it to continue operating and meet its liabilities as they fall due. The parent company has agreed to provide sufficient funds to the Company for these purposes.

The directors consider it is appropriate to prepare the accounts on a going concern basis.

The Company's ultimate holding company is Kingfisher plc and the cash flows of the Company are shown in the consolidated Cash Flow Statement of Kingfisher plc, which is publicly available. Consequently the Company is exempt under the terms of Financial Reporting Standard 1 (revised) from publishing a cash flow statement.

The financial statements contain information about Kingfisher International Holdings Limited as an individual company and do not contain consolidated financial statements as the parent of a group.

The Company is exempt under Section 228 of the Companies Act 1985 from publishing consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent, Kingfisher plc which is registered in England and Wales.

The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities where 90% or more of the voting rights are controlled within the Kingfisher plc group.

Interest receivable is accrued on a daily basis. Dividend income is recognised when declared.

Fixed asset investments are stated at cost except when there has been a permanent diminution in their value when they are stated at net realisable value.

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.

Kingfisher International Holdings Limited
Notes to the financial statements
at 28 January 2006

1 Accounting policies (continued)

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. All exchange differences on monetary items are taken into the profit and loss account.

The company has adopted FRS 21 'Events after balance sheet date', FRS 23 'The effects of changes in foreign exchange rates', FRS 25 'Financial Instruments: Disclosure and Presentation', FRS 26 'Financial Instruments: Measurement' and FRS 28 'Corresponding amounts', in these financial statements. The adoption of each of these standards represents a change in accounting policy but has no effect on the current year figures or comparative figures.

2 Employees

The Company had no employees during the financial year (2005: nil).

3 Directors' remuneration

None of the directors received any emoluments from the Company or from any of its subsidiaries in respect of the financial year ended 28 January 2006 (2005: £nil).

4 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the parent company.

5 Income from fixed asset investments

	2006 £000	2005 £000
Dividends from shares in group undertakings	<u>848</u>	<u>1,973</u>

6 Interest receivable

	2006 £000	2005 £000
Interest receivable from group undertakings	<u>-</u>	<u>113</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 28 January 2006

7 Interest payable

	2006	2005
	£000	£000
Bank and other interest payable	<u>-</u>	<u>128</u>

8 Taxation

	2006	2005
	£000	£000
UK corporation tax charge at 30% (2005: 30%)	353	694
Adjustments in respect of prior periods	<u>33</u>	<u>107</u>
	386	801
Double taxation relief	<u>(328)</u>	<u>(336)</u>
	<u>58</u>	<u>465</u>

Factors affecting the tax charge for the period

Profit on ordinary activities before taxation	<u>(19,396)</u>	<u>1,977</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005: 30%)	(5,819)	593
Effects of :		
Taxation on underlying taxation	99	101
Double taxation relief	(328)	(336)
Expenses not deductible for tax purposes	6,073	-
Adjustments to prior period corporation tax	<u>33</u>	<u>107</u>
Total tax charge for the year	<u>58</u>	<u>465</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 28 January 2006

9 Investments

	Investments in subsidiary undertakings £000
At 29 January 2005	15,132
Additions	57,036
Amounts written off fixed asset investment	(20,244)
At 28 January 2006	<u>51,924</u>

During the year the Company invested a further £20,214,483 in Kingfisher BV and £36,821,448 in Castorama RUS LLC and acquired a 99.9% interest in KF Sourcing India Private Limited for £1,213. The Company wrote off amounts of £20,214,483 in Kingfisher BV and £29,500 of Halcyon AG (in liquidation).

Interests in Group Undertakings

	Country of incorporation	Class of Share	% owned	Main Activity
Kingfisher BV	Netherlands	Ordinary	100	Investment
Castorama RUS LLC	Russia	Ordinary	100	Trading
Kingfisher Insurance Limited	Ireland	Ordinary	100	Insurance
Kingfisher Asia Limited	Hong Kong	Ordinary	100	Sourcing
Halcyon AG (in liquidation)	Switzerland	Ordinary	100	Investment
Kingfisher AG	Switzerland	Ordinary	100	Finance
KF Sourcing India Private Limited	India	Ordinary	99.9	Sourcing

In the opinion of the directors the aggregate value of the investments in the subsidiaries is not less than the amount at which it is stated in the Company's balance sheet.

10 Debtors

	2006 £000	2005 £000
Due within one year		
Other debtors	13	80
Corporation tax	23	-
	<u>36</u>	<u>80</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 28 January 2006

11 Creditors: amounts falling due within one year

	2006	2005
	£000	£000
Amounts owed to group undertakings	83,719	27,407
Corporation tax	-	110
	<u>83,719</u>	<u>27,517</u>

12 Share capital

	2006	2005
	£000	£000
Authorised:		
27,000,000 ordinary shares of £1 each	<u>27,000</u>	<u>27,000</u>
Allotted and fully paid:		
26,783,561 ordinary shares of £1 each	<u>26,784</u>	<u>26,784</u>

13 Profit and loss account

	2006	2005
	£000	£000
At start of year	(39,089)	(40,601)
Retained (loss)/profit for the financial year	<u>(19,454)</u>	<u>1,512</u>
At end of year	<u>(58,543)</u>	<u>(39,089)</u>

14 Reconciliation of movements in shareholders' funds

	2006	2005
	£000	£000
Retained (loss)/profit for the financial year	<u>(19,454)</u>	<u>1,512</u>
Net (reduction)/addition to shareholders' funds	(19,454)	1,512
Opening shareholders' deficit	<u>(12,305)</u>	<u>(13,817)</u>
Closing shareholders' deficit	<u>(31,759)</u>	<u>(12,305)</u>

Kingfisher International Holdings Limited
Notes to the financial statements
at 28 January 2006

15 Ultimate holding company

The immediate parent company is Zeus Land Investments 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 Financial Statements of the ultimate parent company can be obtained from The Secretary, Kingfisher plc, 3 Sheldon Square, Paddington, London W2 6PX.