

Registered Number: 03926841

KINGFISHER FUTURE HOMES LIMITED

Report and financial statements

For the Financial Year Ended

2 February 2013



Kingfisher Future Homes Limited

Report and financial statements

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Kingfisher Future Homes Limited

Directors and officers

Directors

A Barnes
B Marsh
T Gordon
J Parsons
A Rudd
S Willett
T Wakefield

Secretary

D Moms

Registered Office

3 Sheldon Square
Paddington
London
W2 6PX

Auditor

Deloitte LLP
Chartered Accountants
Bristol

Kingfisher Future Homes Limited

Directors' report

The directors present their annual report together with the audited financial statements of Kingfisher Future Homes Limited (the "Company") for the year ended 2 February 2013

Small company exemption

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

Principal activity and review of the business

The principal activity of the company is the development and establishment of a home retro-fit company specialising in the installation of energy efficient products under the Kingfisher plc Group (the "Group")

During the year the company recorded a loss after taxation of £4.9m in developing its business model. The company has invested in the infrastructure to support the business in the current year and will continue to develop its business model during the next financial year, undertaking various trials to further develop a model that can support the business on an on-going basis. The Directors are satisfied with the progress to date. The directors cannot recommend a dividend (2012: nil)

Going concern

The company continues to receive the ongoing financial support of the Group whilst building its business model. The Group has considerable financial resources and has indicated its ability to fund the working capital of the company whilst developing its product range.

The directors, having assessed the level of support provided by its ultimate parent company, Kingfisher plc, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Kingfisher group to provide financial support.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Kingfisher plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Directors

The directors of the company, who served throughout the financial year unless otherwise stated, are

N Folland	(resigned 23 May 2012)
D Paramor	(resigned 23 May 2012)
A Barnes	(appointed 23 May 2012)
T Gordon	(appointed 23 May 2012)
B Marsh	(appointed 23 May 2012)
J Parsons	(appointed 23 May 2012)
A Rudd	(appointed 23 May 2012)
B Scannell	(appointed 23 May 2012, resigned 15 May 2013)
S Willett	(appointed 23 May 2012)
T Wakefield	(appointed 15 May 2013)

Kingfisher Future Homes Limited

Directors' report - Continued

Auditor and disclosure of information to the auditor

Each person who is a director at the date of approval of this report and financial statements confirms that

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors have 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 provisions of Section 418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to continue in office as the company's auditor. Appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



T J Gordon
Director

Date: 24 October 2013

Kingfisher Future Homes Limited

Statement of directors' responsibilities

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF Kingfisher Future Homes Limited

We have audited the financial statements of Kingfisher Future Homes Limited for the year ended 2 February 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 member those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 2 February 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
Kingfisher Future Homes Limited - Continued**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report



Sonya Butters (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

Date : 24 October 2013

Kingfisher Future Homes Limited
Profit and Loss account
Year ended 2 February 2013

	Note	2013 £	2012 £
Turnover	1	46,229	-
Cost of sales		(37,682)	-
Gross margin		8,547	-
Administrative expenses		(5,659,211)	(2,177,343)
Loss on ordinary activities before taxation	3	(5,650,664)	(2,177,343)
Tax on loss on ordinary activities	4	738,000	-
Loss for the financial year	11	(4,912,664)	(2,177,343)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains or losses for the current or prior financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

Kingfisher Future Homes Limited
Balance Sheet as at 2 February 2013

	Note	2013 £	2012 £
Intangible assets	5	1,234,972	-
Current assets			
Stocks	6	9,115	-
Debtors	7	109,826	1
Cash		76,432	-
		<u>195,373</u>	<u>1</u>
Creditors – amounts falling due within one year	8	(1,147,132)	-
Net current liabilities		(951,759)	1
Creditors – amounts falling due after more than one year	9	(7,373,219)	(2,177,343)
Total liabilities		(8,520,351)	(2,177,343)
Net liabilities		(7,090,006)	(2,177,342)
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(7,090,007)	(2,177,343)
Shareholder's deficit		(7,090,006)	(2,177,342)

The financial statements of Kingfisher Future Homes Limited, registered number 03926841, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



T Gordon
Director

Date: 24 October 2013

Kingfisher Future Homes Limited
Notes to the financial statements
Year ended 2 February 2013

1. Accounting policies

Basis of accounting

The financial statements are prepared in accordance with the Companies Act 2006

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom which have been applied consistently throughout the current and prior years. The financial statements are made up to the nearest Saturday to 31 January, so as to coincide with its ultimate holding company. The current financial year is the 53 weeks ended 2 February 2013. The comparative financial year is for the 52 weeks ended 28 January 2012.

The company is exempt under FRS 1 (Revised) 'Cash Flow Statements' from the requirement to publish a cash flow statement as it is a subsidiary undertaking where more than 90% of the voting rights are controlled within the group and the consolidated financial statements in which it is included are publicly available.

Going concern

The company continues to receive the ongoing financial support of the Group whilst building its business model. The Group has considerable financial resources and has indicated its ability to fund the working capital of the company whilst developing its product range.

The directors, having assessed the level of support provided by its ultimate parent company, Kingfisher plc, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Kingfisher group to provide financial support.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Kingfisher plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Turnover

All turnover relates to one class of business in the UK. Turnover comprises the value of sales and services rendered in the year, excluding value added taxation.

Taxation

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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 2 February 2013

1. Accounting policies – continued

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Pensions

Pension costs represent amounts paid to one of the group's defined benefit pension schemes. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme. Details of the schemes are given in the financial statements of Kingfisher Plc.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials and direct labour. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion. Provision is made for obsolete or defective items where appropriate.

Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit. This period is estimated between three and five years. Provision is made for any impairment.

2. Information regarding directors and employees

All emoluments for directors who served during the financial year were borne by other companies within the Group in the period and it is not practicable to allocate these costs across individual companies.

Employee costs during the year	2013 £	2012 £
Wages and salaries	919,062	680,785
Social security costs	77,733	57,741
Other pension costs	63,461	27,358
	<u>1,060,256</u>	<u>765,884</u>
Average number of persons employed	No.	No.
Administration	<u>15</u>	<u>10</u>

All employee costs were recharged to the company from other Group companies. All employee taxes were settled by its group companies.

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 2 February 2013

3. Loss on ordinary activities before taxation

	2013	2012
	£	£
This is stated after charging		
Fees payable to the company's auditor for the audit of the company's annual accounts	12,500	6,000

4. Taxation

Factors affecting the credit for the year

	2013	2012
	£	£
Tax reconciliation:		
Loss on ordinary activities before taxation	(5,650,664)	(2,177,343)
Loss on ordinary activities multiplied by standard blended rate in the UK of 24.33% (2012 26.33%)	(1,374,807)	(573,294)
Disallowable expenses	172	-
Tax losses carried forward	1,374,635	573,294
Group relief	(738,000)	-
Current tax credit	(738,000)	-

Factors that may affect future tax charges

The forthcoming change in the corporation tax rate to 20% in future years will not materially affect the future tax charge

A deferred tax asset of £1,374,635 (2012 £573,294) has not been recognised in respect of timing differences relating to losses. This asset has not been recognised on the basis that it is not certain when sufficient profits will be available in the future to offset against this asset

5. Intangible assets

Intangible assets relate to development costs capitalised during the year. Development is still on-going, and amortisation of the resultant asset will commence when it is available for use

Kingfisher Future Homes Limited
Notes to the financial statements – Continued
Year ended 2 February 2013

6. Stocks

	2013 £	2012 £
Work in progress	9,115	-

7. Debtors

	2013 £	2012 £
Debtors	38,944	-
Other debtors	70,882	1
	<u>109,826</u>	<u>1</u>

8. Creditors – amounts falling due within one year

	2013 £	2012 £
Accruals and deferred income	1,126,761	-
Taxation and social security	20,371	-
	<u>1,147,132</u>	<u>-</u>

9. Creditors – amounts falling due after more than one year

	2013 £	2012 £
Amounts due to group undertakings	7,373,219	2,177,343

10. Called up share capital

	2013 £	2012 £
Allotted, called up and fully paid Ordinary shares of £1	<u>1</u>	<u>1</u>

Kingfisher Future Homes Limited
Notes to the financial statements – Continued
Year ended 2 February 2013

11. Combined reconciliation of movements in shareholder's deficit and statement of movements on reserves

	Called up share capital £	Profit and loss account £	Total 2013 £	Total 2012 £
At beginning of the year	1	(2,177,343)	(2,177,342)	1
Loss for the financial year	-	(4,912,664)	(4,912,664)	(2,177,343)
At end of the year	1	(7,090,007)	(7,090,006)	(2,177,342)

12. Services supply payment guarantee

Kingfisher Future Homes Limited has issued a guarantee to secure the payment for the services supplied by Mark Group, Kingfisher Future Homes Limited's primary installation services supplier, for £5m for a period of 24 months from 2 January 2013

13. Related party transactions

The company has taken advantage of the exemption of Financial Reporting Standard 8 'Related Party Disclosures' from disclosing transactions with other companies 100% owned within the group headed by Kingfisher plc. There were no other related party transactions.

14. Ultimate holding company

The company's immediate parent undertaking is Sheldon Holdings Limited, which is registered in England and Wales.

The ultimate parent company is Kingfisher plc, which is registered in England and Wales. A copy of the Annual Report and Accounts of the ultimate parent company can be obtained (printed or downloaded) from www.kingfisher.com