

Registered Number: 03926841

KINGFISHER FUTURE HOMES LIMITED

Report and financial statements

For the Financial Year Ended

1 February 2014



Kingfisher Future Homes Limited

Report and financial statements

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Kingfisher Future Homes Limited

Directors and officers

Directors

B Marsh

S Willett

Secretary

D Morris

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 1 February 2014.

Small company exemption

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The company is exempt from preparing a Strategic Report.

Principal activity, review of the business and post balance sheet events

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 £7.4m (2013: £4.9m loss) in developing its business model. The directors cannot recommend a dividend (2013: nil). Due to unfavourable market conditions and a decrease in sales volume below budget expectations during Q1 2014, the directors of the company have decided to cease trading on 31 October 2014. As a result an impairment review was conducted with adjustments reflected in the financial statements for the year ended 1 February 2014.

Going concern

The company intends to cease trading on 31 October 2014. The financial statements have been prepared on a basis other than a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business except to the extent that such were committed at the balance sheet date.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit risk

The company's principal financial assets are bank balances and cash, and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations, the company uses funding available from the group.

Kingfisher Future Homes Limited

Directors' report - Continued

Directors

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

A Barnes	(resigned 9 October 2014)
T Gordon	(resigned 9 October 2014)
B Marsh	
J Parsons	(resigned 9 October 2014)
A Rudd	(resigned 9 October 2014)
S Willett	
T Wakefield	(appointed 15 May 2013 and resigned 9 October 2014)

Auditor and disclosure of information to the auditor

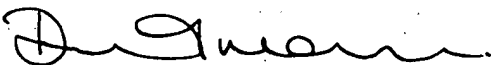
Each person who is a director at the date of approval of this report and financial statements confirms that:

- 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 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 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



D Morris
Company Secretary

Date: 30 October 2014

Kingfisher Future Homes Limited

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). 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 1 February 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 1 February 2014 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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

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.

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 from preparing a Strategic Report or 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
31 October 2014

Kingfisher Future Homes Limited
Profit and Loss account
Year ended 1 February 2014

	Note	2014 £	2013 £
Turnover	1	10,743,596	46,229
Cost of sales		(8,471,392)	(37,682)
Gross margin		2,272,204	8,547
Administrative expenses before impairments		(10,001,467)	(5,659,211)
Impairment of fixed assets	3	(2,740,577)	-
Administrative expenses		(12,742,044)	(5,659,211)
Operating loss	3	(10,469,840)	(5,650,664)
Impairment of loan	3	(672,989)	-
Loss on ordinary activities before taxation	3	(11,142,829)	(5,650,664)
Tax on loss on ordinary activities	4	3,692,122	738,000
Loss for the financial year	10	(7,450,707)	(4,912,664)

All results derive from continuing operations:

The profit and loss account has been prepared on a basis other than a going concern as operations are expected to cease.

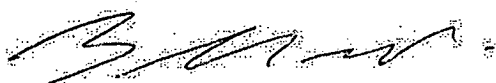
There are no recognised gains or losses for the current or prior financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

Kingfisher Future Homes Limited
Balance Sheet as at 1 February 2014

	Note	2014 £	2013 £
Fixed assets	5	35,278	1,234,972
Current assets			
Stocks		193,616	9,115
Debtors	6	6,425,293	109,826
Cash		378,476	76,432
		<u>6,997,385</u>	<u>195,373</u>
Creditors – amounts falling due within one year	7	(2,978,563)	(1,147,132)
Net current assets/(liabilities)		4,018,822	(951,759)
Creditors – amounts falling due after more than one year	8	(18,549,582)	(7,373,219)
Total liabilities		(21,528,145)	(8,520,351)
Net liabilities		(14,495,482)	(7,090,006)
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(14,495,483)	(7,090,007)
Shareholder's deficit	10	(14,495,482)	(7,090,006)

The financial statements of Kingfisher Future Homes Limited, registered number 03926841, were approved by the Board of Directors and authorised for issue on 30 October 2014.

Signed on behalf of the Board of Directors



B Marsh
Director

Date: 30 October 2014

Kingfisher Future Homes Limited
Notes to the financial statements
Year ended 1 February 2014

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 year. 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 1 February 2014. The comparative financial year is for the 52 weeks ended 2 February 2013.

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 and post balance sheet events

The company intends to cease trading on 31 October 2014. The financial statements have been prepared on a basis other than a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business except to the extent that such were committed at the balance sheet date.

Turnover

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

Taxation

Taxation is provided on taxable profits arising at current rates.

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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 1 February 2014

1. Accounting policies – continued

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 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.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation. Depreciation is provided on all tangible fixed assets other than freehold land and assets under course of construction. On other assets it is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Computer systems	straight line over 3 years
Fixtures and fittings	straight line over 3 to 5 years

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.

	2014 £	2013 £
Employee costs during the year		
Wages and salaries	2,555,787	919,062
Social security costs	320,179	77,733
Other pension costs	207,430	63,461
	<u>3,083,396</u>	<u>1,060,256</u>

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 1 February 2014

2. Information regarding directors and employees (continued)

Average number of persons employed	No.	No.
Administration	<u>92</u>	<u>15</u>

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

3. Loss on ordinary activities before taxation

	2014	2013
	£	£
This is stated after charging:		
Impairment of fixed assets	2,740,577	-
Impairment of loan	672,989	-
Depreciation	269,709	-
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>18,500</u>	<u>12,500</u>

The directors of the company intend to cease trading on 31 October 2014 resulting in an impairment of assets during this financial year.

During the year the company entered into a loan for £672,989 which is deemed irrecoverable. A provision has been made against this loan.

4. Taxation

Tax on loss on ordinary activities

	2014	2013
	£	£
Taxation charge on the loss on ordinary activities of the company for the year:		
UK corporation tax	(2,010,959)	(738,000)
Adjustment in respect of prior years	<u>(1,156,000)</u>	<u>-</u>
Total current taxation	<u>(3,166,959)</u>	<u>(738,000)</u>
Deferred taxation (See Note 6)	<u>(525,163)</u>	<u>-</u>
	<u><u>(3,692,122)</u></u>	<u><u>(738,000)</u></u>

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 1 February 2014

4. Taxation (continued)

Factors affecting the tax charge for the period

The tax charge for the year differs from the standard rate of corporation tax in the UK of 23.17% (2013: 24.33%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(11,142,829)	(5,650,664)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.17% (2013: 24.33%)	(2,581,2793)	(1,374,807)
Effect of:		
Timing differences provided	570,463	-
Expenses not deductible	369	172
Tax losses carried forward	-	636,635
Adjustments to prior year	(1,156,000)	-
Current corporation tax charge for the year	(3,166,959)	(738,000)
Current year deferred tax charge	(570,463)	-
Effect of rate change on timing differences	45,300	-
	<u>(3,692,122)</u>	<u>(738,000)</u>

The UK corporation tax rate fell from 24% to 23% from 1 April 2013 and will fall to 21% from 1 April 2014 and to 20% from 1 April 2015. Accordingly, the company's profits for this accounting period are taxed at a blended rate of 23.17% and the deferred tax balances included in these financial statements reflect the rate at which these timing differences are expect to reverse.

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 1 February 2014

5. Fixed assets

	Fixtures and fittings	Computer systems	*Assets in the course of construction	Total
	£	£	£	£
Cost				
At 3 February 2013	-	-	1,234,972	1,234,972
Additions	296,356	-	1,514,236	1,810,592
Transfers	-	2,059,137	(2,059,137)	-
At 1 February 2014	296,356	2,059,137	690,071	3,045,564
Accumulated depreciation and impairment				
At 3 February 2013	-	-	-	-
Depreciation expense	19,834	249,875	-	269,709
Impairment losses	276,522	1,773,984	690,071	2,740,577
At 1 February 2014	296,356	2,023,859	690,071	3,010,286
Net book value				
At 1 February 2014	-	35,278	-	35,278
At 3 February 2013	-	-	1,234,972	1,234,972

*Assets in the course of construction relate to system development costs capitalised during the current and previous year. The balance at 3 February 2013 was previously disclosed as 'Intangible Assets' and this has been reclassified to fixed assets. Depreciation of the resultant asset commences when the asset is available for use.

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 1 February 2014

6. Debtors

	2014 £	2013 £
Debtors	2,458,875	38,944
Other debtors	2,183,066	70,882
Corporation and deferred tax asset	1,783,352	-
	<u>6,425,293</u>	<u>109,826</u>

Corporation and Deferred Tax Asset

	2014 £	2013 £
Amounts falling due within one year:		
Corporation tax debtor	1,212,959	-
Deferred tax asset	525,163	-
	<u>1,783,352</u>	<u>-</u>

Deferred taxation recognised in the financial statements is as follows

	2013	Arising during the period	2014
Deferred taxation	-	525,163	525,163

The full potential liability for deferred taxation and the amount for which provision has been made in the financial statements are as follows

	Amount Provided 2014 £	2013 £	Full Potential Liability 2014 £	2013 £
Accelerated capital allowances	525,163	-	525,163	-

A deferred tax asset in respect of deferred tax on accelerated capital allowances has been recognised as it is expected that these balances will reversed in the forthcoming year on cessation of the trade and fully relieved against group profits.

A deferred tax asset of nil (2013: £636,635) 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

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 1 February 2014

7. Creditors – amounts falling due within one year

	2014 £	2013 £
Trade creditors	42,997	-
Accruals and deferred income	1,537,394	1,126,761
Taxation and social security	1,398,172	20,371
	<u>2,978,563</u>	<u>1,147,132</u>

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

	2014 £	2013 £
Amounts due to group undertakings	18,549,582	7,373,219
	<u>18,549,582</u>	<u>7,373,219</u>

9. Called up share capital

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

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

	Called up share capital £	Profit and loss account £	Total 2014 £	Total 2013 £
At beginning of the year	1	(7,090,007)	(7,090,006)	(2,177,342)
Loss for the financial year	-	(7,405,476)	(7,405,476)	(4,912,664)
At end of the year	<u>1</u>	<u>(14,495,483)</u>	<u>(14,495,482)</u>	<u>(7,090,006)</u>

11. 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. This guarantee was cancelled on 6 August 2014.

12. 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.

Kingfisher Future Homes Limited
Notes to the financial statements - Continued
Year ended 1 February 2014

13. 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.

14. Post balance sheet events

Due to unfavourable market conditions and a decrease in sales volume below budget expectations during Q1 2014, the directors of the company have decided to cease trading on 31 October 2014.