

Registered Number: 4056989

NEW ENGLAND PAINT COMPANY LIMITED

Report and Financial Statements

For the Financial Year Ended

2 February 2008



**New England Paint Company Limited
Report and Financial Statements
Contents**

	Page
Directors and officers	1
Directors' report	2-3
Statement of the directors' responsibilities	4
Independent auditors' report to the members of New England Paint Company Limited	5-6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9-11

New England Paint Company Limited
Directors and officers

DIRECTORS

N Folland
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

New England Paint Company Limited

Directors' report

The directors present their report and financial statements of the Company for the year ended 2 February 2008

Principal activities and review of the business

The Company operates as an investment Company within the Kingfisher plc group and intends to continue to do so for the foreseeable future

The Company is a wholly-owned subsidiary of Kingfisher plc. From the perspective of the Company, 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 2 to 31 of Kingfisher's Annual Report and Accounts 2008

Key performance indicators ("KPI's")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The KPIs for the Kingfisher plc can be found on pages 2 to 31 of the Kingfisher Annual Report and Accounts 2008

Results and Dividends

The profit for the year, after taxation, amounted to £465,000 (2007 £28,000). The directors do not recommend the payment of a dividend for the financial year (2007 £nil). The retained profit for the year of £465,000 (2007 £28,000) has been transferred to reserves.

During the year the Company issued 14,282,000 ordinary shares of £1 each to its parent Company B&Q Holdings BV at par.

Elective Resolution

On 23 March 2001 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

New England Paint Company Limited

Directors' report (continued)

Directors

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

S G Barrow	(resigned 20 February 2007)
T Hartwell	(resigned 20 February 2007)
H M Jones	(appointed 20 February 2007)
	(resigned 26 July 2007)
M Lee	(resigned 20 February 2007)
R Schultz	(resigned 20 February 2007)
D E Tatton-Brown	(appointed 20 February 2007)
N Folland	(appointed 26 July 2007)

Qualifying third party indemnity provisions

As at the date of this report, indemnities that are 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006 are in force under which Kingfisher plc has agreed to indemnify Duncan Tatton-Brown to the extent permitted by law, in respect of all losses arising out of, or in connection with the execution of his powers, duties and responsibilities, as a director of Kingfisher plc or any of its subsidiaries. Such indemnities were also in force in respect of each person who was a director of Kingfisher plc at any time during the financial year ended 2 February 2008.

Auditors and disclosure of information to auditors

Each person who is a director at the date of approval of this report and financial statements confirms that so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director to make him or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

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.

New England Paint Company Limited
Directors' report (continued)

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 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). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

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 the financial statements comply with the Companies Act 1985. 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.



N Folland
Director
1 October 2008

New England Paint Company Limited

Independent auditors' report to the members of New England Paint Company Limited

We have audited the financial statements of New England Paint Company Limited for the year ended 2 February 2008 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

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

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 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.

New England Paint Company Limited

Independent auditors' report to the members of New England Paint Company Limited (continued)

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 2 February 2008 and of its profit for the year 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

1 October 2008

New England Paint Company Limited
Profit and loss account
For the year ended 2 February 2008

	Notes	2008 £000	2007 £000
Interest receivable	4	<u>664</u>	<u>40</u>
Profit on ordinary activities before taxation	5	664	40
Taxation on profit on ordinary activities	6	<u>(199)</u>	<u>(12)</u>
Profit on ordinary activities after taxation		465	28
Retained profit for the year		<u>465</u>	<u>28</u>

The result for the year arises solely from continuing operations

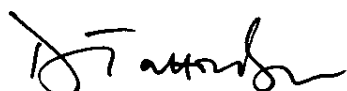
The Company has no recognised gains and losses other than the gains and losses above and therefore no separate statement of total recognised gains and losses has been presented

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

New England Paint Company Limited
Balance sheet
as at 2 February 2008

	Notes	2008 £000	2007 £000
Current assets			
Debtors	7	23,182	8,236
Creditors: amounts falling due within one year	8	(211)	(12)
Net assets		<u>22,971</u>	<u>8,224</u>
Capital and reserves			
Called up share capital	9	22,478	8,196
Profit and loss account	10	493	28
Equity shareholder's funds	11	<u>22,971</u>	<u>8,224</u>

The financial statements on pages 7 to 11 were approved by the Board of Directors and were signed on its behalf by



D E Tatton-Brown
Director

1 October 2008

New England Paint Company Limited
Notes to the financial statements
as at 2 February 2008

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. 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 52 weeks ended 2 February 2008. The comparative financial year is for the 53 weeks ended 3 February 2007.

The Company's ultimate holding company is Kingfisher plc and the cash flows of the Company are shown in the Group 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 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 and payable is accrued on a daily basis.

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.

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

2 Employees

The Company had no employees during the financial year (2007: nil).

3 Directors' remuneration

None of the directors received any emoluments from the Company in respect of the financial year ended 2 February 2008 (2007: £nil).

4 Interest Receivable

	2008	2007
	£000	£000
Interest receivable on intercompany debtor	664	40
	<u>664</u>	<u>40</u>

New England Paint Company Limited
Notes to the financial statements
as at 2 February 2008

5 Profit on ordinary activities before taxation

Auditors' remuneration is borne by the parent company

6 Taxation

	2008 £000	2007 £000
UK corporation tax for the year	<u>199</u>	<u>12</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	664	40
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 30%)	<u>199</u>	<u>12</u>
Total tax charge for the year	<u>199</u>	<u>12</u>

7 Debtors

	2008 £000	2007 £000
Amounts due from group undertakings	<u>23,182</u>	<u>8,236</u>
	<u>23,182</u>	<u>8,236</u>

Amounts due from group undertakings are sterling denominated accruing interest at a floating rate which at the year end was 5.928%. This amount has a fixed maturity repayable in 2011.

8 Creditors

	2008 £000	2007 £000
Corporation tax	<u>211</u>	<u>12</u>
	<u>211</u>	<u>12</u>

New England Paint Company Limited
Notes to the financial statements
as at 2 February 2008

9 Share capital

	2008	2007
	£000	£000
Authorised:		
30,000,000 (2007 30,000,000)		
ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
	<u>30,000</u>	<u>30,000</u>
Allotted and fully paid		
22,477,984 (2007 8,196,351)		
ordinary shares of £1 each	<u>22,478</u>	<u>8,196</u>
	<u>22,478</u>	<u>8,196</u>

During the year, the Company issued an additional 14,282,000 ordinary shares of £1 each to its parent company B&Q Holdings BV

10 Profit and loss account

	2008	2007
	£000	£000
At start of year	28	-
Retained profit for the financial year	<u>465</u>	<u>28</u>
At end of year	<u>493</u>	<u>28</u>

11 Reconciliation of movements in shareholders' funds

	2008	2007
	£000	£000
Profit for the financial year	<u>465</u>	<u>28</u>
Net proceeds of issue of ordinary share capital	14,282	8,196
Opening shareholders' funds	<u>8,224</u>	<u>-</u>
Closing shareholders' funds	<u>22,971</u>	<u>8,224</u>

12 Ultimate holding company

The company's immediate parent undertaking is B&Q Holdings BV

The company's ultimate parent undertaking and controlling party is Kingfisher plc, a company registered in England and Wales. The Annual Report and Accounts of Kingfisher plc may be obtained from the Company Secretary, Kingfisher plc, 3 Sheldon Square, Paddington, London, W2 6PX