

New England Paint Company Limited

Annual Report and Financial Statements

for the year ended 31 January 2023

Registered number: 04056989



New England Paint Company Limited

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New England Paint Company Limited

Company directory

Registered Office

1 Paddington Square
London
England
W2 1GG
United Kingdom

Company Type

New England Paint Company Limited is a private company limited by shares

Directors

C. Barry
J. Smith

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

New England Paint Company Limited

Directors' report

The Directors present their annual report and audited financial statements of New England Paint Company Limited (the "Company") for the financial year ended 31 January 2023.

The Directors' report has been prepared in accordance with the special provisions relating to small companies with Part 15 of the Companies Act 2006, and consequently a Strategic report has not been prepared.

Principal activities

The Company operates as an investment company within the Kingfisher plc group (the "Group"). The Directors currently envisage that the Company will continue these operations for a minimum of 12 months after the signing date.

Results and dividends

The income for the year, after taxation, amounted to £559,000 (2021/22: £425,000). The income for the year was primarily derived from interest receivable on loans to Group undertakings.

The Directors do not recommend the payment of a dividend for the year (2021/22: £nil). The Company did not pay an interim dividend during the year (2021/22: £nil), nor will there be any post year-end dividend pay-outs.

Directors

The Directors, who served during the year and up to the date of signing of these financial statements, were as follows:

C. Barry
J. Smith

The Directors of the Company were remunerated by another company in the Group.

Going concern

As at 31 January 2023, the current liabilities of the Company exceed its current assets by £6,000 (2021/22 restated: £5,000). The Company has limited activity and benefits from continued financial support from the Group headed by Kingfisher plc to support its continued operations and meeting of obligations as they fall due.

In assessing whether the Group is able to provide support to the Company consideration has been given in relation to the cashflow forecasts of the Group. This includes the modelling of a remote scenario that models the impact of a significant demand or supply shock preventing the Group from realising a large part of its sales over the period of a month followed by subdued demand for the remainder of the year. Even under this remote scenario, the Group retains headroom on its credit facilities and is able to support this Company if required.

New England Paint Company Limited

Directors' report (continued)

Future developments

The Directors expect the general level of activity to remain consistent with 2022/23 in the forthcoming year.

Post balance sheet events

There were no post balance sheet events requiring adjustment or disclosure in these financial statements.

Auditor

Deloitte LLP will continue to hold office in accordance with section 487 of the Companies Act 2006.

Statement of disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director 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.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Independent auditor's report, is made with a view to distinguishing for shareholders the responsibilities of the Directors and the auditor in relation to these financial statements.

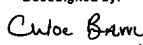
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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), including FRS 101 Reduced Disclosure Framework. 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 income 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;
- 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.

Approved and authorised for issue by the Board of Directors:

DocuSigned by:

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C. Barry
Director
24 July 2023

New England Paint Company Limited

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of New England Paint Company Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of total comprehensive income;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

New England Paint Company Limited

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

New England Paint Company Limited

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, and internal audit, and their Directors about their own identification and assessment of the risks of irregularities including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within Kingfisher plc (the 'Group') for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel at a Group level concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing, at a Group level, internal audit reports.

New England Paint Company Limited

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

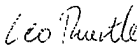
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, 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 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.



Leo Thurtle ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
24 July 2023

New England Paint Company Limited

Statement of total comprehensive income

Year ended 31 January 2023

| £'000 | Notes | 2022/23 | 2021/22 |
|------------------------------------------------|-------|------------|------------|
| Finance costs | | - | (7) |
| Finance income | 3 | 690 | 532 |
| Net finance income | | 690 | 525 |
| Income before taxation | | 690 | 525 |
| Income tax expense | 6 | (131) | (100) |
| Income for the year | | 559 | 425 |
| Total comprehensive income for the year | | 559 | 425 |

The notes on pages 12 to 15 form part of the financial statements.

All of the above transactions relate to continuing operations.

New England Paint Company Limited

Statement of changes in equity

Year ended 31 January 2023

| £'000 | Share capital (note 9) | Share premium | Retained earnings | Total |
|-----------------------------------------|------------------------------|------------------|----------------------|----------------|
| At 1 February 2022 | 1,078 | 118,433 | 3,736 | 123,247 |
| Total comprehensive income for the year | - | - | 559 | 559 |
| At 31 January 2023 | 1,078 | 118,433 | 4,295 | 123,806 |
| At 1 February 2021 | 1,078 | 118,433 | 3,311 | 122,822 |
| Total comprehensive income for the year | - | - | 425 | 425 |
| At 31 January 2022 | 1,078 | 118,433 | 3,736 | 123,247 |

The notes on pages 12 to 15 form part of the financial statements.

New England Paint Company Limited

Balance sheet

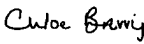
At 31 January 2023

| £'000 | Notes | 2022/23 | 2021/22 restated (note 8) |
|------------------------------------|-------|----------------|------------------------------|
| Non-current assets | | | |
| Amounts owed by Group undertakings | 8 | 64,057 | 63,497 |
| Investments | 7 | 59,755 | 59,755 |
| Total assets | | 123,812 | 123,252 |
| Current liabilities | | | |
| Current tax liabilities | | (6) | (5) |
| Total liabilities | | (6) | (5) |
| Net current liabilities | | (6) | (5) |
| Net assets | | 123,806 | 123,247 |
| Equity | | | |
| Share capital | 9 | 1,078 | 1,078 |
| Share premium | | 118,433 | 118,433 |
| Retained earnings | | 4,295 | 3,736 |
| Total equity | | 123,806 | 123,247 |

The notes on pages 12 to 15 form part of the financial statements.

The classification of trade and other receivables between non-current and current in the comparative balance sheet has been restated. Refer to note 8.

The financial statements of New England Paint Company Limited (Registered number 04056989) were approved by the Board of Directors and authorised for issue on 24 July 2023. They were signed on its behalf by:

DocuSigned by:

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C. Barry
Director

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2023

1 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

New England Paint Company Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 3 and 4.

The financial statements are prepared in 'Pounds Sterling' (£), which is also the Company's functional currency on the basis that it is the currency of the primary economic environment in which the Company operates.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) as issued by the Financial Reporting Council (FRC) as applied in accordance with the provisions of the Companies Act 2006.

The current financial year is the year ended 31 January 2023 ("the year" or "2022/23"). The comparative financial year is the year ended 31 January 2022 ("the prior year" or "2021/22").

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006.

These financial statements are separate financial statements. The Company is exempt under section 400 of the Companies Act 2006 from the preparation of consolidated financial statements, as it is included in the Group financial statements of its ultimate parent, Kingfisher plc.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, related party transactions, financial instruments disclosures, standards not yet effective and capital management. Where required, equivalent disclosures are given in the consolidated financial statements of Kingfisher plc, which are publicly available from www.kingfisher.com.

Changes to accounting policies as a result of new standards issued and effective do not have a material impact on the financial statements.

b. Going concern

As at 31 January 2023, the current liabilities of the Company exceed its current assets by £6,000 (2021/22 restated: £5,000). The Company has limited activity and benefits from continued financial support from the Group headed by Kingfisher plc to support its continued operations and meeting of obligations as they fall due.

In assessing whether the Group is able to provide support to the Company consideration has been given in relation to the cashflow forecasts of the Group. This includes the modelling of a remote scenario that models the impact of a significant demand or supply shock preventing the Group from realising a large part of its sales over the period of a month followed by subdued demand for the remainder of the year. Even under this remote scenario, the Group retains headroom on its credit facilities and is able to support this Company if required.

c. Interest receivable

Interest receivable is accrued on a daily basis.

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2023

1 Principal accounting policies (*continued*)

d. Taxation

The income tax expense represents the sum of the tax currently payable. 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.

Taxable income may differ from income before taxation, as reported in the income statement, because it excludes items of income or expense which are taxable or deductible in other years or which are never taxable or deductible.

e. Investments in subsidiary companies

Investments in subsidiary companies are held at cost less accumulated impairment losses. At each reporting date an assessment is performed as to whether there are any indicators that the Company's investments may be impaired and, should such indicators exist, the recoverable amounts are estimated.

When a review for impairment is conducted, the recoverable amount is assessed by reference to the net assets of the entity and its costs. Any impairment in value is charged to the statement of comprehensive income in the period in which it occurs.

f. Financial instruments

Classification

Financial assets are classified into the following specific category: 'Amounts owed by Group undertakings'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Recognition and measurement

Amounts owed by Group undertakings

Amounts owed by Group undertakings are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

g. Restatement of amounts owed by Group undertakings

The Company's receivables balances with Group undertakings have been reassessed against the classification criteria of current assets as set out in 'IAS 1 Presentation of Financial Statements'. The Company reassessed the amounts owed by Group undertakings classified as current assets based on timings that the amounts due were expected to be received and concluded that £63m of the amounts owed by Group undertakings as at 31 January 2022 should be classified as non-current assets. Comparatives have therefore been restated. Please refer to note 8 for further details.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements under FRS 101 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

There have been no critical accounting judgements made by the Directors or key sources of estimation identified during the year.

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2023

3 Finance income

| £'000 | 2022/23 | 2021/22 |
|---------------------------------------------|------------|------------|
| Interest receivable from Group undertakings | 690 | 532 |
| Finance income | 690 | 532 |

4 Employees' and Directors' remuneration

There were no employees or staff costs for the financial year ended 31 January 2023 (2021/22: £nil).

None of the Directors received any emoluments from the Company in respect of the financial year ended 31 January 2023 (2021/22: £nil). The Directors of the Company were remunerated by another company in the Group.

5 Auditor's remuneration

The auditor's remuneration for the auditing of the financial statements is £1,000 (2021/22: £1,000) and is borne by Kingfisher plc. No recharge will be made to the Company for these costs.

No other audit or non-audit services were performed by the auditors (2021/22: none).

6 Income tax expense

| £'000 | 2022/23 | 2021/22 |
|------------------------------------|--------------|--------------|
| UK corporation tax | | |
| Current tax on income for the year | (131) | (100) |
| Income tax expense | (131) | (100) |

Factors affecting tax charge for the year

The Company's income for this accounting period is taxed at a rate of 19% (2021/22: 19%).

From 1 April 2023 the UK corporation tax rate will increase to 25%.

The income tax charge for the year can be reconciled to the income before taxation as follows:

| £'000 | 2022/23 | 2021/22 |
|-------------------------------------------------------------------------------------------|--------------|--------------|
| Income before taxation | 690 | 525 |
| Income multiplied by the standard rate of corporation tax in the UK of 19% (2021/22: 19%) | (131) | (100) |
| Income tax expense | (131) | (100) |

7 Investments

| £'000 | Investments in subsidiary undertakings |
|--------------------------------|----------------------------------------|
| Cost and Net book value | |
| At 1 February 2022 | 59,755 |
| At 31 January 2023 | 59,755 |
| At 1 February 2021 | 59,755 |
| At 31 January 2022 | 59,755 |

The Company holds 13% of the ordinary share capital of Sheldon Poland Investments Limited⁽¹⁾, a company incorporated in the UK. Sheldon Poland Investments Limited's main function is as a finance company.

⁽¹⁾ Registered office: 1 Paddington Square, London, England, W2 1GG

New England Paint Company Limited

Notes to the financial statements

Year ended 31 January 2023

8 Amounts owed by Group undertakings

| | 2022/23 | 2021/22 Restated |
|------------------------------------|---------|---------------------|
| £'000 | | |
| Non-current | | |
| Amounts owed by Group undertakings | 64,057 | 63,497 |
| Amounts owed by Group undertakings | 64,057 | 63,497 |

Amounts owed by Group undertakings are Pound Sterling denominated, unsecured, have no fixed date of repayment and are repayable on demand. £59m (2021/22: £58m) of the balance is a fixed term loan and accruing interest at a fixed rate. The remaining £5m (2021/22: £5m) of the balance is accruing interest at a floating rate, based on Sterling Overnight Interbank Average ("SONIA") less a margin of 25 basis points.

Amounts owed by subsidiary undertakings have been considered for impairment using the 12 months expected credit loss model because there have been no changes in credit risk since initial recognition. The expected credit losses on amounts owed by Group undertakings is nil (2021/22: nil).

Following a reassessment of when certain amounts owed by Group undertakings are expected to be realised, the Company has determined that it did not intend to require settlement for certain amounts within 12 months of the balance sheet date. The comparatives have been restated, reclassifying £63m to non-current.

9 Share capital

| | Number of ordinary shares | Ordinary share capital |
|--------------------|------------------------------|---------------------------|
| | in thousands | £'000 |
| At 1 February 2022 | 107,747 | 1,078 |
| At 31 January 2023 | 107,747 | 1,078 |
| At 1 February 2021 | 107,747 | 1,078 |
| At 31 January 2022 | 107,747 | 1,078 |

As at 31 January 2023, 107,747,000 ordinary shares have been authorised and issued at £0.01 each.

The shares have attached to them full voting, dividend and capital distribution rights.

10 Ultimate holding company

The Company's ultimate parent company and ultimate controlling party is Kingfisher plc (company number 01664812), 1 Paddington Square, London, England, W2 1GG, which is incorporated in the United Kingdom, and registered in England and Wales. The largest and smallest group into which the Company's financial statements are consolidated is that headed by Kingfisher plc. A copy of the Annual Report and Accounts for Kingfisher plc is publicly available from www.kingfisher.com.

The Company's immediate parent undertakings are Sheldon Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales and Castorama Polska Sp. z o. o., a company incorporated and registered in Poland. The registered address of Sheldon Holdings Limited is 1 Paddington Square, London, England, W2 1GG. The registered address of Castorama Polska Sp. z o. o. is ul. Krakowiakow 78, 02-255 Warszawa, Poland.

11 Subsequent events

There were no post balance sheet events requiring adjustment or disclosure in these financial statements.