

Registered Number: 4210919

**SHELDON STERLING INVESTMENTS LIMITED
(FORMERLY KINGFISHER GIFT VOUCHERS LIMITED)**

Report and Financial Statements

For the Financial Year Ended

28 January 2012

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Sheldon Sterling Investments Limited
Report and Financial Statements

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Sheldon Sterling Investments Limited
Directors and officers

Directors

D Paramor
R Wardle
B Marsh (alternate director to D Paramor)

Secretary

K Hudson (appointed 1 June 2012)

Registered Office

3 Sheldon Square
Paddington
London
W2 6PX

AUDITOR

Deloitte LLP
Chartered Accountants
London

Sheldon Sterling Investments Limited

Directors' report

The directors present their annual report and financial statements of Sheldon Sterling Investments Limited (the "Company") for the year ended 28 January 2012

Principal activities and review of the business

The Company operates as a financing company within the Kingfisher plc group (the "Group") and intends to continue to do so for the foreseeable future

The Company had been dormant as defined in section 1169 of the Companies Act 2006 in the prior year

During the year the Company became active as part of an internal Group restructuring

Change of name

On 5 December 2012, the Company changed its name from Kingfisher Gift Vouchers Limited to Sheldon Sterling Investments Limited

Change of owners

On 20 July 2011, Martin Pecheur Investments Limited acquired the entire share capital of 2 £1 Ordinary Shares of the company from Kingfisher Group Limited, for a total consideration of £2

Issue of shares

On 4 August 2011, 98 £1 Ordinary Shares were issued to Martin Pecheur Investments Limited, for a total consideration of £1,134,131,277, with £1,134,131,179 being the share premium paid

Principal Risks and Uncertainties

The Company is a wholly-owned subsidiary of Kingfisher plc. From the perspective of the directors, 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 18 to 20 of the Kingfisher plc Annual Report and Accounts 2012

Key performance indicators ("KPIs")

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 Group can be found on pages 4 and 5 of the Kingfisher plc Annual Report and Accounts 2012

Results and dividends

The profit for the year, after taxation, amounted to £14,142,000 (2011: £nil). The directors do not recommend the payment of a dividend for the year. The profit for the year of £14,142,000 (2011: £nil) has been transferred to reserves.

Sheldon Sterling Investments Limited
Directors' report (continued)

Directors

The directors who served throughout the year were as follows

N Folland (resigned 1 June 2012)
D Paramor
R Wardle (appointed 1 June 2012)
B Marsh is an alternate director to D Paramor (appointed 20 July 2011)
K Hudson (resigned as an alternate director 1 June 2012)

Auditor 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 auditor is unaware, and
- the director has taken all steps that he or she ought to have taken as a director in order to make him or herself 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 auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

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 of accounting in preparing these financial statements

Sheldon Sterling Investments 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 auditor in relation to the financial statements

The directors are responsible for preparing this 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 estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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 by the board of directors and signed on its behalf by



K Hudson
Company Secretary
10 July 2012

Sheldon Sterling Investments Limited

Independent auditor's report to the sole member of Sheldon Sterling Investments Limited

We have audited the financial statements of Sheldon Sterling Investments Limited for the year ended 28 January 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 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, 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 statement of directors' responsibilities, 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 28 January 2012 and of its profit for the period 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.

Sheldon Sterling Investments Limited

**Independent auditor's report to the sole member of Sheldon Sterling Investments Limited
(continued)**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the period 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

Other matter

As the company was exempt from audit under section 480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year

Panos Kakoullis

Panos Kakoullis (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
10 July 2012

Sheldon Sterling Investments Limited
Profit and loss account
For the year ended 28 January 2012

	Notes	2012 £'000	2011 £'000
Interest receivable from group undertakings		<u>19,196</u>	<u>-</u>
Profit on ordinary activities before taxation	4	19,196	-
Taxation on profit on ordinary activities	5	(5,054)	-
Profit for the year	10	<u>14,142</u>	<u>-</u>

The profit for the year arises solely from continuing operations

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

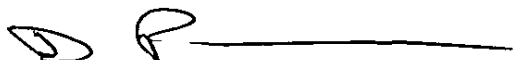
There is no material difference between the reported profit for the year and that which would be reported under the historical cost convention

Sheldon Sterling Investments Limited
Balance Sheet
as at 28 January 2012

Registered Number: 4210919

	Notes	2012 £'000	2011 £'000
Current assets			
Debtors amounts falling due within one year	6	1,153,327	-
Current liabilities			
Creditors amounts falling due within one year	7	(5,054)	-
Net current assets		<u>1,148,273</u>	<u>-</u>
Capital and reserves			
Called up share capital	8	-	-
Share premium	9	1,134,131	-
Profit and loss reserve	10	14,142	-
Equity shareholder's funds	11	<u>1,148,273</u>	<u>-</u>

The financial statements on pages 7 to 12 were approved by the board of directors and were signed on its behalf by -



D Paramor
 Director
 10 July 2012

Sheldon Sterling Investments Limited
Notes to the Financial Statements
year ended 28 January 2012

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, which have been applied consistently through 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 52 weeks ended 28 January 2012. The comparative financial year is for 52 weeks ended 29 January 2011.

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

The Company is exempt under Section 400 of the Companies Act 2006 from publishing consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its parent, Kingfisher plc which is registered in England and Wales.

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities which are wholly owned within the Kingfisher plc Group.

The directors' assessment of going concern is set out in the directors' report on page 3.

Interest receivable and payable

Interest receivable is accrued on a daily basis.

Taxation

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

Current tax, including UK corporation tax and foreign 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.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from profit 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.

2. Employees

The company had no employees during the financial year (2011: none).

3. Directors' remuneration

None of the directors received any emoluments from the Company or from any of its subsidiaries in respect of the financial year ended 28 January 2012 (2011: £nil).

4. Profit on ordinary activities before taxation

Auditor's remuneration of £1,000 is borne by the parent company (2011: £nil).

Sheldon Sterling Investments Limited
Notes to the Financial Statements
year ended 28 January 2012

5. Taxation

	2012 £'000	2011 £'000
Current tax		
UK corporation tax on profit for the year	5,054	-
Total current tax charge for the year	<u>5,054</u>	<u>-</u>

The tax assessed for the period is equal to the standard rate of corporation tax in the UK for the year ended 28 January 2012 of 26 33%

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	<u>19,196</u>	<u>-</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax for the UK of 26 33%	5,054	-
Current tax charge for the year	<u>5,054</u>	<u>-</u>

In 2010 the UK Government announced their intention to progressively reduce the rate of corporation tax suffered on business profits over a four year period. The anticipated 1% reduction taking effect from 1 April 2011 was subsequently amended to 2% resulting in a statutory rate of 26% from that date. Accordingly, the company's profits for this accounting period are taxed at a blended rate of 26 33%.

On 21 March 2012 it was announced that from 1 April 2012 the UK statutory rate will be reduced further to 24%. Subsequently, two additional 1% annual reductions are expected resulting in a statutory rate of 22% by 1 April 2014.

6. Debtors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed by Group undertakings	<u>1,153,327</u>	<u>-</u>

On 4 August 2011, Sheldon Sterling Investments Limited extended a loan with a principal amount of £1,103,527,000 to a Group undertaking. £272,731,000 was repaid during the year. The remaining £830,796,000 is repayable in full in five years time but the whole or part of the loan can be prepaid at any time without premium or penalty. £302,589,000 is owed by Group undertakings and is non-interest bearing, has no fixed date of repayment and is repayable on demand.

The loan is unsecured and attracts interest of 4 74% per annum.

In the prior year the amounts owed by group undertakings was £2

Sheldon Sterling Investments Limited
Notes to the Financial Statements
year ended 28 January 2012

7. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to Group undertakings	738	-
Corporation tax	<u>4,316</u>	<u>-</u>
	<u>5,054</u>	<u>-</u>

8. Share Capital

	2012 £	2011 £
Allotted and fully paid	<u> </u>	<u> </u>
100 Ordinary Shares of £1 each		
(2011 2 Ordinary Shares of £1 each)	<u>100</u>	<u>2</u>

On 20 July 2011, Martin Pecheur Investments Limited acquired the entire share capital of 2 £1 Ordinary Shares from Kingfisher Group Limited, for a total consideration of £2.

On 4 August 2011, 98 £1 Ordinary Shares were issued to Martin Pecheur Investments Limited, for a total consideration of £1,134,131,277, with £1,134,131,179 being the share premium paid

9. Share Premium

	2012 £'000	2011 £'000
Share premium (see note 8)	<u>1,134,131</u>	<u>-</u>

10. Profit and loss reserve

	2012 £'000	2011 £'000
At start of year	-	-
Profit for the year	<u>14,142</u>	<u>-</u>
At end of year	<u>14,142</u>	<u>-</u>

Sheldon Sterling Investments Limited
Notes to the Financial Statements
year ended 28 January 2012

11. Reconciliation of movements in shareholder's funds

	2012	2011
	£'000	£'000
Profit for the year	14,142	-
Net proceeds of issue of ordinary share capital and share premium	<u>1,134,131</u>	<u>-</u>
Net increase in shareholder's funds	1,148,273	-
Opening shareholder's funds	<u>-</u>	<u>-</u>
Closing shareholder's funds	<u>1,148,273</u>	<u>-</u>

12. Ultimate holding company

In the prior year, the immediate parent company was Kingfisher Group Limited, which is registered in England and Wales

The immediate parent company is Martin Pecheur Investments Limited, which is registered in Jersey

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 or from The Secretary, Kingfisher plc, 3 Sheldon Square, Paddington, London, W2 6PX

The largest and smallest group into which the Company's accounts are consolidated is that headed by Kingfisher plc, the Company's ultimate parent company