

**Registered Number: 4210919**

**SHELDON STERLING INVESTMENTS LIMITED**

**Report and Financial Statements**

**For the Financial Year Ended**

**2 February 2013**

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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 C F Wardle

B Marsh (alternate director to D Paramor)

**Secretary**

K Hudson (appointed 14 June 2013)

**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 2 February 2013

#### **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 was active during the current and prior year

#### **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 25 to 27 of the Kingfisher plc Annual Report and Accounts 2012/13

#### **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 6 to 15 of the Kingfisher plc Annual Report and Accounts 2012/13

#### **Results and dividends**

The profit for the year, after taxation, amounted to £30,994,000 (2012 £14,142,000). The directors do not recommend the payment of a dividend for the year. The profit for the year of £30,994,000 (2012 £14,142,000) has been transferred to reserves.

**Sheldon Sterling Investments Limited**  
**Directors' report (continued)**

**Directors**

The directors who served throughout the year, except as noted, were as follows

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

**Company secretary**

The company secretaries of the Company, who served as follows throughout the financial period, are

R C F Wardle (resigned 1 June 2012)  
K Hudson (appointed 1 June 2012, resigned 7 September 2012, re-appointed 14 June 2013)  
P Moore (appointed 7 September 2012, resigned 14 June 2013)

**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, 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 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  
4 September 2013

## **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 2 February 2013 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 2 February 2013 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

*Panos Kakoullis*

Panos Kakoullis (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
4 September 2013



**Sheldon Sterling Investments Limited**  
**Profit and loss account**  
**For the year ended 2 February 2013**

	<b>Notes</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
Interest receivable from group undertakings		<u>40,960</u>	<u>19,196</u>
<b>Profit on ordinary activities before taxation</b>	<b>4</b>	<b>40,960</b>	<b>19,196</b>
Taxation on profit on ordinary activities	5	(9,966)	(5,054)
<b>Profit for the year</b>	<b>10</b>	<u><b>30,994</b></u>	<u><b>14,142</b></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 2 February 2013**

**Registered Number: 4210919**

	<b>Notes</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Current assets</b>			
Debtors amounts falling due within one year	6	1,186,078	1,153,327
<b>Current liabilities</b>			
Creditors amounts falling due within one year	7	(6,811)	(5,054)
<b>Net current assets</b>		<b><u>1,179,267</u></b>	<b><u>1,148,273</u></b>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Share premium	9	1,134,131	1,134,131
Profit and loss reserve	10	45,136	14,142
<b>Equity shareholder's funds</b>	11	<b><u>1,179,267</u></b>	<b><u>1,148,273</u></b>

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  
 4 September 2013

**Sheldon Sterling Investments Limited**  
**Notes to the Financial Statements**  
**year ended 2 February 2013**

**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 53 weeks ended 2 February 2013. The comparative financial year is for 52 weeks ended 28 January 2012.

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**

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 (2012: 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 2 February 2013 (2012: £nil).

**4. Profit on ordinary activities before taxation**

Auditor's remuneration of £1,000 is borne by the ultimate parent company (2012: £1,000).

**Sheldon Sterling Investments Limited**  
**Notes to the Financial Statements**  
**year ended 2 February 2013**

**5. Taxation**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profit for the year	9,966	5,054
Total current tax charge for the year	<u>9,966</u>	<u>5,054</u>

The tax assessed for the period is equal to the standard rate of corporation tax in the UK for the year ended 2 February 2013 of 24 33% (2012 26 33%)

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Profit on ordinary activities before taxation	<u>40,960</u>	<u>19,196</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax for the UK of 24 33% (2012 26 33%)	9,966	5,054
Current tax charge for the year	<u>9,966</u>	<u>5,054</u>

The UK corporation tax rate fell from 26% to 24% from 1 April 2012 and from 24% to 23% from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at a blended rate of 24 33% and the deferred tax balances included in these financial statements reflect the enacted reduction to 23%.

A further reduction to 21% was announced in 2012, which is expected to take effect from 1 April 2014, and a subsequent reduction to 20% was announced in 2013, which is expected to take effect from 1 April 2015. Since these further reductions had not been substantively enacted at the balance sheet date, their impact is not included in these financial statements.

**6. Debtors: amounts falling due within one year**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Amounts owed by Group undertakings	<u>1,186,078</u>	<u>1,153,327</u>

£870,499,000 (2012 £830,796,000) is repayable in full in four years time but the whole or part of the loan can be prepaid at any time without premium or penalty. The loan is unsecured and attracts interest of 4.74% per annum.

£295,118,000 (2012 £302,589,000) is owed by Group undertakings and is non-interest bearing, has no fixed date of repayment and is repayable on demand.

**Sheldon Sterling Investments Limited**  
**Notes to the Financial Statements**  
**year ended 2 February 2013**

**7. Creditors: amounts falling due within one year**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Amounts owed to Group undertakings	-	738
Corporation tax	6,811	4,316
	<u>6,811</u>	<u>5,054</u>

**8. Share Capital**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Allotted and fully paid 100 Ordinary Shares of £1 each (2012 100 Ordinary Shares of £1 each)	<u>100</u>	<u>100</u>

**9. Share Premium**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Share premium	<u>1,134,131</u>	<u>1,134,131</u>

**10. Profit and loss reserve**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
At start of year	14,142	-
Profit for the year	30,994	14,142
At end of year	<u>45,136</u>	<u>14,142</u>

**Sheldon Sterling Investments Limited**  
**Notes to the Financial Statements**  
**year ended 2 February 2013**

**11. Reconciliation of movements in shareholder's funds**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year	30,994	14,142
Net proceeds of issue of ordinary share capital and share premium	<u>-</u>	<u>1,134,131</u>
Net increase in shareholder's funds	30,994	1,148,273
Opening shareholder's funds	<u>1,148,273</u>	<u>-</u>
Closing shareholder's funds	<u>1,179,267</u>	<u>1,148,273</u>

**12. Ultimate holding company**

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](http://www.kingfisher.com)

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