

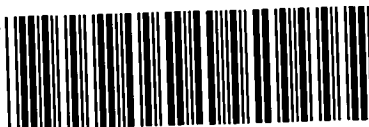
Sheldon Sterling Investments Limited

Annual Report and Financial Statements

for the year ended 31 January 2018

Registered number: 04210919

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Sheldon Sterling Investments Limited

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Sheldon Sterling Investments Limited

Company directory

Registered Office

3 Sheldon Square
Paddington
London
W2 6PX
United Kingdom

Sheldon Sterling Investments Limited is a company limited by shares

Directors

P. Moore
J-N. Groleau

Company Secretary

P. Moore

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Sheldon Sterling Investments Limited

Strategic report

The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

Principal activities

Sheldon Sterling Investments Limited (the "Company") operates as a finance company within the Kingfisher plc group (the "Group").

Business review

The profit for the year, after taxation, amounted to £16,412,000 (2016/17: £27,200,000). The profit primarily derived from interest receivable on loans to Group undertakings.

Net assets at year end were £1,326,911,000 (2016/17: £1,310,499,000). This is predominately composed of amounts owed by Group undertakings.

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 provides a comprehensive analysis of the main trends and factors likely to affect the development, performance and position of the business. A description of the principal risks and uncertainties facing the business can be found on pages 40 to 47 of the Kingfisher plc Annual Report and Financial Statements 2017/18.

Financial risk management

The Company operates as an investment company within the Group, and as such is exposed to a variety of financial risks, which include interest and foreign exchange risk, liquidity and credit risk.

As part of the Group these risks are managed centrally by Group Treasury, which has in place a board approved treasury policy and a risk management programme that ensures that the impact of such risks is minimised. Further information on the Group's financial risk management policies can be found in note 23 of the Kingfisher plc Annual Report and Financial Statements 2017/18.

Key performance indicators

The directors manage the Company's operations on a group basis and so the directors of the Company believe that analysis using key performance indicators for the Company is not necessary for an understanding of the development, performance or position of the business of the Company, other than the above mentioned net assets and profit (loss). The Group's development, performance and position is discussed in the Kingfisher plc Annual Report and Financial Statements 2017/18, which does not form part of this report.

Future developments


The directors expect the general level of activity to remain consistent with 2017/18 in the forthcoming year.

Post balance sheet events

No post balance sheet events have occurred from 31 January 2018.

By order of the board:

J-N. Groleau
Director
26 June 2018



Sheldon Sterling Investments Limited

Directors' report

The directors present their annual report and audited financial statements of the Company for the financial year ended 31 January 2018.

Principal activities and review of the business

The Company operates as a finance company within 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 profit for the year, after taxation, amounted to £16,412,000 (2016/17: £27,200,000). The profit is primarily derived from interest receivable on loans to Group undertakings.

The directors do not recommend the payment of a dividend for the year (2016/17: £nil). The directors did not pay an interim dividend during the year (2016/17: £nil), nor will there be any post year-end dividend payouts for the year.

Directors

The directors, who served throughout the year and until the date of signing of these financial statements were as follows:

J-N. Groleau
P. Moore

Company Secretary

The company secretary, who served throughout the year was as follows:

P. Moore

Going concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence. Thus they continue to adopt the going concern basis in preparing the annual financial statements (refer to note 1 for further information).

Auditor

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

Sheldon Sterling Investments Limited

Directors' report (continued)

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 he/she ought to have taken as a director in order to make himself/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.

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 strategic report, the directors' 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). 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 of the Company for that year. In preparing these financial statements, the directors are required to:

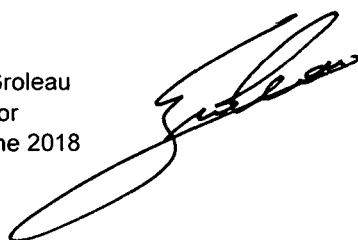
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Refer to the Strategic Report on page 3 for financial risk management, future developments and post balance sheet events.

By order of the board:

J-N. Groleau
Director
26 June 2018



Sheldon Sterling Investments Limited

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

Report on the audit of the financial statements

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 31 January 2018 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 of Sheldon Poland Investments Limited (the 'company') which comprise:

- the income statement;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 9

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"

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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Sheldon Sterling Investments Limited

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

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 strategic report or 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.

We have nothing to report in respect of these matters.

D. Winstone

Daryl Winstone (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
26 June 2018

Sheldon Sterling Investments Limited

Income Statement

Year ended 31 January 2018

£'000	Notes	2017/18	2016/17
Finance income	3	20,304	34,000
Profit before taxation		20,304	34,000
Income tax expense	6	(3,892)	(6,800)
Profit for the year		16,412	27,200
Total comprehensive income for the year		16,412	27,200

The notes on pages 11 to 14 form part of the financial statements.

All of the above transactions relate to continuing operations. There was no other comprehensive income during the current and preceding year and accordingly a separate statement of comprehensive income has not been prepared.

Sheldon Sterling Investments Limited

Statement of changes in equity

Year ended 31 January 2018

£'000	Share premium	Retained earnings	Total
At 1 February 2017	1,134,131	176,368	1,310,499
Total comprehensive income and profit for the year	-	16,412	16,412
At 31 January 2018	1,134,131	192,780	1,326,911
 At 1 February 2016	 1,134,131	 149,168	 1,283,299
Total comprehensive income and profit for the year	-	27,200	27,200
At 31 January 2017	1,134,131	176,368	1,310,499

The notes on pages 11 to 14 form part of the financial statements.

Sheldon Sterling Investments Limited

Company Registered number: 04210919

Balance sheet

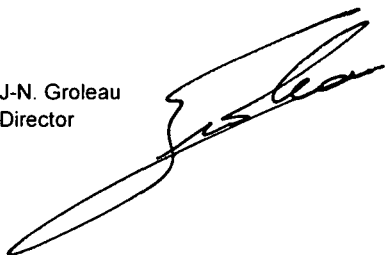
At 31 January 2018

£'000	Notes	2017/18	2016/17
Current assets			
Other receivables	7	1,328,868	1,312,563
Total assets		1,328,868	1,312,563
Current liabilities			
Current tax liabilities		(1,957)	(2,064)
Total liabilities		(1,957)	(2,064)
Net assets		1,326,911	1,310,499
Equity			
Share capital	8	-	-
Share premium		1,134,131	1,134,131
Retained earnings		192,780	176,368
Total equity		1,326,911	1,310,499

The notes on pages 11 to 14 form part of the financial statements.

The financial statements were approved by the Board of Directors on 26 June 2018 and were signed on its behalf by:

J-N. Groleau
Director



Sheldon Sterling Investments Limited

Notes to the financial statements

Year ended 31 January 2018

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

Sheldon Sterling Investments Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. 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 4 to 5.

The financial statements have been prepared in accordance with FRS 101 as issued by the Financial Reporting Council as applied in accordance with the provisions of the Companies Act 2006.

The current financial year is the calendar year ended 31 January 2018 ('the year' or '2017/18'). The comparative financial year is the calendar year ended 31 January 2017 ('the prior year' or '2016/17').

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.

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, 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.

b. Going concern

The directors of Sheldon Sterling Investments Limited, having made appropriate enquiries, consider that adequate resources exist for the company to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

c. Interest receivable

Interest receivable is accrued on a daily basis.

d. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

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.

e. Financial assets and liabilities

Classification

Financial assets are classified into the following specific category: 'other receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial liabilities are classified as 'other payables'.

Recognition and measurement

Other receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'other receivables'. Other receivables 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.

Sheldon Sterling Investments Limited

Notes to the financial statements

Year ended 31 January 2018

1 Principal accounting policies (continued)

e. Financial assets and liabilities (continued)

Other payables

Other payables, including borrowings, are initially measured at fair value, net of transaction costs. Other payables are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where approximate, a shorter period to the net carrying amount on initial recognition.

2 Critical accounting estimates and judgements

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 judgements during the year.

There have been no significant estimates, judgements or assumptions which are likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3 Finance income

£'000	2017/18	2016/17
Interest receivable from Group undertakings	20,304	34,000
Net finance income	20,304	34,000

4 Employees' and Directors' Remuneration

There were no employees or staff costs for the financial year ended 31 January 2018 (2016/17: £nil).

None of the directors received any emoluments from the Company in respect of the financial year ended 31 January 2018 (2016/17: £nil).

5 Auditor's Remuneration

The auditor's remuneration for the auditing of the financial statements of £1,000 (2016/17: £1,000) is borne by Kingfisher plc. No recharge will be made to the Company for these costs.

Sheldon Sterling Investments Limited

Notes to the financial statements

Year ended 31 January 2018

6 Income tax expense

£'000	2017/18	2016/17
UK corporation tax		
Current tax on profits, for the year	3,892	6,800
Income tax expense	3,892	6,800

Factors affecting tax charge for the year

The UK corporation tax rate reduced in the current year from 20% to 19% with effect from 1 April 2017, and accordingly, the Company's profits for this accounting period are taxed at a rate of 19.17% (2016/17: 20%).

From 1 April 2020 the UK corporation tax rate will fall to 17%.

£'000	2017/18	2016/17
Profit before taxation	20,304	34,000
Profit multiplied by the standard rate of corporation tax in the UK of 19.17% (2016/17: 20%)	3,892	6,800
Income tax income	3,892	6,800

7 Other receivables

£'000	2017/18	2016/17
Current		
Amounts owed by Group undertakings	1,328,868	1,312,563
Other receivables	1,328,868	1,312,563

Amounts owed by Group undertakings are comprised of a loan of £1,077,804,000 (2016/17: £1,057,500,000) unsecured, repayable on demand and attracts a fixed interest of 1.92% per annum, and a loan of £251,064,000 (2016/17: £255,063,000) which is non-interest bearing, has no fixed date of repayment and is repayable on demand.

8 Share capital

	Number of ordinary shares	Ordinary share capital £
At 1 February 2017	100	100
At 31 January 2018	100	100
At 1 February 2016	100	100
At 31 January 2017	100	100

As at 31 January 2018, 100 ordinary shares has been issued at £1 each.

Sheldon Sterling Investments Limited

Notes to the financial statements

Year ended 31 January 2018

9 Ultimate holding company

The Company's immediate parent undertaking is Martin Pecheur Investments Limited⁽¹⁾, which is registered in Jersey.

(1) Registered office: Ogier House, The Esplanade, St Helier, JE4 9WG, Jersey

The Company's ultimate parent company is Kingfisher plc⁽²⁾, 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 Financial Statements for Kingfisher plc can be obtained from www.kingfisher.com.

(2) Registered office: 3 Sheldon Square, Paddington, London, W2 6PX