

# Kingfisher Group Limited

## Strategic report

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

### Principal activities

Kingfisher Group Limited (the "Company") operates as an investment company within the Kingfisher plc Group (the "Group").

### Business review

The loss for the year, after taxation, amounted to £97,626,000 (2019/20: £6,109,000). The loss for the year was due to net interest payable on loans from Group undertakings and the partial impairment of the investment in Bricostore Romania S.A..

Net liabilities at the year end were £168,183,000 (2019/20: £70,557,000). This is predominately composed of net amounts owed to Group undertakings offset by investments in subsidiaries.

### 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 provides 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 40 to 46 of the 2020/21 Kingfisher plc Annual Report and Financial Statements.

We have faced limited disruption to the Group resulting from Brexit and the overall impact on the Company is therefore manageable. We expect that initial issues that have affected wider operations to be resolved over time. The residual risk will be addressed within the Group's initiatives and changes to the Company's processes and system interfaces and, as a result, this is no longer assessed as a separate principal risk.

### 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 25 of the 2020/21 Kingfisher plc Annual Report and Financial Statements.

### 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 liabilities. The Group's development, performance and position is discussed in the 2020/21 Kingfisher plc Annual Report and Financial Statements, which does not form part of this report.

# Kingfisher Group Limited

## Strategic report (continued)

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### **S.172(1) and stakeholder engagement statement**

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 (s172) of the Companies Act 2006 (the Act).

When making decisions, Directors have regard to the interests of stakeholders relevant to the Company, as [a/an holding company/intermediate holding company/investment company]. As well as the likely consequences of any decision in the long term, the desirability of the company maintaining a reputation for high standards of business conduct where appropriate. They also fulfil their responsibilities through Kingfisher's highly developed framework, which includes but is not limited to Kingfisher plc Group policies, business principles and the Kingfisher Code of Conduct.

The purpose of the Company is to act as an investment company within the Kingfisher group of companies. Due to the nature of the Company, no decisions were made by the Directors during the reporting period which required them to have regard to the matters set out in s172 of the Act.

### **Future developments**

The Directors expect the general level of activity to remain consistent with 2020/21 in the forthcoming year, other than the impairment of the investment in Bricostore Romania S.A.

### **Post balance sheet events**

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

Approved and authorised for issue by the board of directors:

P. Moore  
Director  
28 July 2021