

Sheldon Holdings Limited

Strategic report

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

Principal activities

Sheldon Holdings 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 £21,672,000 (2019/20: loss of £56,325,000). The loss for the year was primarily derived from interest payable on loans from Group undertakings.

Net assets at the year end were £4,315,104,000 (2019/20: £4,336,776,000). This is predominately composed of investments in subsidiaries and amounts owed to 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, 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 assets and loss. 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.

Section 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 an 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 Sheldon Holdings Limited is primarily 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.

Sheldon Holdings Limited

Strategic report (continued)

Future developments

The Directors expect the general level of activity to remain consistent with 2020/21 in the forthcoming year.

Post balance sheet events

In June 2021, the Company wound up one of its subsidiaries, with the net assets of this investment distributed to the Company. The anticipated effect of these transactions is an aggregate positive impact to retained earnings of circa £40m.

In July 2021, the Company also received an interim dividend of £154m from one of its subsidiaries, that has been offset by an impairment in the cost of investment.

Approved and authorised for issue by the board of directors:

P. Moore
Director
28 July 2021