

# Kingfisher France 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 France Limited (the "Company") operates as a holding company within the Kingfisher plc Group (the "Group").

### Business review

The profit for the year, after taxation, amounted to £3,671,000 (2018/19: loss of £4,542,000). The profit is mainly due to dividend income received from subsidiaries offset by administrative expenses and foreign tax suffered.

Net assets at year end were £3,166,322,000 (2018/19:£3,164,097,000). This is predominately composed of 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 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 38 to 45 of the 2019/20 Kingfisher plc Annual Report and Financial Statements.

The specific risks relating to Brexit are continuing to be reviewed, and plans have been made and are continuously updated to mitigate these.

### 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 24 of the 2019/20 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 profit. The Group's development, performance and position is discussed in the 2019/20 Kingfisher plc Annual Report and Financial Statements, which does not form part of this report.

# Kingfisher France 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 of the Act.

The Directors acknowledge that every decision they make will not necessarily result in a positive outcome for all of our stakeholders. By considering the company's purpose, vision, values together with its strategic priorities and having a process in place for decision-making, they do, however, aim to make sure that their decisions are consistent and predictable.

As is normal for companies that are part of a wider Group of entities, such as Kingfisher France Limited, day-to-day management of the company is delegated to executives who, in turn, engage management in setting, approving, and overseeing execution of the business strategy and related policies. The Board of Kingfisher France Limited reviews financial and operational performance and legal and regulatory compliance pertinent to any decision they are taking.

The purpose of Kingfisher France Limited is primarily to act as an intermediate holding company within the Kingfisher Group of companies and the company's key stakeholders are its affiliates in the wider Kingfisher Group in which it operates. The views of and the impact of the company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. While there may be cases where the board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Kingfisher Group means that generally our stakeholder engagement best takes place at an operational or Group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social, and other issues than by working alone as an individual company. 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 Section 172 of the Act. For details on some of the engagement that takes place with the Group's stakeholders to encourage the Directors to understand the issues to which they must have regard please see pages 18 to 19 and 56 to 57 of the Kingfisher plc 2019/20 Annual Report and Accounts.

During the year, the Kingfisher Group received information to help it understand the interests and views of its key stakeholders and other relevant factors when making decisions. As a result of this, we as Directors of Kingfisher France Limited have had an overview of engagement with stakeholders, and other relevant factors, which allows us to understand the nature of the stakeholders' concerns, and to comply with our section 172 duty to promote success of the company. For examples of how that engagement has influenced decisions at a Group level please see pages 56 and 57 of the Kingfisher plc 2019/20 Annual Report and Accounts.

### Future developments

The Directors expect the Company to continue its principal activity as a holding company.

By order of the board:

P. Moore  
Director  
25 January 2021