

# Sheldon Holdings 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

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 £56,325,000 (2018/19: loss of £43,701,000). The loss for the year was primarily derived from interest payable on loans from Group undertakings.

Net assets at the year end were £4,336,776,000 (2018/19: £4,393,101,000). 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 38 to 45 of the 2019/20 Kingfisher plc Annual Report and Financial Statements.

Following completion of the UK exit agreement, significant risks remain from the ongoing negotiation of the future trade agreement with the European Union and possible divergence of the UK regulatory framework. We continue to engage directly with Government and alongside key trade bodies and continue to consider different Brexit scenarios, preparing mitigation plans across key operational areas for the Company and wider Group.

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

# Sheldon Holdings 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 Sheldon Holdings 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 Sheldon Holdings Limited, at every Board meeting, reviews financial and operational performance and legal and regulatory compliance. We also review other areas over the course of the financial year including the reporting from the company's Compliance and Ethics Committee and its Internal Audit Director. This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The company's key stakeholders are its affiliates in the wider Kingfisher Group of companies 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 are 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. For details on some of the engagement that takes place with the company's stakeholders so as 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 we received information to help us understand the interests and views of the company's key stakeholders and other relevant factors when making decisions. As a result of this, we 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 please see pages 56 and 57 of the Kingfisher plc 2019/20 Annual Report and Accounts.

### Future developments

The Directors expect the general level of activity to remain consistent with 2019/20 in the forthcoming year.

### Post balance sheet events

The effects of the Covid-19 pandemic and the related financial statement impacts could not have been reasonably anticipated at 31 January 2020 and are therefore deemed to be non-adjusting post balance sheet events. There were however no specific events with respect to the Covid-19 pandemic requiring disclosure in these financial statements. There were no post balance sheet events requiring adjustment in these financial statements.

By order of the board:

P. Moore  
Director  
9 November 2020