



Kingfisher Pension Scheme

Report & Financial
Statements

Year Ended 31 March 2011



Kingfisher Pension Scheme

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Chairman's Introduction

I am pleased to present my review of the Scheme for the year ended 31 March 2011.

As I seem to be writing every year now the twelve months up to March 2011 saw continued volatility in global stock markets. In 2010 however there was some further upward movement of global markets supported by a number of central governments continuing to operate with quantitative easing support packages to encourage liquidity in the markets to try and stave off recession in the developed nations. The investment performance of the Scheme during the year to 31 March 2011 saw a positive return of 7.4%.

Against this background, the Trustee has over the last 12 months undertaken for the Scheme a full 3 year Valuation review as at 31 March 2010. At the last valuation, as at 31 March 2007, there was a small reportable funding surplus of £22m and a funding level of 102%. The recent 2010 valuation concluded that there was now a reportable funding deficit of £170m and that the funding level had fallen to 90.4%.

As a consequence, the Trustee has been in discussion with Kingfisher plc over the development of a recovery plan and I am pleased to report that full agreement has now been reached over a number of areas that will give greater security to the Scheme. The key developments are that:

- Kingfisher plc will continue with the secondary funding objective (this is the long-term funding objective to ensure the assets of the scheme match the liabilities by 2030 at the latest) and increase its annual employer contribution, by the retail price index, from £45m pa to £48.5m pa;
- A special property partnership has been set up between the Trustee and Kingfisher plc which gives recourse and greater security to the Trustee in the unlikely event of the Company's insolvency. These property assets will include 2 B&Q Warehouses, a new B&Q Support Services Centre at Chandlers Ford and a distribution centre at Swindon and will have a market value of around £200 million in 2011/12.
- Another benefit to the Scheme, is that the Scheme now receives over the next 20 years, the income stream from this partnership arrangement which forms part of the annual cash contribution from the Company;
- The Trustee will continue with its policy of 'de-risking', i.e. reducing the Scheme's investment risk from return seeking to matching assets (matching assets constitute 60% of Scheme assets at April 2010 and will constitute 100% of Scheme Assets by April 2030).
- These measures aim for the Scheme to have sufficient funds to buy all members' benefits with an insurance company, if we need to, in 2030.

In relation to the Money Purchase Section of the Scheme and because of a change in strategic direction by the existing provider - the Prudential, the Trustee has unexpectedly had to carry out a further administration provider review and this autumn will switch to Zurich plc with the majority of existing self select, lifestyle and default investment funds. The appointment of Zurich as the new provider should position the Scheme and Company to deal better with the forthcoming auto enrolment legislation when it comes into effect in February 2013. Later in the summer, the new Kingfisher pensions / Zurich money purchase communication documents will be available on the web site www.kingfisherpensions.com.

On a personal basis, this will be my last 'Introductory Statement' as I have recently advised the KPTL Board that I wish to retire as Chairman of the Board and as a Trustee Director by the end of September 2011. I have been a Trustee Director since 1992 and Chairman since 2001 and whilst I have thoroughly enjoyed my involvement with the pension Scheme and its membership, I now feel it is an appropriate time to step down. The Trustee Board will appoint my successor at their June 2011 Board meeting which will allow enough time for a smooth handover.

On a final note, I would like to thank the Group Pensions Department for their on-going contribution in supporting the Trustee Directors, the Scheme and most importantly of all the membership.

Tony Stanworth
Chairman
Kingfisher Pension Trustee Ltd
24 June 2011

Kingfisher Pension Scheme

Trustee and Advisors

Trustee	Kingfisher Pension Trustee Limited
Board of Directors	Tony Stanworth, Chairman BESTrustees plc, represented by Clive Gilchrist Sally Clifton Sarah Gerrand Evelyn Gleeson (appointed 1 June 2010) Paul Goulder (appointed 1 June 2010) Helen Jones Karl Lidgley Kerrin Qualters
Secretary to the Trustee	Dermot Courtier
Actuary	Neil Mobbs, Towers Watson Limited
Auditor	KPMG LLP (resigned 15 December 2010) Grant Thornton UK LLP (appointed 6 January 2011)
Bankers	Barclays Bank plc
Legal Advisers	Mayer Brown International LLP Freshfields Bruckhaus Deringer LLP Hogan Lovells International LLP
Investment Consultant	Towers Watson Limited
Final Salary Section Investment Managers	Aviva Investors European Credit Management Limited Goldman Sachs Asset Management International PIMCO Europe Limited Rogge Global Partners plc State Street Global Advisors UK Limited Wegelin Asset Management (to 10 January 2011) Wellington Management International Limited
AVC Providers	BlackRock Investment Management (UK) Ltd Legal & General Assurance (Pensions Management) Ltd London Life Limited The Prudential Assurance Company Limited
Custodian	State Street Bank & Trust Company
Pensions Administrators	
Final Salary Section	Kingfisher plc Group Pensions Department 3 Sheldon Square, Paddington, London W2 6PX
Money Purchase Section	The Prudential Assurance Company Limited

There are a number of pension technical terms used in this document. To assist with understanding them you might like to read the Final Salary and Money Purchase Sections Member Guides on the Trustee website. The address is www.kingfisherpensions.com.

Kingfisher Pension Scheme

Trustee's Report

Introduction

The Scheme is a hybrid scheme, providing 'final salary' benefits (i.e. based on a member's salary and service) for employees who joined the Scheme before 1 April 2004 and 'money purchase' benefits (i.e. based on what a member's accumulated fund value will purchase at retirement) for all employees recruited on or after 1 April 2004 or who otherwise elected to be provided with such benefits.

During the Scheme year under review:

- Members of the Final Salary Section were contracted-out of the State Second Pension (S2P) whilst members of the Money Purchase Section participated in S2P.
- The Money Purchase Section was open to all UK companies and their employees within the Kingfisher Group, subject to certain employee eligibility conditions;
- The Scheme was governed in accordance with the terms of the Trust Deed and Rules and of all relevant legislation.

This report gives information about the Scheme and its management in the Scheme year 2010/2011.

The Financial Statements of the Scheme for the year ended 31 March 2011, as set out on pages 30 to 42 have been prepared and audited in accordance with regulations made under Section 41(1) and (6) of the Pensions Act 1995. The accounts comply with the Statement of Recommended Practice (SORP) 'Financial Reports of Pension Schemes (revised May 2007)'.

The value of the Scheme's net assets at 31 March 2011 was £1,789.4m, an increase of £182.6m from 31 March 2010. The Investment Report on pages 16 to 27 provides information on the investment background, strategy and performance over the year.

Actuarial Review

The Financial Statements set out on pages 30 to 42 do not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Final Salary Section these liabilities are considered by the Scheme Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Final Salary Section and the level of contributions payable.

The 2007 Valuation showed that the annual rate of employer's contribution required to target full funding on a gilts basis by 2024 (including an allowance for administrative expenses over that period) is £45 million p.a. increasing in line with inflation every three years. This rate was reviewed during the 2010 valuation process.

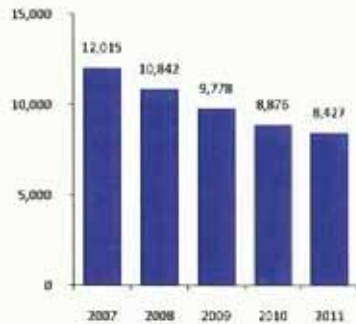
Financial advisory services to assess the strength of the employer covenant and to support the Trustee's negotiations with the Company were provided by Penfida Partners LLP.

The formal actuarial certificate required by statute to be included in the Annual Report from the Scheme Actuary appears on page 45. In addition, the Trustee has included the most recent Actuarial Certificate of the calculation of the technical provisions on page 45.

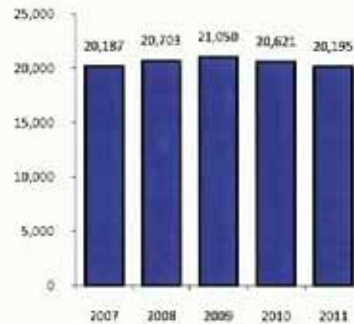
Kingfisher Pension Scheme

Five Year Summary at 31 March

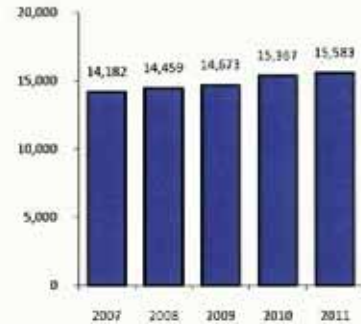
Active Members



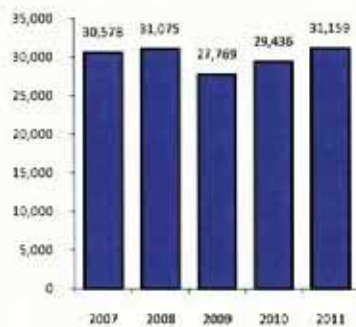
Deferred Pensioners



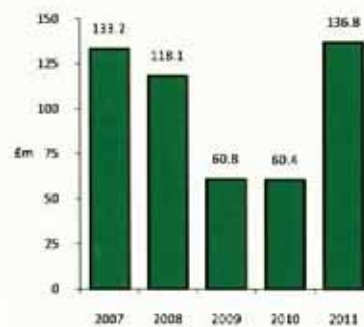
Pensioners & Dependants



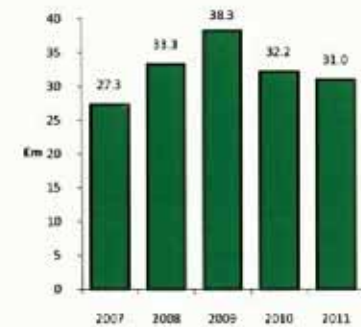
Life Assurance Only Members ¹



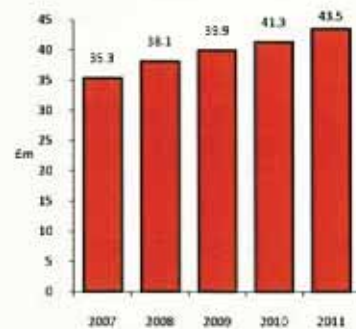
Income – Contributions & Transfer Values



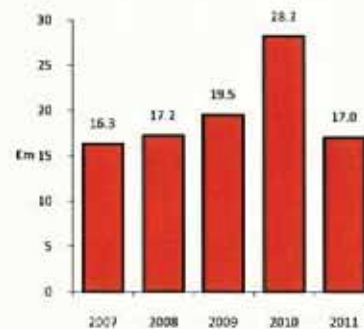
Income – Investment



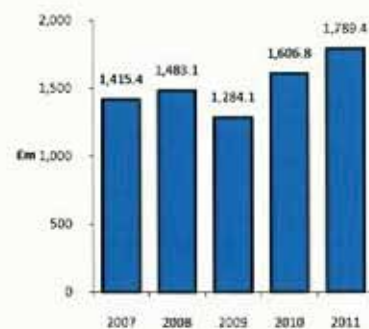
Expenditure – Pensions



Expenditure – Other Benefits & Expenses



Fund Value



¹ From 1 April 2004, a lump sum death benefit is provided for all employees in the event of their death while still working for a participating company.

Kingfisher Pension Scheme

Contributions

A Schedule of Contributions was introduced at 1 April 2004 and certified by the Scheme Actuary. Following the latest Actuarial Valuation at 31 March 2010, a new Schedule of Contributions was introduced at 1 April 2011 and certified by the Scheme Actuary.

Final Salary Section

Members' contributions are either 7% or 5% of Pensionable Salary depending on the member's chosen option during a consultation period between 1 January and 31 March 2004, subject to any later decision to pay contributions at the lower rate. Participating companies meet the balance of the cost to ensure that the Scheme is able to meet its estimated future commitments.

Money Purchase Section

Member's core contributions are 3% of Pensionable Salary. At the member's option, additional core contributions may be paid, which will be matched by the Company up to a maximum of an additional 2% (5% in certain circumstances) of Pensionable Salary. Members, who during the consultation period between 1 January and 31 March 2004, chose to join the Money Purchase Section on terms similar to those provided by the former Kingfisher Retirement Trust, do not contribute to the Money Purchase Section and the Company contributes 1% of Pensionable Salary on their behalf.

Company Additional Contributions

It is on occasion considered appropriate by the employer to enhance a member's benefits available from the Scheme. Where an employer chooses to do this, they are required to pay an additional amount to the Scheme (in the case of a member of the Final Salary Section and where applicable, to cover the cost of providing a stated level of benefits). The amount paid is calculated in accordance with instructions provided by the Scheme Actuary.

Additional Voluntary Contributions (AVCs)

AVCs provide an opportunity for members of the Scheme to increase their retirement benefits. AVCs are a tax-efficient way of providing extra benefits as the amount paid in contributions currently attracts tax relief at the member's highest rate of taxation and the fund builds up in a favourable tax environment.

AVCs paid by members of the Final Salary Section are invested separately from the other Scheme assets to ensure there are individual funds for each member which are clearly identifiable. Each member of the Money Purchase Section is allocated an individual clearly identifiable investment fund (known as a retirement account) and AVCs paid by such members are invested in the same retirement account.

Final Salary Section

Members of the Final Salary Section have a choice of:

- **With-Profits Fund.** This aims to provide a minimum growth rate that is guaranteed for contributions invested to date. Each year, further bonuses are added but these are not guaranteed in advance. When the benefits become payable, there is the possibility of an additional Terminal Bonus. Currently, the With-Profits Fund is invested and managed by Prudential.
- **Unit-linked funds.** These are directly linked to stock and bond markets. Each contribution buys a number of units in the selected investment funds, upon leaving or retiring these units are sold and used to buy pension benefits. Returns are not guaranteed and fund values can fall as well as rise. Currently, unit-linked funds are invested and managed by BlackRock and Legal & General, using active and passive management approaches.

At the year end, there were 823 active members with AVC accounts. There were also 2,223 deferred members and 24 opted-out members with AVC accounts.

Kingfisher Pension Scheme

Details of the value of members' AVC funds are included in their Personal Benefit Statements.

Money Purchase Section

AVCs paid by members of the Money Purchase Section are invested in the same underlying funds as the investment of their core contributions.

At the year end, there were 92 active members paying AVCs.

Transfer Values

All transfer values paid during the year were calculated as cash equivalents (within the meaning of Chapter IV Part IV of the Pension Schemes Act 1993) and verified in the manner prescribed under Section 97 of the Act. No allowance for discretionary benefits was made in the calculation of cash equivalents.

Membership

There are three categories of membership within the Scheme:

Active members

These are contributing employees who are currently members of the Final Salary Section before 1 April 2004 and the Money Purchase Section after 1 April 2004.

Deferred pensioners

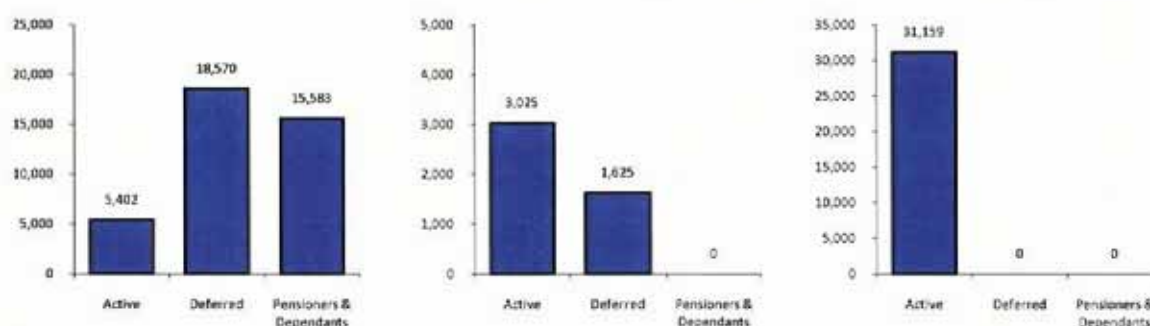
Members who have left service or otherwise ceased active membership and have the right to a future pension under the Scheme.

Pensioners and Dependants

Members who have retired from the Scheme and are in receipt of a pension, and dependants who are in receipt of a pension following the death of a member.

Membership at 31 March 2011

Final Salary Section	Money Purchase Section	Life Assurance Only ²
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² From 1 April 2004, a lump sum death benefit is provided for all employees in the event of their death while still working for a participating company.

Kingfisher Pension Scheme

Changes in Membership during the year ended 31 March 2011

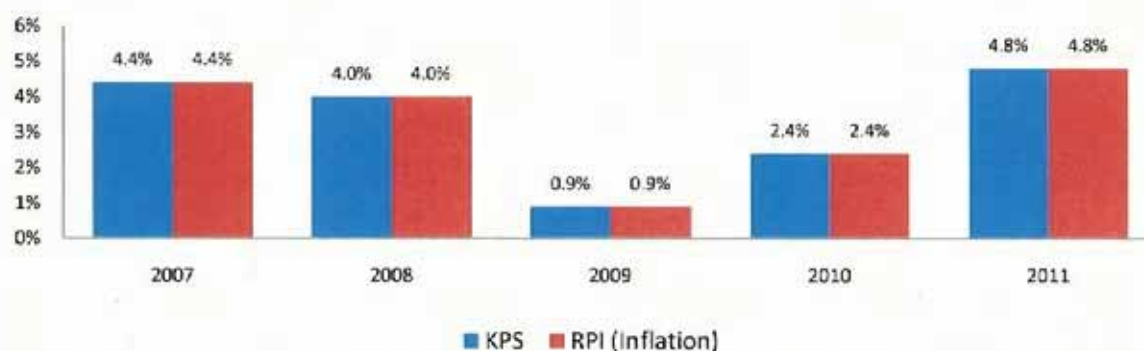
	Final Salary Section				Money Purchase Section	
	Active	Deferred	Pensioners & Dependants	Life Assurance only	Active	Deferred
At 31 March 2010	5,898	19,101	15,367	29,436	2,978	1,520
New	1	320	1,005	0	299	189
Deaths	(9)	(142)	(569)	0	(2)	(4)
Retirements	(170)	(657)	0	0	(18)	(26)
Leavers	(318)	(52)	(220)	0	(232)	(54)
At 31 March 2011	5,402	18,570	15,583	31,159	3,025	1,625

Pension Increases

Pensions in payment receive guaranteed annual increases matching the rise in the Retail Prices Index (during a calendar year) up to a maximum of 5%. Where inflation exceeds 5%, the Company may consider the payment of additional discretionary increases.

Increases from the Scheme do not apply to that element of the pension representing any Guaranteed Minimum Pension (GMP) in payment after age 60 for females or 65 for males (which the Scheme is required to provide as a consequence of contracting-out of State Earnings Related Pension Scheme (SERPS)) earned before 6 April 1988, as these increases are provided along with the State pension. The GMP element earned after April 1988 will be increased by the Scheme in line with inflation, as required by legislation, up to a limit of 3% per annum.

Pension increases over the last five years have been;



Both Jersey and Guernsey have their own Retail Prices Index (both 2.3% at December 2010) and increases for Channel Islands pensioners are calculated in accordance with these.

Since April 1978, final salary schemes have been able to contract-out of the State additional pension scheme (known until April 2002 as the State Earnings Related Pension Scheme (SERPS) and now known as the State Second Pension (S2P)); in doing so, a member and their employer pay a reduced rate NI contributions.

Because this reduced the member's SERPS pension, prior to 6 April 1997 a contracted-out scheme had to guarantee to pay a minimum pension so that the member would not be disadvantaged. Following the Pensions Act 1995, with effect from 6 April 1997 contracted-out final salary schemes no longer have to guarantee to provide a minimum pension. Instead, they are required to pass a 'Reference Scheme Test'. Consequently, members who joined after 6 April 1997 do not have a GMP, and the GMPs of members who joined before 6 April 1997 stopped accruing at that date.

Each year, the Scheme increases deferred pensions in line with inflation, up to 5% p.a. between the date of leaving and the date of retirement. These increases are non-discretionary.

Kingfisher Pension Scheme

General

Change to Advisor - Auditor

The Trustee undertook a review of its audit services to the Scheme in the autumn of 2010. As a result the Trustee appointed Grant Thornton UK LLP in January 2011 to replace KPMG LLP as a result of a competitive tender. KPMG LLP provided the Trustee with its resignation statement as follows:

'We hereby give notice of our resignation as auditors of the Kingfisher Pension Scheme with effect from the date of this letter. As required by the Occupational Pension Scheme (Scheme Administration) Regulations 1996, we confirm that we know of no circumstances connected with our resignation which, in our opinion, significantly affect the interests of the members or prospective members of, or beneficiaries under, the scheme'.

KPMG LLP
15 December 2010

Final Salary Section – Special Purpose Vehicle (SPV)

In line with the valuations undertaken in 2004 and 2007, the Kingfisher Group and Trustee choose to take a longer view when looking at the funding of the Pension Scheme, and funding levels are set on a 20-30 year horizon with a target of full funding of the Scheme on a prudent basis at this point in time.

A similar approach has been adopted for the current Scheme triennial funding valuation as at 31 March 2010, with the aim of keeping the Group's annual contributions to the Scheme at a level broadly consistent with previous years. This has been achieved principally by the introduction of property security in a partnership: Kingfisher Scottish Limited Partnership (KSLP) giving recourse for the Scheme to property assets in the event of Kingfisher's insolvency. On an ongoing basis, the Scheme receives a regular income stream from the partnership that forms part of the annual cash contribution from the Group to the Pension Scheme under the Schedule of Contributions.

UK property assets with a market value of £83m were sold to the partnership and leased back to B&Q plc under standard commercial lease terms. The Kingfisher Group retains control over these properties including the flexibility to substitute alternative properties. The Trustee's partnership interest in KSLP entitles it to the majority of the income of the partnership over the next 20 years. At the end of this term, Kingfisher plc has the option to acquire the Trustee's partnership interest in KSLP.

A further two UK properties with a combined market value of £116m are likely to be transferred to the partnership in 2011/12, and leased back to B&Q plc. The Trustee may choose to make a further investment in KSLP at this time.

Money Purchase Section – Money market fund members

In June 2010, the Trustee wrote to all sole invested money market fund members asking them to review their investment choice now that a default option exists in the scheme. Members were asked to confirm that they wished to remain invested in the new money market fund. If they had not notified the Trustee of this intention by 10 September 2010, their investments would be automatically transferred to the new default fund. As a result 631 members were automatically switched on 5 October 2010.

Kingfisher Pension Scheme

Actuarial Valuation 2010

The main purpose of the actuarial valuation is to examine the financial position of the Scheme relative to its funding objectives, as required under the Pensions Act 2004, and to determine the appropriate level of contributions to be paid in the future.

The principal conclusions of the current valuation are that:

- The accumulated assets of the Scheme as at the valuation date were 90% of the Scheme's technical provisions in respect of past service benefits, as defined in the Statement of Funding Principles dated 31 March 2011; this represents a funding deficit of £170 million.
- On the basis of the method and assumptions described in the Statement of Funding Principles for technical provisions, the employer contributions required to cover the balance of the cost of the accrual of future service benefits (excluding expenses, life cover costs for members not in the final salary section and levy payments to the Pension Protection Fund) were calculated to be 19.4% of salaries, equivalent to £23 million a year currently.
- On the basis of the Secondary Funding Objective described in the Statement of Funding Principles, and employer contributions paid since the valuation date, the employer contributions required from April 2011 to cover the balance of the cost of benefits to be accrued by April 2030 are £48.5 million a year increasing in line with inflation measured by RPI every three years.
- If the Scheme had been discontinued at 31 March 2010 and had then been wound up, there would have been insufficient assets to buy out the accrued benefits through the purchase of insured annuity policies. An approximate estimate of the proportion of the buy-out liabilities covered by the assets, ie the discontinuance funding level (or solvency position), for the Scheme as at the valuation date, on the assumptions adopted, is 64%. The assets would have been sufficient to cover 95% of benefits within the priority class of PPF compensation for all members.
- In accordance with the Statement of Funding Principles dated 31 March 2011 the Trustee and Kingfisher have agreed that the employers should pay contributions to the final salary section as set out below:
 - £45 million in 12 equal monthly instalments from 1 April 2010. This rises to £48.5 million a year in equal monthly instalments from 1 April 2011, increasing every three years in line with the increase in RPI with the first increase due from 1 April 2014
 - These contributions will be offset by income from the Special Purpose Vehicle, the interest in which is purchased by lump sum contributions (£78 million in January 2011)
 - Additional contributions equal to the PPF levies payable for levy years 2011/12 onwards
 - The contribution schedule has been derived with reference to the Secondary funding objective, and is expected to improve the coverage of technical provisions beyond the recovery period for the current deficit. The schedule includes all expenses and life insurance costs but excludes levies for the Pension Protection Fund.
- Contributions to the money purchase section will be paid in accordance with the Trust Deed and Rules of the Scheme.
- The financial position of the Scheme will be reviewed at the next actuarial valuation, which under the Scheme's Statement of Funding Principles is expected to be carried out as at 31 March 2013. The level of contributions required is expected to be reviewed with effect from 31 March 2014.

N G Mobbs
Fellow of the Institute and Faculty of Actuaries

12 May 2011

Towers Watson Limited
Watson House, London Road
Reigate, Surrey RH2 9PQ

Kingfisher Pension Scheme

Governance Report

Scheme Management

The Kingfisher Pension Scheme is managed and administered by the Trustee, Kingfisher Pension Trustee Limited, on behalf of Scheme members in accordance with the terms of the Trust Deed and Rules of the Scheme and of all relevant legislation.

Administration

The Trustee Board delegates day-to-day administration of the Scheme to the Group Pensions Department of Kingfisher plc. The Trustee Board also delegates aspects of the day-to-day administration of the Money Purchase Section to The Prudential Assurance Company Ltd. The delegated administration services are carried out in accordance with formal agreements governing the services to be provided. The Scheme meets all the administrative costs incurred by Kingfisher Group Pensions Department.

Trustee Directors

The Trustee Board consists of nine Trustee Directors, known as Trustees, made up of four Employer appointed Directors, an independent Trustee Director and four Member Nominated Directors (MNDs). The MNDs serve for a period of four years unless their Trusteeship is terminated or they resign or leave active membership before the end of their term. These Trustee Directors are also able to stand for re-selection for a further one term of four years, making a total of eight years maximum service.

Evelyn Gleeson was appointed as an employer nominated director on 1 June 2010 and Paul Goulder was appointed as a member nominated director on 1 June 2010.

Appointment and removal of Trustee Directors

The number of the Trustees shall never be more than 14 or (except on account of casual vacancies or where the Trustees are or include a company) fewer than three. Within these limits, the Company will have power by deed to remove Trustees from office or to appoint new or additional Trustees. A Trustee will be discharged if he is removed or replaced by the Company (provided that there is at least one Trustee remaining) or if he resigns by written notice both to the Company and to the other Trustees (provided that the Trustees continuing in office are at least three in number or include a company). A company which is not the sole Trustee will cease to be a Trustee upon going into liquidation.

Trustee Fees

The fee payable for the services of the Chairman of the Trustee Board, Tony Stanworth, Helen Jones and Kerrin Qualters are fixed by Kingfisher plc. BESTrustees plc also receives a fee as an Independent Trustee Director. The other employer and member nominated directors receive no fees as Trustee Directors but are reimbursed expenses incurred on behalf of the Scheme. The fees received by the Trustee Directors in the year ended 31 March 2011 are set out below and are included in Note 6 to the accounts on page 34.

	2011 £'000s	2010 £'000s
Tony Stanworth (Chairman)	42	27
BESTrustees plc	52	49
Helen Jones	20	11
Charles Woodward	0	9
Val Struthers	0	5
Kerrin Qualters	5	4

During the year the Trustee Board established temporary committees to deal with the Actuarial Valuation and Special Purpose Vehicle (SPV) amounting to almost thirty additional meetings during the year.

Kingfisher Pension Scheme

Trustee Knowledge and Understanding

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to assist trustees on this matter which became effective from April 2006. On taking office, new Trustee Directors are provided with introductory trustee training facilitated by an external professional source. Update courses are made available on a regular basis. Training presentations are also made at the Trustee meetings from time to time.

Board Committees

The Trustee Board monitors and oversees the scheme through committees, which focus on specific aspects of day to day operations. The four committees are Accounts, Audit & Governance, Benefits, DC & Retirement and Investment. Each committee has Terms of Reference and reports to the Trustee Board.

The composition of the committees is;

- **Accounts, Audit & Governance Committee**

The members are Sally Clifton (Chair), Helen Jones and Paul Goulder (from 1 June 2010).

The role of the committee is to approve the financial statements of the Scheme and the Report to members, arrange and approve the process of auditing the Report to members, monitor financial controls, record keeping, and expenses, approve budgets of the Scheme, monitor and review internal control systems and those assigned in the form of and from the risk register. To make decisions with regards to the appointment and removal of Scheme auditors and bankers based on appropriate advice. To monitor and review compliance with the schedule of contributions and to consider Scheme governance issues.

- **Benefits Committee**

The members are Tony Stanworth (Chairman), Helen Jones and Kerrin Qualters.

The committee meets as necessary to exercise the Trustee's discretionary powers, particularly in relation to the distribution of lump sum death benefits and the granting of ill health retirement pensions.

- **DC & Retirement Committee**

The members are BESTrustees plc (represented by Clive Gilchrist, Chairman), Sarah Gerrand, Evelyn Gleeson (from 1 June 2010) and Karl Lidgley.

The role of the committee is to focus on the monitoring and review of all defined contribution arrangements, to monitor and review the investment performance of the money purchase section, to monitor the risks to members' benefits and review risks assigned from the risk register.

- **Investment Committee**

The members are BESTrustees plc (represented by Clive Gilchrist, Chairman), Sally Clifton, Sarah Gerrand, Evelyn Gleeson (from 1 June 2010), Karl Lidgley and Kerrin Qualters.

The Trustee Board agrees the Scheme's Statement of Investment Principles. Day to day investment management is undertaken by external managers. The role of the committee is to make recommendations to the Trustee Board on strategic issues, monitor and review manager performance, decide on manager appointments and terminations and to monitor and review risks assigned from the risk register.

Kingfisher Pension Scheme

Attendance at Trustee's Meetings

The table below shows the attendance of individual Trustee Directors at the Trustee Board and Board Committee meetings held during the year.

Trustee Director	Trustee Board	Accounts, Audit & Governance	Benefits	DC & Retirement	Investment
Tony Stanworth (Chairman) (#)	5/6	-	3/3	-	-
BESTrustees plc (represented by Clive Gilchrist) (+)	4/6	-	-	3/3	4/4
Sarah Gerrand (#)	4/6	-	-	3/3	2/4
Evelyn Gleeson (#)	6/6	-	-	3/3	3/4
Helen Jones (#)	6/6	4/4	3/3	-	-
Sally Clifton (*)	6/6	4/4	-	-	-
Paul Goulder (*)	6/6	3/4	-	-	-
Karl Lidgley (*)	5/6	-	-	3/3	4/4
Kerrin Qualters (*)	6/6	-	3/3	-	3/4

(+) independent (#) employer nominated (*) member nominated

Trustee Directors

- Tony Stanworth (Chairman)** appointed 30 March 1992.
Tony has been a trustee since 1992 and Chairman of the Trustee Board since 2001. He was also Chairman of the Investment Committee from 1997 to 2002 and has been Chairman of the Benefits Committee since 2001. Tony also served as a trustee of the Lowndes Queensway Pension Scheme for 10 years. Before taking early retirement Tony was Group HR Director of Kingfisher from 1997 to 2005 and prior to that was HR Director of B&Q and Superdrug.
- BESTrustees plc (represented by Clive Gilchrist)** appointed 1 March 2009.
Clive has over 35 years' experience of the pensions and investment industries and has been Managing Director of BESTrustees plc since its inception in 1992. His early career was in stock-broking and investment management including ten years as investment manager/Director at the Post Office S.S.F./PosTel (now Hermes). He was a Member of the NAPF Council and Investment Committee for many years including two years as Investment Chairman and has also chaired the Pension Committee of The Association of Corporate Trustees.
- Sally Clifton** appointed 1 March 2009.
Sally joined B&Q in 1989 and has performed a number of roles including Computer Audit Manager and Supplier Administration Controller. Sally's current role is Company Secretary, heading up the B&Q Legal Services team. Sally is an Associate member of the Institute of Chartered Secretaries and Administrators, qualifying in 1986.
- Sarah Gerrand** appointed 1 June 2009.
Sarah joined Kingfisher in 2004 and her current role is Head of Investor Relations having previously spent her first two and a half years as Group Financial Reporting Manager. She is a qualified chartered accountant and is fluent in French and Spanish. Before joining Kingfisher she worked at Ernst & Young.
- Evelyn Gleeson** appointed 1 June 2010.
Evelyn joined Kingfisher in 2010 as Group HR Director having spent the previous four years at BP plc as HR Director, Fuels Value Chains. Before BP, Evelyn spent nine years at Mars Incorporated in senior HR operational roles, having started her career in manufacturing operations.
- Paul Goulder** appointed 1 June 2010.
Paul is currently unit manager in Penrith and has been with B&Q for 31 years and has worked at all levels from customer adviser to unit manager.

Kingfisher Pension Scheme

- **Helen Jones** appointed 1 September 2003.
Helen was Director of Governance and Corporate Services, responsible for Company Secretarial, Legal and Legislative Affairs, Corporate Governance matters and Group Corporate Responsibility until July 2007. She then took on the role of Director of Government and Industry Relations until retiring in August 2008 having spent 21 years with Kingfisher. She is a Fellow of the Institute of Chartered Secretaries and Administrators, qualifying in 1976.
- **Karl Lidgley** appointed 25 November 2005.
Karl has worked at B&Q for 25 years. During his career with B&Q he has worked at all levels in store; from part-time customer advisor through to unit manager, and currently works in the role of Unit Manager in Kettering.
- **Kerrin Qualters** appointed 1 July 2009.
Kerrin retired from B&Q after 22 years as Director of Store Development. Prior to working on the regeneration of the warehouse format, he developed the mini warehouse concept. Kerrin also spent 3 years in Turkey developing the large store format for Kocotas and has held a number of other senior operational roles. Before B&Q he spent 17 years with Woolworths in store management roles.

Advice to the Trustee

The names of the present professional advisors to the Trustee are shown on page 3. The advisors to the Scheme are appointed by the Trustee. Each appointment of a professional advisor is agreed in accordance with formal agreements governing the services to be provided.

Risk Management Review

The Trustee Board has established a Risk Register which details the significant risks associated with the Scheme and the relevant internal controls. The register is regularly reviewed and is formally approved by the Trustee Board on an annual basis to ensure that it remains appropriate.

During the year the Trustee review highlighted that the register should be split between the two sections of the Scheme, as each has rather different risk characteristics.

Conflicts of Interest Policy

Trustee directors are required to avoid a situation in which they have or may have a direct or indirect interest that conflicts, or may conflict, with the interests of the corporate trustee of the pension scheme.

During the year no conflicts of interest were identified in accordance with the Trustee conflicts of interest policy.

Corporate Governance

The Trustee Board believe it is desirable;

- To have a consistent approach on corporate governance issues
- To act as a responsible investor
- To be able to manage the process in a practical way

Consequently, all investment managers have been asked to exercise voting rights where relevant, referring back to the Group Pensions Department only those issues which they feel are contentious and warrant further discussion before taking action.

Kingfisher Pension Scheme

Actuarial Valuations

A full actuarial valuation of the Scheme is undertaken every three years based on assumptions as to future inflation, pension increases, salary increases, investment returns and life expectancy. These assumptions are discussed at the full Trustee Board meetings with the Scheme Actuary. The last full actuarial valuation was at 31 March 2010.

Custody of Assets

Final Salary Section

Although the Trustee Board has delegated day to day management of the Scheme's investments to external managers, the custody (safekeeping) of most of these assets is presently carried out independently of the managers by State Street Bank and Trust Company Limited.

Money Purchase Section

The custody (safekeeping) of these assets is carried out by the underlying investment manager's custodian, namely;

Underlying Fund	Custodian
State Street Global Advisors Limited As Of Priced Global Equity (30/70) Index sub-fund	State Street Bank and Trust Company Limited
M&G Global Leaders Fund	Northern Trust Corporation
Invesco Perpetual High Income Fund	Bank of New York Mellon Corporation
State Street Global Advisors Limited As Of Priced Diversified Beta sub-fund	State Street Bank and Trust Company Limited
Prudential Pre-Retirement Fund	HSBC plc
State Street Global Advisors Limited As Of Priced Index Linked Gilt Over 5 Year Index sub-fund	State Street Bank and Trust Company Limited
State Street Global Advisors Limited As Of Priced Sterling Liquidity sub-fund	State Street Bank and Trust Company Limited
Prudential Socially Responsible Fund	HSBC plc
Prudential HSBC Amanah Fund	RBC Dexia Investor Services

Kingfisher Pension Scheme

Investment Report

The purpose of this report is to advise members of the Trustee Board's investment policy and provide an outline of the general economic background prevailing during the year under review.

Final Salary Section

Investment Objectives and Strategy

Kingfisher plc (the 'Company') and Kingfisher Pension Trustee Limited (the 'Trustee') have agreed the following;

- A funding and investment plan for the Scheme, the Secondary Funding Objective "2FO", which targets a strong funding level and relatively low investment risk and which is in excess of the minimum Statutory Funding requirements. From the 2010 valuation the ultimate 2FO target is for the Scheme to be sufficiently funded to secure benefits with insured annuities by 2030;
- Initial annual 2FO contributions were £40m a year from 2005-2024, increasing with RPI on a triennial basis. Accordingly in 2008 after the 2007 triennial valuation annual employer contributions rose with RPI to £45m. Following completion of the 2010 valuation the employer contribution has risen, effective from 1 April 2011 to £48.5m + RPI (excluding £0.5m for the Pension Protection Fund levy which the Company has agreed to reimburse the Scheme for). The employer contribution will be reviewed again after the next 3 yearly valuation as at March 2013 and there after each formal valuation through to 2030;
- The 2FO funding target for 2030 will be the expected cost of securing benefits through insured annuities at that time. For the 2010 valuation the expected annuity terms in 2030 assume a discount rate for future benefit payments in line with yields on gilts of appropriate nature and duration;
- Planned investment de-risking switching from return seeking to matching assets. Matching assets constitute 60% of Scheme assets at April 2010 and will constitute 100% of Scheme Assets by April 2030. The Company and the Trustee will agree circumstances under which this de-risking plan could be accelerated;
- That having extended the initial 2FO target date from 2024 to 2030, there is no intention to extend the target 2FO date beyond 2030.

Other details relating to the 2FO and the Statutory Funding Objective are set out in the Statement of Funding Principles and [Group Pensions Policy Standard].

The Company and the Trustee have agreed the above planned high-level asset allocation changes in order to achieve an appropriate level of long-term return with an acceptable degree of risk. In practice, the Trustee wishes to move to the target asset allocation in a cost efficient manner, so the timing and magnitude of switches from return-seeking assets to matching assets will be decided upon by the Trustee based on monitoring of the Scheme's progress in reaching the 2FO and with input from the Company.

The objective is subject to regular monitoring by the Investment Committee with a triennial review as part of the actuarial valuation exercise. The objective forms the basis from which the Investment Committee develops a more detailed strategy approved by the Trustee Board, which is discussed with the Company. It is then for the Investment Committee to implement that strategy in terms of asset allocation and the appointment and monitoring of the appropriate managers.

Risk Measurement and Management

The Trustee recognises the following investment risks that the Scheme is exposed to and has taken the following measures to continually monitor and manage these risks. These measures do not render the investment policy free of risk. Rather, the measures endeavour to balance the need for risk control and the need for assets which are likely to achieve the required performance target.

Kingfisher Pension Scheme

- **Solvency Risk and Mismatch Risk**

The risk that the Scheme's assets fail to keep pace with the liabilities (due to investment factors) is measured and managed through qualitative and quantitative assessment of the expected development of the liabilities relative to the current and target investment policy. The results of this analysis are regularly discussed with the Actuary and the Scheme's investment advisors.

Mismatch risk can include inflation and interest rate risk. These risks are being managed through a swap programme.

- **Concentration Risk**

The Scheme's assets have been diversified across a range of asset classes, e.g. equities (UK and overseas), fixed interest (UK and overseas), Index Linked Gilts and cash. Within each asset class there are further diversifying conditions placed on managers, e.g. a limit on the maximum holding in any one stock by each manager.

No investment is permitted in the shares of Kingfisher plc or Companies majority owned by Kingfisher plc, other than indirectly through investment in pooled funds.

- **Manager Risk**

The Trustee aims to minimise the impact of any appointed manager underperforming. So, where appropriate, the Scheme's assets are allocated in varying amounts to a number of managers in each asset class, often employing different approaches (e.g. passive and active).

In addition, each manager is given a specific objective and is subject to guidelines and restrictions on what is permitted in achieving those objectives as specified in the individual Investment Management Agreements.

There is no limit on the value of assets managed by any one manager, however the volatility of the asset class and the manager's investment approach are taken into account when determining the size of each portfolio.

- **Derivative Risk**

Restrictions are imposed on the use of derivatives. Derivatives will be used by the Scheme for risk management purposes, as part of the strategic asset allocation. Derivatives are also used on a tactical basis by the Scheme's investment managers to ensure that they are able to cover exposed positions (e.g. risk reduction) and to increase or decrease exposure to markets, other than by direct investment, following asset allocation decisions. Derivatives are not to be used for speculative purposes or to 'gear up' fund returns. There are different facets to derivative risk, namely;

- Counterparty risk - addressed through the investment manager, banks and custodian guidelines with respect to cash management; in the use of derivatives this risk is mitigated through the exchange of collateral or margin.
- Basis risk – the returns from the backing assets used to meet the payable leg of a derivative may not match exactly. This risk is addressed through the investment policy adopted by the Trustee for the backing assets and the investment managers' asset management capabilities.
- Liability risk – pension liabilities can only be estimated and there is a risk of unanticipated changes in the assumptions used to value the KPS' liabilities, hence there may be a divergence between the performance of the derivatives and the actual value of the liabilities. This risk is managed by constructing a derivative strategy based on a best-estimate of future Scheme cashflows.

- **Performance Risk**

The risk of the returns on the Scheme being less than anticipated is monitored by regular review of both individual manager and total fund performance. This allows action to be taken to address persistent deviation from expected levels.

Kingfisher Pension Scheme

- **Custodian Risk**

Includes the risk that a custodian of the investments held in respect of the Final Salary Section or Money Purchase Section misplaces Scheme investments, that it is receiving, delivering or safekeeping and includes the further risk introduced by the Custodian's use of sub-custodians within some overseas countries

The Trustee Board believes in separating custody of assets from fund management as far as is practical. This provides an element of extra protection for KPS assets as well as the opportunity for efficient consolidated reporting. In addition, restrictions are applied as to who can authorise transfers of cash and the accounts to which transfers can be made.

- **Liquidity Risk**

Sufficient liquidity is maintained to meet expected outflows, with assets invested in appropriately realisable classes so as not to disrupt the Scheme's overall investment policy.

- **Currency Risk**

This risk is measured by the level of overseas investments and the translation effect of currencies leading to the risk of an adverse influence on investment values. It is managed by reducing translation risk of investing overseas by hedging a proportion of the overseas investments' currency translation risk for those overseas currencies that can be hedged efficiently.

- **Sponsor Risk**

Includes the risk that the sponsor (in the case of the Principal Employer) cannot, or will not, make good a current or future deficit of the Plan.

Is measured by the level of ability and willingness of the sponsor to support the continuation of the Scheme and to make good any current or future deficit;

Is managed by assessing the interaction between the Scheme and the sponsor's business, as measured by a number of factors, including the creditworthiness of the sponsor and the size of the pension liability relative to a number of metrics reflecting the financial strength of the sponsor.

- **Contribution Income**

The Schedule of Contributions payable and their due dates, is maintained by the Trustee, allowing any late (or lower than expected) payment to be raised with the relevant operating company at an early date (delays in the payment of contributions could affect the Scheme's solvency position).

- **Cash Transactions**

The risk of cash being transferred out of the Scheme in unauthorised circumstances is controlled by the restrictions imposed by the bank mandates and controls agreed with the Custodian and investment managers. These measures generally define the circumstances in which cash payments can be made and who is able to authorise them.

Kingfisher Pension Scheme

Socially Responsible Investment

The Trustee Board has delegated day to day investment decisions to its appointed investment managers (within certain guidelines and restrictions).

The Trustee Board believes that all companies should be run in a socially responsible way as in the long run this should continue to the success of those companies, but equally recognises its fiduciary responsibility to act in the best financial interests of the Scheme's members. Therefore, the Trustee Board's policy is that the investment managers should take account of social, environmental and ethical considerations to the extent that they may have a financial impact on investment performance. With this in mind, the Trustee Board also encourages managers to pursue policies of engagement with their investee companies.

The Trustee Board, however, recognises that because of the need to closely track the Index benchmarks, it is not appropriate for the Scheme's passive managers to take account of social, environmental or ethical considerations in the construction of their portfolios. However, the Trustee Board also encourages its passive manager and its other pooled fund managers, to pursue a policy of engagement with investee companies.

Changes in investment managers

During July 2010 the Trustee transferred £30million from the Wellington Global Equity portfolio to the Rogge Emerging Market Currency Fund. Wegelin Asset Management was terminated in January 2011 with £20million transferred to the Rogge Emerging Market Currency Fund.

Kingfisher Pension Scheme

Current Asset Allocation

Asset Class		Mandate	Proportion of fund allocated
Equities	Wellington Management	Active – Global	6%
	State Street Global Advisors	Passive – Global	23%
Bonds	European Credit Management	Active – Europe	3%
	Goldman Sachs	Active – Global	8%
	Kingfisher Scottish Limited Partnership	-	4%
	PIMCO	Active – Global	8%
	Rogge Global Partners	Active – Global	7%
	State Street Global Advisors	Passive – UK only	33%
Property	Aviva Investors	Active – UK & Europe	5%
Cash	Rogge Global Partners	Passive – Global	3%

Distribution of Scheme Assets

	31 March 2011	31 March 2010
UK Equities	11%	11%
Overseas Equities	19%	22%
Fixed Interest	37%	40%
Index Linked Gilts	20%	19%
Special Purpose Vehicle (SPV)	4%	0%
Cash & Cash Instruments	3%	2%
Property	5%	5%
AVC Funds	1%	1%
Total	100%	100%

Distribution by Investment Manager

	31 March 2011	31 March 2010
Aviva Investors	5%	5%
European Credit Management	3%	3%
Goldman Sachs	8%	8%
Kingfisher Scottish Limited Partnership (SPV)	4%	0%
PIMCO	8%	8%
Rogge Global Partners	10%	8%
State Street Global Advisors	56%	57%
Wegelin Asset Management	0%	2%
Wellington Management	6%	9%
Total	100%	100%

Geographical Spread of Assets

	31 March 2011	31 March 2010
UK	73%	68%
Europe	11%	13%
North America	11%	15%
Japan	2%	2%
Others	3%	2%
Total	100%	100%

Kingfisher Pension Scheme

Investment Background

General Market Overview

Financial markets did remarkably well to build further on their broad recovery during the year from the events of just over two years ago. Despite surging fuel prices, ongoing interest rate hikes in emerging markets, unaffordable yield levels for peripheral European borrowers in Greece, Ireland and Portugal, and the tragic consequences of the Japanese earthquake in March 2011. Confidence levels stayed strong enough to foster economic resilience which saw burgeoning capital markets activity.

Equities

Global equities tumbled in the second quarter of 2010 amid rising risk aversion and concerns that the global economy would slip back into recession. At the forefront of investors minds were sovereign debt and solvency troubles in the Euro zone, slowing economic growth in China and the US and uncertainty in the sustainability of corporate earnings growth. There was a rebound in the third quarter as investors shrugged off concerns about the pace of economic growth and investors' enthusiasm for stock was re-ignited. This ascent continued in the fourth quarter driven by investors' demand for additional government debt purchases by the US Federal Reserve, the extension of tax cuts in the US and generally improving economic data. The improving optimism about the global economy and strong global liquidity outweighed investors' concerns about sovereign debt troubles in Europe.

Despite the volatility and headline risk of the first quarter of 2011, global equities moved higher as investors chose to focus on improving data, good corporate earnings and robust M&A activity. Heightened geopolitical risks, a devastating earthquake in Japan and continued uncertainty surrounding sovereign debt issues in Europe were not enough to offset investors' enthusiasm about the improving health of the global economy.

Bonds

The second quarter of 2010 saw sovereign risk return to the spotlight as investors demanded additional compensation from peripheral European governments for providing them with funding against an increasingly uncertain fiscal backdrop. European turmoil deflected market attention away from the UK general election result. The UK economy stuttered along during the third quarter of 2010; with UK fixed income markets giving back some of their gains from earlier in 2010 during the fourth quarter as interest rates rose and investors shifted to riskier assets. They continued to struggle in the first quarter of 2011, as inflation concerns continued to force interest rates higher across the yield curve.

Property

The UK commercial property market benefited from improved investor sentiment and increased demand for prime properties with long leases and strong covenants. The rally was also underpinned by growing confidence that the long awaited economic recovery had begun.

However, given an uncertain sales outlook in the Retail sector, difficult financing conditions, rising input costs and increases in VAT, development levels have been significantly cut back for most retail formats. Office markets in the UK continue to be characterised by divergence in conditions between Central London and the rest of the country. Central London offices remain the out performing occupier market, whilst the rest of the country remains less buoyant with occupier demand generally weak, leading to slow rental growth.

Output growth is ongoing in the Industrial sector, with growing signs that sterling weakness is finally feeding through to a pickup in export volumes. Occupier demand remains weak, though there are signs of modest improvement. More encouragingly, there are growing signs that availability in the sector has peaked and development levels are likely to be very low for an extended period, allowing for excess supply to be slowly absorbed, easing the rental decline, giving way to modest rental growth.

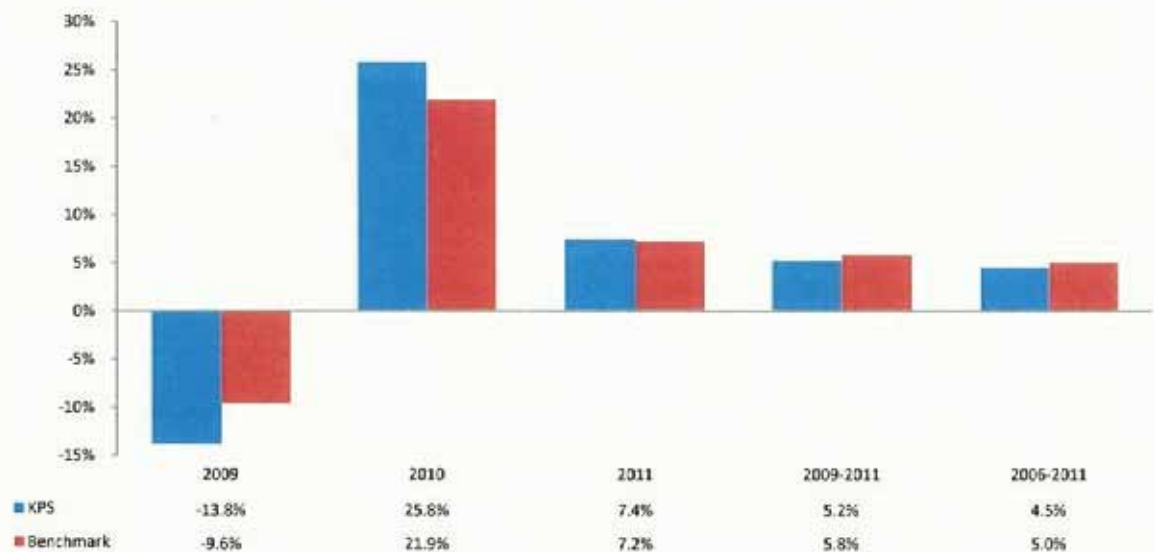
Kingfisher Pension Scheme

Investment Performance

The performance of the Scheme's investments is measured against the Scheme specific benchmark and other UK pension schemes of various sizes by an independent external measurement service, Performance & Risk Analytics, of BNY Mellon Asset Servicing. Taking all portfolios together, the return achieved by the Scheme during the year to 31 March 2011 was 7.4%, outperforming the Scheme specific benchmark of 7.2% by 0.2%.

Reviewing performance over the longer periods is more relevant to the Scheme's long-term objectives. Over three and five year periods, the annual returns were 5.2% and 4.5% compared to the benchmark of 5.8% and 5.0% respectively.

Annualised Investment Returns



Current Managers' Objectives

As part of the Scheme's investment strategy, its assets are allocated to a number of investment managers in specific asset classes. The investment managers are given performance objectives which, when combined, are intended to enable the Scheme to achieve its overall investment objectives (see page 16).

Global Equities

Wellington Management's objective is to out-perform the MSCI World Index return by 2% per annum (net of base fees) over rolling three year periods.

State Street Global Advisors' objective is to deliver a return to within 0.5% of the rolling annual total return and within 0.25% per annum over rolling three-year period of its 'benchmark'.

The benchmark is made up of UK and Overseas Equity securities and comprises the following indices: 43.4% FTSE-All Share Index; 24.4% FTSE-All World North America; 19.3% FTSE-All World Europe ex-UK; 5.6% FTSE-All World Japan and 7.3% FTSE-All World Pacific Basin (ex Japan).

Kingfisher Pension Scheme

Bonds

European Credit Management's objective is to out-perform by 2% over three year rolling periods (net of fees) 1 month LIBOR.

Goldman Sach's fixed interest portfolio has the objective of out-performing its benchmark by 1.5% over rolling three year periods (net of base fees). The benchmark is made up of 70.0% Merrill Lynch Sterling Non-Gilts Index and 30.0% FTSE-A All Stocks UK Gilts Index.

Kingfisher Scottish Limited Partnership's objective is to carry on the business of managing, owning and leasing the freehold properties which comprise the property portfolio and to manage those properties in accordance with the investment policy.

PIMCO's fixed interest portfolio has the objective of out-performing its benchmark by 1.5% over rolling three year periods (net of base fees). The benchmark is made up of 70.0% Merrill Lynch Sterling Non-Gilts Index and 30.0% FTSE-A All Stocks UK Gilts Index.

Rogge Global Partners' fixed interest portfolio has the objective of out-performing its benchmark by 1.25% over rolling three year periods (net of base fees). The benchmark is made up of 70.0% Merrill Lynch Sterling Non-Gilts Index and 30.0% FTSE-A All Stocks UK Gilts Index.

State Street Global Advisors' objective is to deliver a return to within 0.5% of the rolling annual total return and within 0.25% per annum over rolling three-year period of its 'benchmark'. The benchmark is made up of 70.0% Merrill Lynch Sterling Non-Gilts Index and 30.0% FTSE-A All Stocks UK Gilts Index.

Property

Aviva Investors' property portfolio has the objective of out-performing the IPD All Balanced Funds Index by 0.5% (net of fees) per annum over rolling three year periods.

Cash

Rogge Global Partners' emerging market currency fund has the objective of an absolute return providing exposure to emerging market currencies.

Trustee's Cash

The Trustee maintains a current account to meet the day-to-day benefits and expenditure payments. Any monies in the account that are not required for immediate use are placed on an overnight money market account.

Fees

The Trustee Board believe that, in the right circumstances, a performance related fee is preferable to a traditional asset based fee as it ensures that investment managers share in both their over and under performance.

However, it is difficult to implement just one approach to fees, as managers may be inflexible on changing their standard basis. The Scheme may have to accept this if it believes a manager can add value and wishes to appoint them despite inflexibility on fees.

All investment fees are met by the Scheme.

Kingfisher Pension Scheme

Money Purchase Section

Investment Objectives and Strategy

The Trustee's objective is to make available to members of the Money Purchase Section an appropriate range of investment options to which members and the Company will contribute in order to provide each member with a fund which will be used to secure their benefit at retirement. The Money Purchase Section offers a facility for members to contribute more on a voluntary basis.

The Trustee Board makes available a range of investments via pooled funds, which seek to:

- Establish a financially efficient scheme that provides attractive and robust long term investment options to members that recognise their investment challenge and incorporate institutional best practices
- Enable members to protect their benefits as they approach retirement
- Limit the scope of members to need to take detailed investment decisions.

Currently the Trustee Board offer two Lifestyle strategies which involve automatic switches from predominantly equities to gilts, corporate bonds and cash as the target retirement date approaches from either a 5 year or 10 year start date before retirement. In addition, the Trustee Board offer a number of funds offering specific equity, bond or cash investments which may be selected by members instead of the Lifestyle options.

The Money Purchase Section does not hold shares directly in Kingfisher plc.

Risk Measurement and Management

The Trustee is aware of a number of risks for the Money Purchase Section of the scheme, which include;

- **Underperformance risk**
The members are invested in low risk/low return assets for too much of their working lifetime. The fund manager fails to add value compared to passive (index tracking) investment. Passive management is a money management strategy that seeks to match the return and risk characteristics of a market segment or index by mirroring its composition.
- **Annuity risk**
Close to retirement the members are invested in assets that do not protect against annuity rate changes.
- **Volatility**
At retirement the members are invested in assets which are too volatile.
- **Switching risk**
That wholesale switches between asset classes expose the members to market risk.

The Trustee is satisfied that the spread of assets by type and the investment manager's policies on investing in individual securities within each type provides adequate diversification of investments. The Trustee believes that the investment strategies (the mix of asset type) inherent in the managers' funds are currently appropriate for achieving their objectives.

Kingfisher Pension Scheme

Investment Approach

Passive management (also known as index tracking), aims to reduce the risk of poor share selection in individual companies and instead invest in most of the companies within a market/index (e.g. the FTSE or All-Share index). In this way they aim to deliver returns that are close to the overall market returns.

Active Management aims to use analysis of the markets to achieve above-average returns. The investment manager will do this by choosing shares that are either undervalued (to buy) or overvalued (to sell) and choosing the right time to do this. Actively managed investments have the potential to bring in higher returns than passively managed investments but they also carry a higher risk of underperforming if the investment manager's decisions prove unsuccessful. Actively managed funds usually incur higher annual management charges.

Investment Performance

All the assets attributed to the Money Purchase Section, including members' AVCs but excluding cash required for transaction purposes, are presently invested in a range of asset classes administered by Prudential. Members have the option to invest in one of two lifestyle approaches or select from a range of asset classes, listed below. It is not possible to compare the performance of each lifestyle approach with a stated objective.

Option A – Lifestyle 5 Year

This option has been designed to fit the 'average' member's requirements, attempting to balance the opportunity for maximizing returns, whilst reducing the volatility of returns as retirement approaches.

Option B – Lifestyle 10 Year

This option has been designed for members who wish to take a more cautious approach to investing whilst attempting to still deliver above average returns in the early years.

The difference between the two lifestyle approaches is when the transition is made from investing in higher risk funds investing mainly in company shares (accumulation phase) to lower risk funds investing in gilts, corporate bonds and cash (pre retirement phase).

	Lifestyle 5 Year	Lifestyle 10 Year*
Accumulation Phase	50% Passive Global Equity (inc. UK) 50% Diversified Return	50% Passive Global Equity (inc. UK) 50% Diversified Return
Pre-Retirement Phase	75% Pre Retirement 25% Money Market	75% Pre Retirement 25% Money Market
Transition Start Date	5 years before retirement	10 years before retirement
Cash Transition Date	2.5 years before retirement	5 years before retirement

* The Lifestyle 10 Year has been selected by the Trustee as the default fund should members fail to make an investment choice

Kingfisher Pension Scheme

Asset Class & Fund Name	Fund Description	Underlying Fund	Performance Objective & Benchmark
Global Equity (Passive) Passive Global Equity (inc. UK) Fund	This fund invests in a combination of funds which invest in stock markets around the world. To reduce the impact of currency movements on the returns generated by the fund, 75% of its non sterling currency exposure is hedged back to Sterling	State Street Global Advisors Limited As Of Priced Global Equity (30/70) Index sub-fund	To track the performance of the benchmark. 70% FTSE World ex UK (hedged 75%) Index 30% FTSE All Share Index
Global Equity (Active) Active Global Equity (inc. UK) Fund	This fund invests approximately 30-40% in the shares of UK companies and the remainder in the shares of overseas companies	70% M&G Global Leaders Fund 30% Invesco Perpetual High Income Fund	70% FTSE World Index 30% FTSE All Share Index
Multi-Asset (Passive) Diversified Return Fund	This fund invests in a wide range of assets, including company shares, high yield bonds, property, commodities and specialised alternative assets	State Street Global Advisors Limited As Of Priced Diversified Beta sub-fund	To target returns in line with the benchmark. 60% FTSE All-World Developed Index 40% FTSE Gilts All Stocks Index
Corporate Bond & Fixed Interest (Active & Passive) Pre-Retirement Fund	This fund invests in UK government bonds (Gilts) and UK corporate bonds with an average maturity period of 15 years or longer	Prudential Pre-Retirement Fund	To track the performance of the benchmark. Mirrors the benchmark of the underlying fund (currently 50% FTSE A British Government Over 15 Year Gilt Index and 50% iBOXX Sterling Non-Gilts Over 15 Years Index).
Index-Linked (Passive) Pre-Retirement Inflation Linked Fund	This fund invests in UK government bonds (Gilts) where the interest payable on the bond is linked to the rate of inflation	State Street Global Advisors Limited As Of Priced Index Linked Gilt Over 5 Year Index sub-fund	To track the performance of the benchmark. Mirrors the benchmark of the underlying fund (currently the FTSE Actuaries British Government Over 5 Years Indexed Linked Gilts Index).
Cash (Active) Money Market Fund	This fund aims to provide a high level of security by investing in short-term money market instruments and fixed deposits. While this is a low risk fund, no investment strategy is without risk. As such there is a small chance this fund could have a negative return	State Street Global Advisors Limited As Of Priced Sterling Liquidity sub-fund	The fund is actively managed to outperform the benchmark. 7 Day LIBID
UK Equity (Active) Ethical Fund	This fund invests in shares of companies that meet a set of ethical criteria	Prudential Socially Responsible Fund	Mirrors the benchmark of the underlying fund (currently FTSE All-Share Index subset defined by EIRIS)
Global Equity (Passive) Shariah Fund	This fund invests in shares of companies around the world whose practices are consistent with Shariah principles	Prudential HSBC Amanah Fund	To track the performance of the benchmark. Mirrors the benchmark of the underlying fund (currently the DOW Jones Islamic Titans 100 Index).

Kingfisher Pension Scheme

Fund Performance

Quarterly Fund Performance			
Fund	Performance (%)	Benchmark (%)	(Under)/over performance (%)
Passive Global Equity	2.9	2.5	0.4
Active Global Equity	0.2	1.8	(1.6)
Diversified Return	3.0	0.7	2.3
Pre-Retirement	(0.6)	(0.7)	0.1
Pre-Retirement Index Linked	0.1	(0.2)	0.3
Money Market	0.2	0.1	0.1
Ethical	(0.3)	0.9	(1.2)
Shariah	1.8	1.9	(0.1)

Annualised Fund Performance			
Fund	Performance (%)	Benchmark (%)	(Under)/over performance (%)
Passive Global Equity	8.7	8.8	0.1
Active Global Equity	8.7	8.3	0.4
Diversified Return	7.9	7.3	0.6
Pre-Retirement	6.8	6.5	0.3
Pre-Retirement Index Linked	6.8	6.7	0.1
Money Market	0.4	0.5	(0.1)
Ethical	4.8	9.1	(4.3)
Shariah	4.9	5.1	(0.2)

Three Year Annualised Fund Performance			
Fund	Performance (%)	Benchmark (%)	(Under)/over performance (%)
Passive Global Equity	n/a	3.1	n/a
Active Global Equity	n/a	7.5	n/a
Diversified Return	n/a	7.5	n/a
Pre-Retirement	7.1	6.2	0.9
Pre-Retirement Index Linked	n/a	4.6	n/a
Money Market	n/a	1.5	n/a
Ethical	(1.1)	1.8	(2.9)
Shariah	9.2	9.4	(0.2)

Statement of Trustee's Responsibilities for the Financial Statements

The audited financial statements, which are prepared in accordance with applicable law and UK Generally Accepted Accounting Practice (UK GAAP), are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Scheme members, beneficiaries and certain other parties the audited financial statements for each Scheme year which:

- show a true and fair view of the financial transactions of the scheme during the Scheme year, and of the amount and disposition at the end of the scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the year end; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes (revised May 2007)'.

The Trustee is responsible for the maintenance and integrity of the financial information of the Scheme included on the pension scheme's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. The Trustee is also responsible for making available each year, commonly in the form of a Trustee's Annual Report, information about the Scheme prescribed by pensions legislation, which it should ensure is consistent with the audited financial statements it accompanies.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of the Trustee's responsibilities accompanying the Trustee's Summary of Contributions.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept, and for taking such steps as are reasonably open to the Trustee to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls.

Kingfisher Pension Scheme

Independent Auditor's Report

To the Trustee of the Kingfisher Pension Scheme

We have audited the financial statements of the Kingfisher Pension Scheme for the year ended 31 March 2011 which comprise the fund account, the net assets statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee's Responsibilities on page 28, the Scheme's Trustee is responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

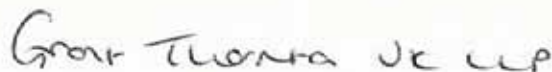
Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the rest of the annual report which comprises the Trustee's Report, the Investment Report, the Actuarial Statements and Compliance Information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year ended 31 March 2011 and of the amount and disposition at that date of its assets and liabilities (other than liabilities to pay pensions and benefits after the end of the scheme year);
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.



Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Grant Thornton House
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

~~24 June~~ 2011

3 AUGUST 2011

Kingfisher Pension Scheme

Fund Account

For the year ended 31 March 2011

	Notes	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Contributions & Benefits					
Contributions	2	130,752	5,239	135,991	60,009
Transfers in	3	476	324	800	370
		131,228	5,563	136,791	60,379
Benefits	4	(52,391)	(209)	(52,600)	(61,214)
Leavers	5	(3,619)	(575)	(4,194)	(4,841)
Administrative expenses	6	(3,682)	0	(3,682)	(3,529)
		(59,692)	(784)	(60,476)	(69,584)
Net additions / (withdrawals) from dealings with members		71,536	4,779	76,315	(9,205)
Returns on Investments					
Investment income	7	30,968	0	30,968	32,163
Change in market value of investments	8	76,330	1,853	78,183	301,762
Investment management expenses	9	(2,815)	0	(2,815)	(2,088)
Net returns on investments		104,483	1,853	106,336	331,837
Net increase in the Scheme during the year		176,019	6,632	182,651	322,632
Net assets of the Scheme					
At 1 April		1,587,442	19,325	1,606,767	1,284,135
At 31 March		1,763,461	25,957	1,789,418	1,606,767

The notes on pages 32 to 42 form part of these financial statements.

Kingfisher Pension Scheme

Net Assets Statement

At 31 March 2011

	Notes	Total 2011 £'000s	Total 2010 £'000s
Final Salary Section			
Investment assets:	8		
Fixed interest securities		369,305	346,598
Equities		110,118	132,334
Index linked securities		350,376	297,866
Pooled investment vehicles		781,085	709,238
Special purpose vehicle (SPV)		79,286	0
Derivative assets		75,926	94,867
AVC investments		16,981	16,896
Cash & cash instruments		15,951	14,299
Other investment balances		(4,625)	7,972
		1,794,403	1,620,070
Investment liabilities:	8		
Derivative liabilities		(44,070)	(42,093)
Total net investments		1,750,333	1,577,977
Current assets	10	14,474	13,649
Current liabilities	11	(1,346)	(4,184)
Net assets of the Final Salary Section		1,763,461	1,587,442
Money Purchase Section			
Investment assets:	8		
Pooled investment vehicles		25,923	19,260
Current assets	10	43	74
Current liabilities	11	(9)	(9)
Net assets of the Money Purchase Section		25,957	19,325
Net assets of the Scheme at 31 March		1,789,418	1,606,767

The notes on pages 32 to 42 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is included on page 45 of the annual report and these financial statements should be read in conjunction with the actuarial certificates.

Signed for and on behalf of
The Trustee of the Kingfisher Pension Scheme on 24 June 2011.



AJ Stanworth



S Clifton

Notes to the Financial Statements

Basis of preparation

The Financial Statements have been prepared in accordance with the provisions of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 and with the guidelines set out in the Statement of Recommended Practice (SORP) 'Financial Reports of Pension Schemes (revised May 2007)'.

1. Accounting policies

The principal accounting policies of the scheme have remained unchanged from the previous year end are as follows;

- a) Employee contributions are accounted for from the date of deduction from payroll and employer contributions are accounted for in the period to which the corresponding pay relates. Employer special contributions are accounted for in accordance with the agreement under which they are being paid.
- b) Benefits are accounted for on the date of leaving, or if a member has a choice of benefits, on notification of choice to the Scheme. Individual transfer values to or from other schemes are accounted for on a cash basis.
- c) Investments
 - Quoted securities are valued at the bid price at 31 March 2011. Where an up to date valuation is not available the latest market price is used to value the security.
 - Pooled Investment Vehicles are valued at the bid price quoted by the managers or at the single price if only one price is quoted.
 - The Special Purpose Vehicle (SPV) is valued on a discounted cash flow basis.
 - Futures contracts are valued at the exchange price for closing out the contract at the year end and this represents the unrealised profit or loss of the contract. Amounts due from the broker represent the amounts outstanding in respect of the initial margin and any variation margin which is due to or from the broker.
 - The fair value of swap contracts is calculated using pricing models, where inputs are based on market data at the year end. Net receipts or payments on swap contracts are reported within investment income.
 - Forward foreign exchange contracts are stated at fair value which is determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.
- d) Investment Income
 - Dividends, fixed interest income, deposit interest and other investment income receivable have been accounted for on an accruals basis. Irrecoverable withholding taxes are reported as a separate tax charge.

Kingfisher Pension Scheme

e) Foreign Currency

- Foreign income is translated into sterling at the rate ruling on the date the income is received. Investment and current assets and liabilities denominated in foreign currencies are translated using the sterling rate of exchange ruling at the year end. Foreign exchange gains and losses arising on translation of investments are included as part of the change in market value of investments.

f) Expenses

- Administration and investment management expenses are accounted for on an accruals basis.

2. Contributions

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Employers				
Normal	122,611	2,658	125,269	48,253
Augmentations	18	81	99	197
Members				
Normal	7,612	2,255	9,867	10,127
Additional voluntary contributions	511	245	756	1,432
Total	130,752	5,239	135,991	60,009

Employer augmentations were paid on occasions where the employer considered it to be appropriate to enhance members' benefits available from the Scheme. On each occasion, the employer paid an additional amount to the Scheme to cover the cost of providing these benefits. In the case of the Final Salary Section, the amount paid was calculated in accordance with instructions provided by the Scheme Actuary.

During the year the employer made an additional normal contribution of £77,600,000. The Trustee chose to invest the contribution in a property backed Special Purpose Vehicle.

3. Transfers In

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Individual transfers-in from other Schemes	325	324	649	167
Inter Scheme transfers from Money Purchase	100	0	100	159
MP life premiums received by FS	51	0	51	44
Total	476	324	800	370

4. Benefits

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Pensions	43,504	0	43,504	41,332
Commutations and lump sum retirement benefits	7,545	83	7,628	18,814
Lump sum death benefits	1,541	8	1,549	1,201
Purchase of annuities	(199)	67	(132)	(177)
MP life premiums paid to FS	0	51	51	44
Total	52,391	209	52,600	61,214

Kingfisher Pension Scheme

5. Payments to and on account for leavers

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Individual transfers to other Schemes	3,615	402	4,017	4,576
Inter Scheme transfers to Final Salary	0	100	100	159
Refunds to members leaving service	5	73	78	107
Payments for members joining state scheme	(1)	0	(1)	(1)
Total	3,619	575	4,194	4,841

6. Administrative expenses

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Administration and processing	2,230	0	2,230	2,934
Actuarial fees	536	0	536	174
Audit fees	36	0	36	47
Legal and other professional fees	761	0	761	269
Trustee fees	119	0	119	105
Total	3,682	0	3,682	3,529

The Scheme bears all of the costs of administration, which are then charged to the Final Salary Section and consists of the costs incurred by the Group Pensions Department on behalf of the Trustee Board.

7. Investment Income

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Income from fixed interest securities	18,287	0	18,287	16,500
Dividends from equities	2,834	0	2,834	6,069
Income from index-linked securities	5,933	0	5,933	5,743
Income from pooled investment vehicles	3,204	0	3,204	3,267
Interest on cash and cash instruments	55	0	55	129
Income from derivatives	201	0	201	(75)
Other	550	0	550	675
Sub total	31,064	0	31,064	32,308
Irrecoverable taxation	(96)	0	(96)	(145)
Total	30,968	0	30,968	32,163

Investment income arising on certain pooled investment vehicles is reinvested and reflected in the unit price.

Kingfisher Pension Scheme

8. Investments

a. Reconciliation of investments held at beginning and end of year

Final Salary Section

	Value at 31 March 2010	Purchases at cost & derivative payments	Sales proceeds & derivative receipts	Change in market value	Value at 31 March 2011
	£'000s	£'000s	£'000s	£'000s	£'000s
Fixed interest securities	346,598	288,176	(265,889)	420	369,305
Equities	132,334	93,753	(119,387)	3,418	110,118
Index linked securities	297,866	151,737	(115,839)	16,612	350,376
Pooled investment vehicles	709,238	82,325	(60,750)	50,272	781,085
Special purpose vehicle (SPV)	0	77,601	0	1,685	79,286
Derivatives					
Futures – exchange traded	(91)	43,197	(40,761)	(2,671)	(326)
Options	(98)	0	(478)	320	(256)
Forward foreign exchange	1,156	152	(5,546)	2,777	(1,461)
Swaps – over the counter	51,807	0	(20,404)	2,496	33,899
AVC investments	16,896	526	(1,195)	754	16,981
	1,555,706	737,467	(630,249)	76,083	1,739,007
Cash & cash instruments	14,299			261	15,951
Other investment balances	7,972			(14)	(4,625)
Total	1,577,977			76,330	1,750,333

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year together with foreign exchange deals and losses and currency translations.

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the scheme such as commissions. Transaction costs incurred during the year amounted to £251,000 (2010: £357,000). For investments in pooled investment vehicles, these costs are charged indirectly through the bid-offer spread of the unit price. These indirect costs and the amount of stamp duty and other fees are not separately provided to the scheme.

Money Purchase Section

	Value at 31 March 2010	Purchases at cost & derivative payments	Sales proceeds & derivative receipts	Change in market value	Value at 31 March 2011
	£'000s	£'000s	£'000s	£'000s	£'000s
Pooled Investment Vehicles	19,260	5,534	(724)	1,853	25,923
Total	19,260	5,534	(724)	1,853	25,923

	2010 £'000s	2011 £'000s
Passive Global Equity (inc UK)	7,218	11,169
Diversified Return	6,636	10,138
Pre Retirement	1,743	2,361
Active Global Equity (inc UK)	786	1,267
Money Market	2,789	840
Pre Retirement Inflation Linked	88	119
Ethical	0	17
Shariah	0	12
Total	19,260	25,923

Kingfisher Pension Scheme

Money Purchase assets are allocated to provide benefits to the individuals on whose behalf the contributions were paid and assets identified as designated to members in the Net Assets Statement do not form a common pool of assets available for members generally. Members receive an annual statement confirming the contributions paid on their behalf and the value of their money purchase rights.

b. Details of investments held at year end

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Fixed interest securities				
UK public sector quoted	32,593	0	32,593	63,324
UK quoted	261,485	0	261,485	203,099
Overseas public quoted	8,716	0	8,716	9,993
Overseas quoted	66,511	0	66,511	70,182
	369,305	0	369,305	346,598
Equities				
UK quoted	13,707	0	13,707	16,585
Overseas quoted	96,411	0	96,411	115,749
	110,118	0	110,118	132,334
Index linked securities				
UK public sector	350,376	0	350,376	297,866
	350,376	0	350,376	297,866
Pooled investment vehicles				
Unit trusts				
- Property	63,069	0	63,069	57,227
- Other (Equity)	26	0	26	62
Managed funds				
Property	18,944	0	18,944	19,486
Fixed interest	250,029	0	250,029	235,897
Equity	397,948	0	397,948	396,566
Currency	51,069	0	51,069	0
Unitised insurance policies - other	0	25,923	25,923	19,260
	781,085	25,923	807,008	728,498
Special purpose vehicle (SPV)	79,286	0	79,286	0
	79,286	0	79,286	0
Derivatives				
Futures – exchange traded	(326)	0	(326)	(91)
Options	(256)	0	(256)	(98)
Forward foreign exchange	(1,461)	0	(1,461)	1,156
Swaps – over the counter	33,899	0	33,899	51,807
	31,856	0	31,856	52,774
Cash & cash equivalents				
Cash deposits	9,631	0	9,631	4,797
Short term liquidity funds	6,320	0	6,320	9,502
	15,951	0	15,951	14,299
Other investment balances				
Amounts due from brokers	13,242	0	13,242	12,533
Amounts due to brokers	(27,967)	0	(27,967)	(14,185)
Outstanding dividend entitlements and recoverable withholding tax	10,100	0	10,100	9,624
	(4,625)	0	(4,625)	7,972
AVC investments	16,981	0	16,981	16,896
Total investment assets	1,750,333	25,923	1,776,256	1,597,237

Pooled investment vehicles with a market value of £675,029,000 were operated by companies registered in the UK. Pooled investment vehicles with a market value of £106,056,000 were operated by non UK registered companies.

Kingfisher Pension Scheme

c. Derivative Contracts

The Trustee has authorised the use of derivatives by the investment managers as part of the investment strategy for the pension scheme. The strategy consists of two main derivative components:

- A liability hedging swap portfolio that is designed to match liabilities of the scheme by nature, term, amount and frequency of cash flows having regard to the scheme's assets.
- A hedging portfolio that is designed to hedge external bond managers benchmarks to a LIBOR position.

In addition to the liability hedging programme, derivatives are also used by the Scheme's investment managers for hedging purposes and to enhance the efficient management of portfolios. They provide the opportunities to achieve the objective of the portfolio more efficiently than would be the case through direct dealing in the underlying security.

The main objectives for the use of key classes of derivatives and the policies followed during the year are summarised as follows;

Futures

Used to adjust interest rate exposures and replicate bond positions. They may offer the opportunity to outperform due to active management of the liquid portfolio backing the exposure.

Options

These are used to manage credit exposure without buying or selling securities exposures outright.

Forward foreign exchange

Forwards are used to hedge currency risk against exchange rate movements.

Swaps

The Scheme has entered into derivative interest rate and inflation swap contracts, to alter the duration and inflation exposure of the bond assets to better reflect the scheme's liabilities and cash flow profile, in order to ensure that the investment managers are able to cover exposed positions (e.g. risk reduction) and to increase or decrease exposure to markets, other than by direct investment, following asset allocation decisions.

i. Derivative contracts

	Total 2011 £'000s	Total 2010 £'000s
Assets		
Futures – exchange traded	104	138
Forward foreign exchange	1,574	773
Swaps – over the counter	74,248	93,956
Total	75,926	94,867
Liabilities		
Futures – exchange traded	(430)	(229)
Options	(256)	(98)
Forward foreign exchange	(3,035)	383
Swaps – over the counter	(40,349)	(42,149)
Total	(44,070)	(42,093)

Kingfisher Pension Scheme

ii. Futures – exchange traded

The Scheme has exchange traded UK and overseas fixed interest futures outstanding at the year end as follows:

	2011		2010	
	Asset £'000s	Liability £'000s	Asset £'000s	Liability £'000s
UK fixed interest	33	(281)	86	(95)
Overseas fixed interest	71	(149)	52	(134)
Total	104	(430)	138	(229)

iii. Options

The Scheme has outstanding options at the year end as follows:

Type of options	Expiration	Underlying investment	Notional local amount of outstanding contracts	2011	
				Asset £'000s	Liability £'000s
UK					
Written calls	1 month	Interest rate calls	(5,200,000)	0	(3)
Written calls	3 months	Interest rate calls	(16,000,000)	0	(12)
Overseas					
Written calls	6 months	Bonds calls	(7,100,000)	0	(59)
Written calls	7 months	Bonds calls	(3,200,000)	0	(35)
Written puts	6 months	Bonds puts	(3,400,000)	0	(30)
Written puts	5 months	Interest rate puts	(4,200,000)	0	(9)
Written puts	6 months	Interest rate puts	(12,400,000)	0	(108)
Total				0	(256)

Type of options	Expiration	Underlying investment	Notional local amount of outstanding contracts	2010	
				Asset £'000s	Liability £'000s
UK					
Written calls	1 month	Interest rate calls	(3,800,000)	0	(3)
Written calls	2 months	Interest rate calls	(2,800,000)	0	(4)
Written calls	3 months	Interest rate calls	(3,700,000)	0	(6)
Written puts	3 months	Interest rate puts	(3,700,000)	0	(3)
Overseas					
Written calls	2 months	Interest rate calls	(1,300,000)	0	(3)
Written calls	2 months	Bonds calls	(77,000)	0	(9)
Written calls	3 months	Interest rate calls	(1,300,000)	0	(3)
Written calls	5 months	Interest rate calls	(1,300,000)	0	(3)
Written puts	1 month	Interest rate puts	(7,500,000)	0	(2)
Written puts	1 month	Bonds puts	(72,000)	0	(16)
Written puts	2 months	Interest rate puts	(1,300,000)	0	(5)
Written puts	2 months	Bonds puts	(5,000)	0	(2)
Written puts	3 months	Interest rate puts	(1,300,000)	0	(2)
Written puts	5 months	Interest rate puts	(6,000,000)	0	(5)
Written puts	6 months	Interest rate puts	(455,000)	0	(32)
Total				0	(98)

Kingfisher Pension Scheme

iv. Forward foreign exchange

The Scheme has open FX contracts at the year end as follows:

	2011		Asset £'000s	Liability £'000s
	Local Purchased million	Local Sold million		
AUD - Australian Dollar	12,053	10,996	228	(302)
BRL - Brazilian Real	10,184	6,838	89	(97)
CAD - Canadian Dollar	24,327	10,601	152	(32)
CHF - Swiss Franc	6,111	8,135	64	(106)
CLP - Chilean Peso	298,000	0	(1)	0
CNY - Yuan Renminbi	22,122	2,042	21	6
DKK - Danish Krone	28	14	0	0
EUR - Euro	30,965	83,681	429	(2,286)
INR - Indian Rupee	65,120	65,120	(3)	(25)
JPY - Japanese Yen	1,369,047	2,373,061	(105)	125
KRW - South Korean Won	3,779,733	3,296,640	33	(69)
MXN - Mexican Peso	5,002	1,860	(1)	0
MYR - Malaysian Ringgit	9,086	0	14	0
NOK - Norwegian Krone	108,927	49,009	346	(82)
NZD - New Zealand Dollar	7,934	5,844	96	(149)
PEN - Peruvian Nouveau Sol	1,050	0	(1)	0
PHP - Philippine Peso	221,618	0	(13)	0
PLN - Polish Zloty	13,045	13,141	(19)	9
RUB - Russian Ruble	43,200	0	46	0
SEK - Swedish Krona	95,205	84,052	44	(64)
SGD - Singapore Dollar	5,890	0	65	0
TRY - Turkish Lira	167	0	(3)	0
USD - US Dollar	144,371	218,154	93	37
Total			1,574	(3,035)

	2010		Asset £'000s	Liability £'000s
	Local Purchased million	Local Sold million		
AUD - Australian Dollar	8,082	6,901	(46)	(8)
BRL - Brazilian Real	5,232	1,706	1	8
CAD - Canadian Dollar	6,965	2,583	44	4
CHF - Swiss Franc	3,163	8,041	13	(71)
CLP - Chilean Peso	159,000	0	18	0
CNY - Yuan Renminbi	42,371	10,737	265	(58)
DKK - Danish Krone	152	0	0	0
EUR - Euro	14,978	71,592	(92)	288
HKD - Hong Kong Dollar	0	2,775	0	3
INR - Indian Rupee	48,900	0	92	0
JPY - Japanese Yen	236,521	1,335,146	(33)	495
KRW - South Korean Won	4,285,499	819,700	281	(36)
MXN - Mexican Peso	33,786	0	32	0
NOK - Norwegian Krone	61,934	19,275	(116)	(2)
NZD - New Zealand Dollar	12,989	3,553	(27)	9
PEN - Peruvian Nouveau Sol	430	0	13	0
PHP - Philippine Peso	48,300	0	84	0
RUB - Russian Ruble	30,600	0	41	0
SEK - Swedish Krona	32,281	12,279	19	(3)
SGD - Singapore Dollar	1,336	1,437	(42)	11
TRY - Turkish Lira	167	0	2	0
USD - US Dollar	83,514	152,032	224	(257)
ZAR - South African Rand	0	1,985	0	0
Total			773	383

Kingfisher Pension Scheme

v. Swaps – over the counter

The scheme has derivative contracts outstanding at the year end relating to its fixed interest investment portfolio. These contracts are traded over the counter. The details are:

Type of Contract	Number of Contracts	Maturity	2011	
			Asset £'000s	Liability £'000s
UK Interest rate swap	21	0-5 Years	7,259	(16,321)
	8	5-10 Years	3,857	(342)
	13	10-20 Years	10,408	(4,262)
	13	20-30 Years	7,517	(15,993)
	22	30-40 Years	2,985	(770)
UK Credit default swap	9	40-50 Years	896	(29)
	1	0-5 Years	0	(26)
UK LPI swap	1	5-10 Years	0	(82)
	2	5-10 Years	3,555	0
UK RPI swap	2	10-20 Years	3,759	0
	3	20-30 Years	6,784	0
	2	5-10 Years	1,402	0
Overseas Interest rate swap	7	10-20 Years	4,633	0
	7	20-30 Years	5,467	0
	19	30-40 Years	9,570	0
	10	40-50 Years	4,359	(83)
Overseas Credit default swap	25	5-10 Years	772	(570)
	21	10-20 Years	280	(1,096)
	4	20-30 Years	347	0
	16	30-40 Years	210	(617)
Total	1	40-50 Years	0	(27)
	45	0-5 Years	155	(131)
	1	5-10 Years	33	0
Total			74,248	(40,349)

Type of Contract	Number of Contracts	Maturity	2010	
			Asset £'000s	Liability £'000s
UK Interest rate swap	7	0-5 Years	11,378	(3,381)
	13	5-10 Years	1,863	(11,775)
	18	10-20 Years	4,023	(8,639)
	12	20-30 Years	3,674	(17,337)
	19	30-40 Years	22,256	(574)
UK Credit default swap	11	40-50 Years	9,631	0
	1	0-5 Years	0	(39)
UK LPI swap	1	5-10 Years	0	(121)
	1	5-10 Years	978	0
UK RPI swap	2	10-20 Years	2,314	0
	4	20-30 Years	8,113	0
	1	5-10 Years	435	0
Overseas interest rate swap	6	10-20 Years	3,750	0
	8	20-30 Years	7,274	0
	18	30-40 Years	10,525	0
	10	40-50 Years	6,818	0
Overseas Credit default swap	20	0-5 Years	221	(12)
	12	5-10 Years	212	(226)
	7	10-20 Years	69	(6)
	1	20-30 Years	19	0
Total	2	30-40 Years	359	0
	18	0-5 Years	41	(38)
	2	5-10 Years	3	(1)
Total			93,956	(42,149)

Kingfisher Pension Scheme

d. Final Salary Section - AVC Investments

The Trustee holds assets invested separately from the main fund in the form of individual insurance policies, with-profits (Prudential and London Life) and unit linked (BlackRock and Legal & General), securing additional benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions. Each member participating in this arrangement receives an annual statement confirming the amounts held in their account. The aggregate amount of AVC investments is as follows;

	Total 2011 £'000s	Total 2010 £'000s
Prudential	14,228	14,310
Legal & General	1,343	1,271
BlackRock	1,053	942
London Life	357	373
Total	16,981	16,896

e. Stock Lending

The Scheme lends certain fixed interest, index linked and equity securities under a Trustee approved stock lending programme. At the year end the Scheme had lent £331,110,000, of fixed interest £55,531,000, index linked £266,730,000, equities £8,849,000 and held collateral delivered to secure obligations in respect of loaned securities consisting of cash and other securities with a market value of not less than 102% of the market value of the transferred securities. If the transferred market value of the collateral falls below 100%, the Scheme will require prompt delivery of additional collateral.

During the year the Scheme received income from stock lending of £521,000 (2010: £605,000).

9. Investment Management Expenses

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Administration, management and custody	2,725	0	2,725	2,007
Performance measurement services	85	0	85	76
Other advisory fees	5	0	5	5
Total	2,815	0	2,815	2,088

Investment manager expenses for the Money Purchase Section are reflected in the unit price.

10. Current assets

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Cash balances	14,298	43	14,341	13,146
AVC payments due from Prudential	11	0	11	265
Sundry prepaid benefits	0	0	0	212
VAT recoverable	124	0	124	66
Others	41	0	41	34
Total	14,474	43	14,517	13,723

Included in the Money Purchase cash balance is £38,000 (2010: £74,000) not allocated to members.

Kingfisher Pension Scheme

11. Current liabilities

	Final Salary £'000s	Money Purchase £'000s	Total 2011 £'000s	Total 2010 £'000s
Sundry unpaid benefits	247	5	252	2,417
Expenses	466	0	466	1,053
Investment manager fees	435	0	435	446
Inter-company expenses due to Kingfisher plc	190	0	190	271
Tax payable	8	3	11	4
Others	0	1	1	2
Total	1,346	9	1,355	4,193

12. Employer-related investment

The Scheme does not invest in, or make loans to, Kingfisher plc or any of its subsidiary or associated undertakings and does not own any properties occupied by any of the companies in the Kingfisher Group.

13. Concentration of investment

Securities, pooled investment vehicles and equity holdings, which are either significant or exceed 5% of the total net assets of the Scheme are as follows;

	£'000s	%
SSgA MPF UK Equity Enhanced	171,243	9.71
SSgA MPF Sterling Corporate Bond All Stocks Fund	139,061	7.89
SSgA MPF North America (100% hedged) Equity	97,447	5.53
UK Index Linked Gilts 22 July 2032	94,108	5.34

There is no direct equity holding by the Scheme that constitutes 3% or more of the relevant company's issued share capital.

14. Related party transactions

Transactions with related parties of the Scheme have been disclosed in the annual report as follows:

The Scheme has received employer contributions in respect of seven of the directors of the Trustee Board who are or were contributing members of the Scheme. These were paid in accordance with the Schedule of Contributions and the Rules of the Scheme.

Kingfisher plc pays some administration expenses on behalf of the Scheme, £1,313,000 for this year (2010: £1,240,000), and subsequently recharges these to the Scheme. The balance owing to Kingfisher plc at year end is £190,000.

B&Q plc pays the pensioner payroll expenses on behalf of the Scheme, £44,633,000 for this year (2010: £42,597,000), and subsequently recharges these to the Scheme. B&Q plc also re-imburses pensions no longer payable and at the year end the balance owing to the Scheme is £41,000 (2010: £34,000).

Pension payments to Tony Stanworth and Helen Jones are included within gross pensions. The amounts of pensions are calculated in accordance with the Rules of the Scheme.

Trustee Director fees for BESTrustees plc, Helen Jones, Kerrin Qualters and Tony Stanworth are included in Trustee fees of £119,000 (2010: £105,000) on page 34.

Kingfisher Pension Scheme

Independent Auditor's Statement about Contributions

Independent Auditor's Statement about Contributions, made under Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustee of the Kingfisher Pension Scheme.

We have examined the Summary of Contributions payable under the Schedule of Contributions, to the Kingfisher Pension Scheme in respect of the scheme year ended 31 March 2011, which is set out on page 44.

Respective responsibilities of Trustee and Auditor

As described on page 44, the Scheme's Trustee is responsible, under the Pensions Act 2004, for ensuring that there is prepared maintained and from time to time revised a Schedule of Contributions which sets out the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active Members of the scheme. The Trustee is also responsible for keeping records in respect of contributions received in respect of the active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

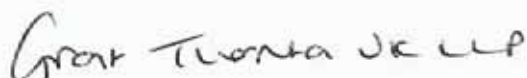
It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

Statement about contributions payable under the schedule of contributions

In our opinion, contributions for the Scheme year ended 31 March 2011 as reported in the summary of contributions and payable under the schedule have in all material respects been paid at least in accordance with the schedule of contributions certified by the actuary on 30 May 2008.



Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Grant Thornton House
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

~~24 June~~ 2011

3 AUGUST 2011

Kingfisher Pension Scheme

Statement of Trustee's Responsibilities in respect of contributions

The Scheme Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustee is also responsible for keeping records of contributions received and for monitoring that contributions are made to the Scheme in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Act 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Trustee's Summary of contributions payable under the Schedule in respect of the Scheme year ended 31 March 2011

This Summary of Contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the actuary on 30 May 2008 in respect of the scheme year ended 31 March 2011. The Scheme auditor reports on contributions payable under the schedule in the Auditor's Statement about Contributions.

Contributions payable under the schedule in respect of the scheme year	£'000s
Employer	
FS normal contributions	122,611
MP normal contributions	2,658
FS special contributions	18
MP special contributions	81
Member	
FS normal contributions	7,612
MP normal contributions	2,255
Contributions payable under the Schedule	135,235
Reconciliation of Contributions Payable under the Schedule of Contributions to Total Contributions reported in the Financial Statements	
Contributions payable under the Schedule (as above)	135,235
Contributions payable in addition to those due under the Schedule	
Member additional voluntary contributions	756
Total contributions reported in the financial statements (see Note 2)	135,991

Signed for and on behalf of
The Trustee of the Kingfisher Pension Scheme on 24 June 2011.



AJ Stanworth



S Clifton

Kingfisher Pension Scheme

Actuary's Certification of Schedule of Contributions

For period between 1 April 2011 to 31 March 2016

Name of Section: Kingfisher Pension Scheme

Adequacy of rates of contributions

- 1 I certify that, in my opinion, the rates of contributions shown in the schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2010 to continue to be met by the end of the period for which the schedule is to be in force.
- 2 I hereby certify that, in my opinion, the schedule of contributions is consistent with the Statement of Funding Principles dated 31 March 2011.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

N G Mobbs
Fellow of the Institute of Actuaries

31 March 2011

Towers Watson Limited
Watson House
London Road
Reigate
Surrey
RH2 9PQ

Actuary's Statutory Certificate

Actuarial certification for the purposes of regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of Scheme: Kingfisher Pension Scheme

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Scheme's technical provisions as at 31 March 2010 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Scheme and set out in the Statement of Funding Principles dated 31 March 2011.

N G Mobbs
Fellow of the Institute of Actuaries

31 March 2011

Towers Watson Limited
Watson House
London Road
Reigate
Surrey
RH2 9PQ

Kingfisher Pension Scheme

Compliance Statement

Participating Companies

Company	Date of Participation in Pension Scheme	Company	Date of Participation in Pension Scheme
Kingfisher plc	1 February 1987	Screwfix Direct Ltd	1 August 2000
B&Q plc	1 February 1988	Castorama Rus LLC	1 February 2007
B&Q (Guernsey) Ltd	1 February 1988	Kingfisher Information Technology Services (UK) Ltd	1 March 2007
B&Q (Retail) Jersey Ltd	1 February 1988		

Enquiries about the Scheme

Any enquiries concerning the Scheme or requests for copies of this Report, individual benefit statements, the Trust Deed and Rules or the latest report on the Actuarial Valuation of the Scheme should be addressed to the Head of Group Pensions at the office of Kingfisher plc.

Internal Disputes Resolution Procedure

If you raised a complaint and remain dissatisfied you should raise a complaint through the Internal Disputes Resolution Procedure (IDRP) via Kingfisher Group Pensions Department.

Any questions you have should be directed to the Administrators first of all, as they have full details of your membership of the Scheme. The Administrators will make every attempt to answer your questions, but if you have a complaint or dispute that you cannot resolve with the Administrators, you should use the Internal Dispute Resolution Procedure.

This is a formal procedure, put in place by the Trustee, to settle any complaints and disputes about the Scheme. It is available on request to all members and beneficiaries, including leavers who still have rights in the Scheme, pensioners and other individuals who have an entitlement or possible entitlement in the Scheme. There are two stages:

Stage one

Kingfisher Group Pensions Department will give you a form to complete to register your complaint. If you wish, you may nominate a representative to make the complaint on your behalf. Your complaint will be investigated by the Head of Group Pensions and you will normally receive a response within 10 days. The response will include details about how you progress to Stage two of the procedure, if your complaint is not resolved at Stage one.

Stage two

If you are unhappy with the response from the Head of Group Pensions, you can refer your complaint to the Trustee. You should do this within six months of receiving the Head of Group Pensions response. You will normally be sent a response within two months of your complaint.

At any time, you can ask for help from The Pensions Advisory Service (TPAS), a voluntary organisation providing free help to individuals who are having problems with their pension scheme. If TPAS cannot resolve your dispute, you can refer your complaint to the Pensions Ombudsman.

Kingfisher Pension Scheme

The Pensions Advisory Service (TPAS)

If your complaint is not resolved through the IDRPs you can take it further by contacting The Pensions Advisory Service. Making a complaint to them will not affect your right to take legal action later.

TPAS is available to help members and beneficiaries of occupational pension schemes with any pension query they may have, or any difficulties they have been unable to resolve with the Trustee or administrators. They can be contacted either through your local Citizens Advice Bureau if you wish or direct:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB

Tel: 0845 6012923 (Mon-Fri 9am-5pm)
Email: enquiries@thepensionsadvisoryservice.org.uk
Web: www.thepensionsadvisoryservice.org.uk

Pensions Ombudsman

If you are still not satisfied, you can refer the complaint to the Pensions Ombudsman. The Pensions Ombudsman is appointed to investigate complaints and judge the facts of a case, in relation to a pension scheme's rules and statutory regulations. Normally the Ombudsman will ask TPAS to consider the complaint first. Their address is:

The Office of the Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB

Tel: 0207 6302200 (Mon-Fri 9am-5pm)
Email: enquiries@pensions-ombudsman.org.uk
Web: www.pensions-ombudsman.org.uk

Other Pensions Organisations

The Pensions Regulator

Kingfisher Pension Scheme is regulated by the Pensions Regulator who regulates the running of occupational pension schemes and can intervene if those responsible have failed in their duties. Their address is:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Tel: 0870 6063636 (Mon-Fri 9am-5.30pm)
Email: customersupport@thepensionsregulator.gov.uk
Web: www.thepensionsregulator.gov.uk

Kingfisher Pension Scheme

Pension Protection Fund (PPF)

The PPF was set up in April 2005 to protect the pensions of most members of defined benefit schemes where employers get into financial difficulties and leave a scheme without enough funds to pay the pensions in full. Their address is:

Pension Protection Fund
Knollys House
17 Addiscombe Road
Croydon
Surrey CR0 6SR

Tel: 0845 6002541 (Mon-Fri 9am-5.30pm)

Email: information@ppf-gsi.gov.uk

Web: www.pensionprotectionfund.org.uk

Scheme Registration

The Scheme is registered with the Registrar of Occupational and Personal Pension Schemes. The address of the Pension Schemes Registry is:

P O Box 1NN, Newcastle upon Tyne NE99 1NN

Scheme registration number: 100797763

Tax Status with HM Revenue & Customs

The Scheme is a 'registered pension scheme' for tax purposes under the Finance Act 2004. As such most of its income and investment gains are free of taxation. However, the Scheme cannot reclaim certain amounts of withholding taxes relating to overseas investment income.

Constitution

The Kingfisher Pension Scheme is constituted by a Trust Deed and is administered in accordance with the Rules contained in the Deed. Members may inspect this Trust Deed on application to the Trustee or Scheme Administrator. The Final Salary Section of the Scheme is contracted-out of the State Second Pension.

Member Information

Membership of the Pension Scheme is voluntary. The Trustee Board, together with the participating companies, is committed to providing easy-to-understand information to existing members and those eligible to join. This information includes:

- Personal Benefit Statements, which give individual members information annually on the benefits they may receive.
- 'Talking Pensions', a magazine explaining in an informal way the options open to employees.
- 'Member Guide', the explanatory booklet for the Money Purchase Section.
- 'Member Guide', the explanatory booklet for the Final Salary Section.
- 'AVC Fund Fact Sheets' for members of the Final Salary Section giving full details of the available AVC options.

All of these publications are online at our website www.kingfisherpensions.com; alternatively they may be obtained from the relevant company contacts.

Contacts



B&Q

B&Q plc
Portswood House
1 Hampshire Business Park
Chandlers Ford
Eastleigh
Hampshire SO53 3YX

Tel: 02380 818122



Kingfisher

Kingfisher plc
Group Pensions Department
3 Sheldon Square
Paddington
London W2 6PX

Tel: 08456 807060



Screwfix

Screwfix Direct Ltd
Mead Avenue
Houndstone Business Park
Yeovil
Somerset BA22 8RT

Tel: 01935 414100



KITS

KITS
Hutwood Court
Bournemouth Road
Chandlers Ford
Eastleigh
Hampshire SO53 3QD

Tel: 02380 818551

Who to Contact

If you have any questions please contact us by writing to:

Group Pensions Department
Kingfisher Pension Trustee Limited
3 Sheldon Square
Paddington
London W2 6PX

By emailing: pensions@kingfisher.com
By phoning: 08456 80 70 60
By faxing: 08456 80 85 28

You can also visit the Pensions Website at
www.kingfisherpensions.com