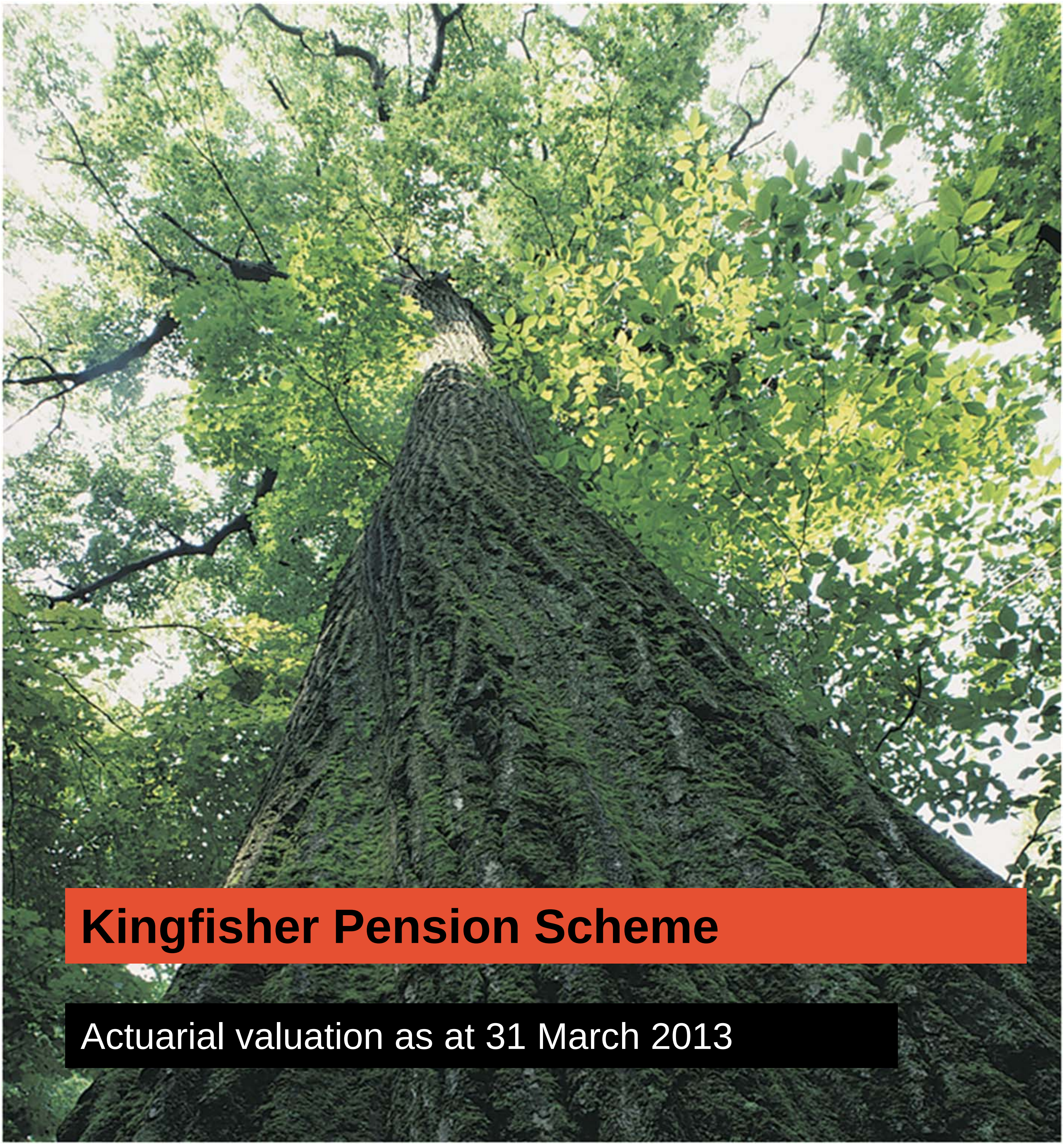

Kingfisher Pension Scheme

Actuarial valuation as at 31 March 2013

The main results of the Scheme's actuarial valuation are as follows:

- *Gilts basis funding level* as at 31 March 2013 has increased to 76.4% (2010: 70.1%)

- *Technical provisions* funding level as at 31 March 2013 has increased to 99.1% (2010: 90.4%)

- Deficit of assets relative to *technical provisions* has decreased to £21 million (2010: £170 million)

- Planned contributions (including SPV income) continue to aim to meet the *Secondary Funding Objective* by 2030 of full funding on a buyout basis

- The Scheme Actuary's *statutory estimate of solvency* as at 31 March 2013 has increased to 67.7% (2010: 64.4%)

Contents

Throughout this report the following terms are used:

Scheme
Kingfisher Pension Scheme

Trustee
The Trustee of the Kingfisher Pension Scheme

Company
Kingfisher plc

Trust Deed & Rules
The Scheme's Trust Deed and Rules dated 15 December 1986, as amended by subsequent Deeds of Variation

Introduction

Scope

This report is the actuarial valuation of the Kingfisher Pension Scheme as at 31 March 2013 and I have prepared it for the Trustee. As noted in the Limitations section of this report, others may not rely on it.

The actuarial valuation is required under the terms of Clause 3 of the Trust Deed & Rules and Part 3 of the Pensions Act 2004; a copy of this report must be provided to the Company within seven days of its receipt.

The main purposes of the actuarial valuation are to review the financial position of the Scheme relative to its statutory and secondary funding objectives and to enable an appropriate level of future contributions to the FS section of the Scheme to be agreed.

The report explains the financial position of the Scheme at 31 March 2013 using several different measures of its liabilities and how it has changed since the previous valuation at 31 March 2010. It also describes the strategy that has been agreed by the Trustee and Company for financing the Scheme in future and provides projections of the funding position at the expected date of the next valuation.

As required by legislation, regular *actuarial valuations* will be obtained to check how the Scheme's financial position compares with its *statutory funding objective* and its *secondary funding objective*, the results of which will then form the basis for decisions concerning the level of contributions to be paid into the Scheme.

This report and the work involved in the actuarial valuation are within the scope of and comply with the Financial Reporting Council's Technical Actuarial Standards regarding pensions, reporting actuarial information, data and modelling.

Next steps

The Trustee is required to disclose to members, in a summary funding statement, certain outcomes of this actuarial valuation within a reasonable period. Members may also request a copy of this report.

The financial position of the Scheme and the level of Company contributions to be paid will be reviewed at the next actuarial valuation, which is expected to be carried out at 31 March 2016.

In intervening years the Trustee will obtain annual actuarial reports on developments affecting the Scheme's financial position. The next such report, which will have an effective date of 31 March 2014, must be completed by 31 March 2015.

Neil Mobbs

Neil Mobbs
Fellow of the Institute and Faculty of Actuaries

1 April 2014

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

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Limitations

Third parties

This report has been prepared for the Trustee for the purpose indicated. It has not been prepared for any other purpose. As such, it should not be used or relied upon by any other person for any other purpose, including, without limitation, by individual members of the Scheme for individual investment or other financial decisions, and those persons should take their own professional advice on such investment or financial decisions. Neither I nor Towers Watson Limited accepts any responsibility for any consequences arising from a third party relying on this report.

Except with the prior written consent of Towers Watson Limited, the recipient may not reproduce, distribute or communicate (in whole or in part) this report to any other person other than to meet any statutory requirements.

Data supplied

The Trustee bears the primary responsibility for the accuracy of the information provided, but will, in turn, have relied on others for the maintenance of accurate data, including the Company who must provide and update certain membership information. Even so it is the Trustee's responsibility to ensure the adequacy of these arrangements. I have taken reasonable steps to satisfy myself that the data provided is of adequate quality for the purposes of the investigation, including carrying out basic tests to detect obvious inconsistencies. These checks have given me no reason to doubt the correctness of the information supplied. It is not possible, however, for me to confirm that the detailed information provided, including that in respect of individual members and the asset details, is correct.

This report has been based on data available to me as at the effective date of the actuarial valuation and takes no account of developments after that date except where explicitly stated otherwise.

Assumptions

The choice of long-term assumptions, as set out in the Scheme’s Statement of Funding Principles dated 24 March 2014 is the responsibility of the Trustee, in agreement with the Company, after taking my advice. They are only assumptions; they are not predictions and there is no guarantee that they will be borne out in practice. In fact I would expect the Scheme’s experience from time to time to be better or worse than that assumed. The Trustee and the Company must be aware that there are uncertainties and risks involved in any course of action they choose based on results derived from these assumptions.

The structure of the Towers Watson Investment model, used to determine the spread of likely future outcomes for the Scheme’s finances, is based on an historical analysis of investment returns, although Towers Watson has incorporated its subjective judgement to complement the information provided by historical returns. The model is designed to illustrate the future range of returns stemming from different asset classes and their inter-relationship and the consequent uncertainty in the future financial development of the Scheme. It should be noted that no economic model could be expected to capture future uncertainty perfectly or to be precise about the risk of extreme events. In particular, it should be noted that the timeframe in establishing our asset model and the assumptions used in this investigation are intentionally long-term, and are not meant to be reflective of the possible, or even likely, course of the investment markets in the short term.

Funding

Statutory funding objective

The Trustee's statutory funding objective under the Pensions Act 2004, is to have sufficient and appropriate assets to cover the Scheme's technical provisions.

The technical provisions are calculated by projecting the benefits expected to be paid in each year after the valuation date and then discounting the resulting cashflows to the valuation date to obtain a present value. Benefits accrued in respect of service only up to the valuation date, as described in the Additional Information section of this report, are taken into account in this calculation. The projections allow for benefit payments being made from the Scheme over the next 80 or so years. Most of these payments depend on future increases in price inflation statistics subject to specified limits.

The method and assumptions for calculating the technical provisions as at 31 March 2013 have been agreed by the Trustee and Company and are documented in the Statement of Funding Principles dated 24 March 2014. The tables below summarise the main assumptions used to calculate the Scheme's technical provisions for this and the previous actuarial valuation.

Financial assumptions	31 March 2013 % pa	31 March 2010 % pa
Pre-retirement discount rate	**5.05**	6.55
Post-retirement discount rate (pensioners)	**3.29**	4.8
Post-retirement discount rate (non-pensioners)	**4.33**	5.0
Pensionable earnings increases (full-time)	**N/A**	4.7
Pensionable earnings increases (part-time)	**N/A**	3.7
Deferred pension revaluation	**3.4**	3.65
Pension increases:		
- Pension in excess of GMP	**3.4**	3.65
- Post-1988 GMP	**2.5**	2.9

Demographic assumptions	31 March 2013	31 March 2010
Mortality base tables:		
- Current male pensioners	**100% of SAPS All Pensioners Males Amounts***	95% SAPS All Pensioners Males Amounts**
- Future male pensioners	**110% of SAPS All Pensioners Males Amounts***	105% SAPS All Pensioners Males Amounts**
- Current and future female pensioners	**105% of SAPS All Pensioners Females Amounts Heavy***	100% SAPS All Pensioners Females Amounts Heavy**
Future improvements in longevity		
- Males	**CMI 2012, 1.5% long-term rate**	CMI 2010,1.5% long-term rate
- Females	**CMI 2012, 1.0% long-term rate**	CMI 2010,1.0% long-term rate
Proportion of pension exchanged for a lump sum at retirement	**25% (10% for Employed Deferred members)**	20%

* with CMI 2012 improvements to 2013

** with medium cohort improvements to 2010

The table below compares the Scheme's technical provisions with the market value of assets at this valuation date and also shows the corresponding figures from the previous valuation:

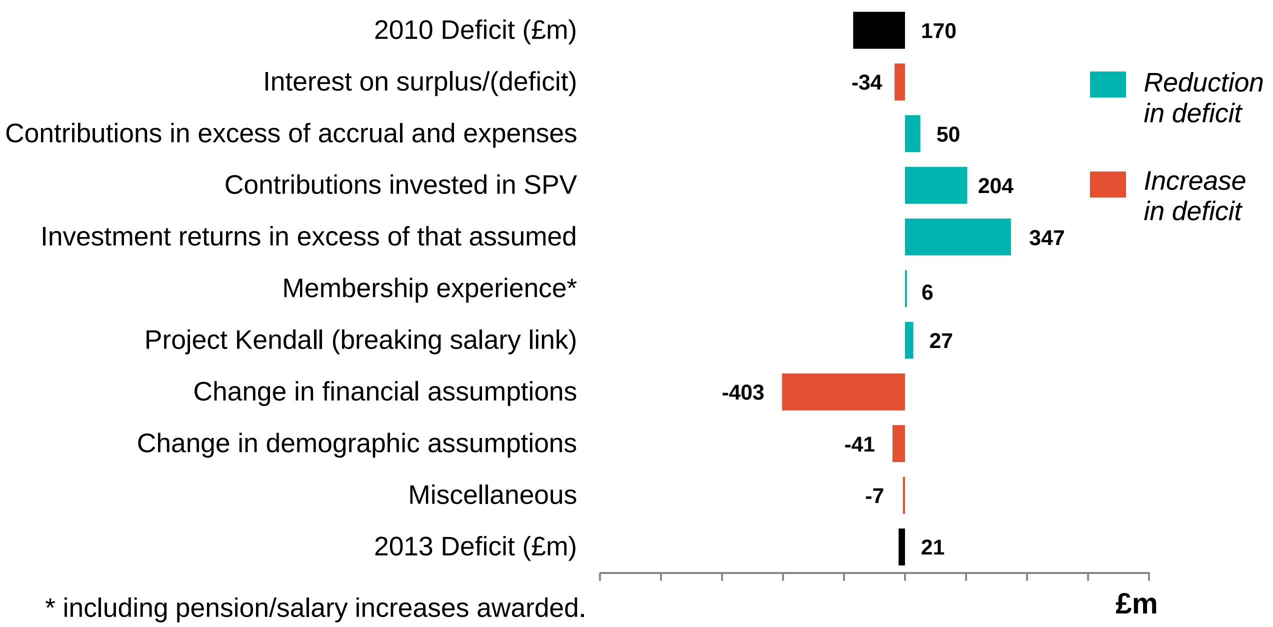
Valuation statement	31 March 2013 £m	31 March 2010 £m
Amount required to provide for the Scheme's liabilities in respect of:		
Employed Deferred members*	**472**	409*
Deferred pensioners	**961**	626
Pensioners and dependants	**954**	706
Expenses	**0**	0
AVCs and other money purchase benefits	**75**	36
Technical provisions	**2,462**	1,777
Market value of assets (including AVCs)	**2,441**	1,607
Past service deficit (technical provisions less assets)	**21**	170
Funding level (assets ÷ technical provisions)	**99.1%**	90.4%

* Employed Members for the purposes of the valuation as at 31 March 2010.

Developments since the previous valuation

The FS Section of the Scheme closed to future accrual at 30 June 2012. As such, contributions in respect of future accrual of benefits are required only for the MP Section, although the FS Section still meets the cost of expenses, death/incapacity benefits and PPF levies.

The funding level has increased to 99.1% from 90.4% at the previous valuation, with the main factors behind this improvement shown below. The better than expected investment returns have been more than offset by the effect of changes to the financial and demographic assumptions from those used at the last valuation. Despite this, the Scheme's funding level has improved, mainly due to contributions made by the Company and the effect of the terms on which the FS section was closed to future accrual.



* including pension/salary increases awarded.

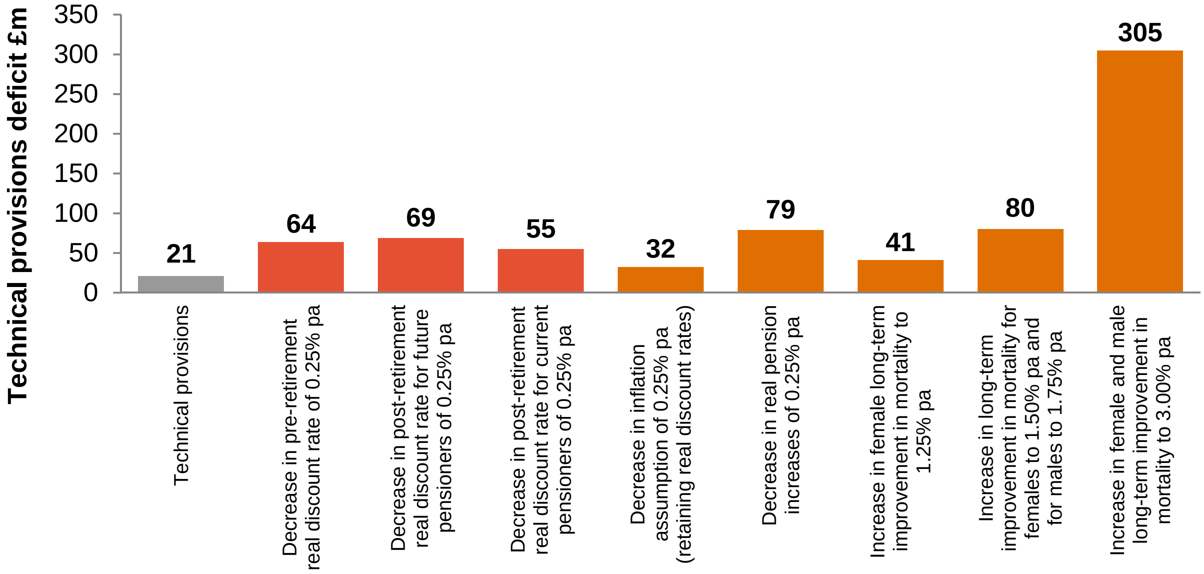
Recovery plan

As there were insufficient assets to cover the Scheme's technical provisions at the valuation date, the Trustee and the Company are required to agree a recovery plan, specifying how, and by when, the statutory funding objective is expected to be met. The Trustee and the Company have agreed contributions which, if the assumptions documented in the Statement of Funding Principles dated 24 March 2014 are borne out in practice, mean the technical provisions deficit will be removed by 30 September 2014.

Projections and sensitivities

Based on the assumptions underlying the calculation of the Scheme's technical provisions as at 31 March 2013 and allowing for contributions to be paid to the Scheme as set out in the Schedule of Contributions, the funding level is projected to increase from 99.1% to 101.0% by the expected date of the next actuarial valuation (31 March 2016).

The chart below illustrates the sensitivity of the technical provisions as at 31 March 2013 to variations of individual assumptions. (If more than one of these assumptions is varied, the effect may be greater than the sum of the changes from varying individual assumptions.)



Secondary funding objective

In addition to the statutory funding objective, the Trustee and Company have agreed a *Secondary Funding Objective* which is to aim to reach a point by 2030 where it can provide accrued benefits with a high level of security, thereby limiting its reliance on the Company for further financial support.

The method and assumptions set out in the Statement of Funding Principles dated 24 March 2014 includes a change in approach to funding lump sum death and incapacity benefits. From 2014 onwards contributions will reflect the expected average cost of the corresponding insurance over the next 3-year period. With auto-enrolment to the MP section, this cost is expected to be £2.0 m a year for 2014-2017.

Contributions to meet the *Secondary Funding Objective* rely on expected investment returns which are assessed with 65% confidence using the Towers Watson Investment Model, alongside the assumption that Company contributions will increase in line with RPI every 3 years. For this valuation the assumed outperformance of assets over gilts is 1.5% pa initially, falling to 0.4% pa over 17 years, as the asset allocation moves to 100% bonds.

The funding outcome depends on whether the terms on which the Scheme buys bonds in future reflect market forward rates implied by the gilt yield curve as at 31 March 2013. The following table shows the implied contribution requirement, excluding PPF levies, using two alternative assumptions for future gilt yields. The central scenario under the Towers Watson Investment Model is that real gilt yields revert to 0.85% pa over the course of the 10 years following the valuation date.

31 March 2013	Real gilt yields based on market forward rates £m	Real gilt yields revert to 0.85%pa over 10 years £m
Value of benefits expected to be accrued [1]	3,143	2,786
Market value of assets[2]	2,163	2,163
Relative value of expected investment returns	327	102
Shortfall to be met	653	521
Annual contributions from 2014 (incl. SPV income)	37.6	31.3
Life insurance premiums	2.0	2.0
Total annual contributions from 2014 (incl SPV income)	39.6	33.3

Having regard to the above calculations, the potential for the allowance for future longevity improvements for female members proving insufficient in reflecting the 2030 buyout cost, and calculations using more optimistic future investment returns, it has been agreed that employer contributions of £35.75 million a year (less SPV income) will be paid monthly to the FS section of the Scheme from April 2014, increasing with RPI after each three-year period. This rate includes allowance for expenses and death/incapacity benefit costs, but excludes *PPF* levies, which will be reimbursed separately by the Company.

These contributions are set out in the *Schedule of Contributions* dated 24 March 2014 and are expected to be reviewed after the next actuarial valuation.

The figures in the first column of the table above can also be used to calculate the gilts-based funding level at the valuation date. After deducting the allowance for future running costs and including the audited value of the SPV rental income stream, this is (2163 + 203) / (3,143 - 45) * 100% = 76.4% which is improved from 70.1% at the last valuation.

[1] Including expenses
[2] Excluding AVCs, MP benefits and SPV interests

Solvency

Discontinuance

If the Scheme's discontinuance is not the result of the Company's insolvency, the Company would ultimately be required to pay to the Scheme any deficit between the Scheme Actuary's estimate of the full cost of securing Scheme benefits with an insurance company (including expenses) and the value of the Scheme's assets – the "employer debt". The Trustee would then normally try to buy insurance policies to secure future benefit payments. However, the Trustee may decide to run the Scheme as a closed fund for a period of years before buying such policies if there are practical difficulties with buying insurance policies, such as a lack of market capacity.

If the Scheme's discontinuance is a result of the Company's insolvency, the "employer debt" would be determined as above and the Scheme would also be assessed for possible entry to the Pension Protection Fund ("PPF"). If the assessment concluded that the assets (including any funds recovered from the Company) were not sufficient to secure benefits equal to the PPF compensation then the Scheme would apply for members to be compensated by the PPF. Otherwise the Scheme would be required to secure a higher level of benefits with an insurance company.

Statutory estimate of solvency

The Pensions Act 2004 requires that I provide the Trustee with an estimate of the solvency of the Scheme at the valuation date. Normally, this means an estimate of the proportion of the accrued benefits that could have been secured by buying insurance policies with the assets held by the Scheme at the valuation date. For this purpose I have assumed no further payments are received from the Company.

I have assumed that the insurance company price would be calculated on an actuarial basis similar to that implied by bulk annuity quotations seen by Towers Watson at around the valuation date. I have assumed the cost of implementing the winding-up to be approximately 1.5% of the estimated value of the solvency liabilities (leading to assumed winding-up costs of £52 million).

The table below summarises the main financial assumptions used to estimate the Scheme's solvency position at this and the previous actuarial valuation. The respective demographic assumptions are as set out in the table above under *Statutory Funding Objective*.

Financial assumptions	**31 March 2013 % pa**	31 March 2010 % pa
Pensioner discount rate	**Gilts – 0.5**	Gilts – 0.5
Non-pensioner discount rate	**Gilts + 0.1**	Gilts + 0.1
Deferred pension revaluation	**3.40**	3.65
Pension increases:		
- Pension in excess of GMP	**3.40**	3.65
- Post-1988 GMP	**2.50**	2.90

My estimate of the solvency position of the Scheme as at 31 March 2013 is that the assets of the Scheme would have met 67.7% of the cost of buying insurance policies to secure the benefits at that date, based on the assumptions described above. Assets for these purposes recognise the expected value of the SPV properties, not the corresponding 'going concern' rental income stream. Further details are set out in the table below, alongside the corresponding details as at the previous valuation date:

Valuation statement	**31 March 2013 £m**	31 March 2010 £m
Total estimated cost	**3,540**	2,497
Market value of assets	**2,398**	1,607
Solvency deficit (total estimated cost less assets)	**1,142**	890
Solvency level (assets ÷ total estimated cost)	**67.7%**	64.4%

The change in the solvency level from 64.4% to 67.7% is due mainly to the combination of increased security from Company contributions and the investment performance relative to changes in solvency liabilities.

The solvency estimate should not be relied upon to indicate the position on a future winding-up. Changes in market interest rates and in the supply and demand for annuities mean that the actual position at any particular point in time can be established only by obtaining specific quotations for buying the insurance policies required to secure the benefits.

The coverage for particular benefits depends on where they fall in the statutory priority order below. However, money purchase liabilities, such as those arising from members' Additional Voluntary Contributions (AVCs) and the MP Section, are excluded from the statutory priority order; their treatment is determined by the Scheme's own rules and would normally be that they are secured in full before any other benefits.

- category 1 – benefits relating to certain pension annuities secured by the Scheme before 6 April 1997 (of which I understand there are none for the Scheme);
- category 2 – the cost to the Scheme of securing the compensation that would otherwise be payable by the PPF if the Company became insolvent;
- category 3 – benefits in respect of defined benefit AVCs not dealt with above (of which I understand there are none for the Scheme);
- category 4 – all other pensions and benefits due under the Scheme, including pension increases (where these exceed those under the PPF).

The Section 179 valuation as at 31 March 2013 showed that Scheme assets covered 94.3% of Section 179 liabilities, so the Scheme would probably have qualified for entry to the PPF had the Company become insolvent at 31 March 2013 and no Section 75 debt payment been paid, in which case the members would have received PPF compensation in place of their benefits. Further information on the valuation of the Scheme under Section 179 of the Pensions Act 2004 can be found in the report "Section 179 Pension Protection Fund valuation report as at 31 March 2013" dated 26 March 2014.

Relationship between the cost of securing benefits and the technical provisions

My estimate of the cost of securing benefits with an insurance company of £3,540m is £1,078m higher than the Scheme's technical provisions of £2,462m.

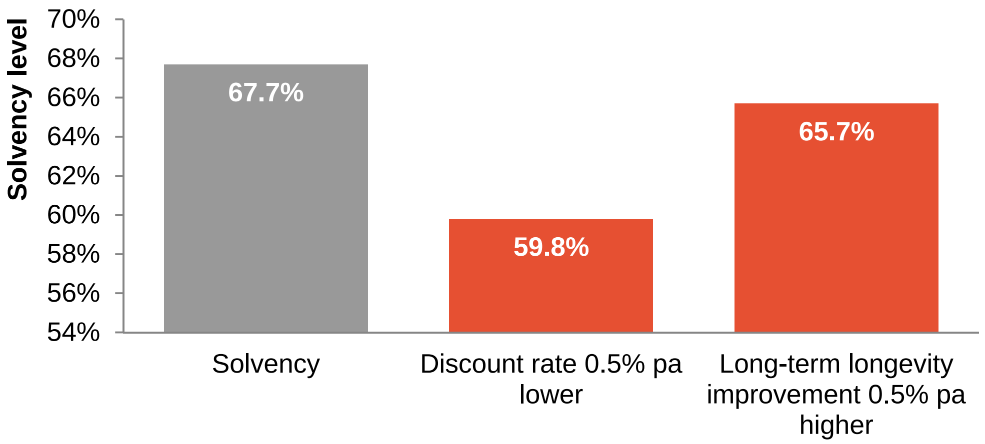
The technical provisions are intended to be a prudent assessment of the assets required under the Scheme's investment strategy to meet future benefit payments as and when they fall due but with reliance placed on the Company being able to support the Scheme in future if the assumptions are not borne out in practice. By contrast the estimated cost of securing benefits with an insurance company is based on the price that an insurer might be likely to charge to take on the risks associated with operating the Scheme without having recourse to future contributions from the Company.

If assets were available on discontinuance that exactly matched the technical provisions under the statutory funding objective as at 31 March 2013, then I estimate that the solvency level of the Scheme would have been 69.5%. This compares with 71.2% at the 31 March 2010 actuarial valuation.

Projections and sensitivities

Based on the assumptions underlying the calculation of the Scheme's technical provision as at 31 March 2013 and allowing for contributions to be paid to the Scheme summarised in the Funding section of this report, the solvency level is projected to increase from 67.7% to 71.0% by the expected date of the next actuarial valuation.

The table below illustrates the sensitivity of the solvency position as at 31 March 2013 to variations of individual key assumptions. (If more than one of these assumptions is varied, the effect may be greater than the sum of the changes from varying individual assumptions.)



Additional Information

Risks

The table below summarises the main risks to the financial position of the Scheme and the actions taken to manage them:

Risk	Approach taken to risk
Company unable to pay contributions or make good deficits in the future	At each valuation the Trustee takes advice from an independent specialist on the ability of the Company to pay contributions to the Scheme and, in particular, to make good any shortfall that may arise if the experience of the Scheme is adverse. This advice is taken into account when determining the level of technical provisions and in considering the appropriateness of any recovery plan to remove a deficit relative to the technical provisions. Between valuations the Trustee monitors the Company's covenant strength regularly.
Investment returns on the existing assets could be insufficient to meet the Trustee's funding objectives	The Trustee takes advice from the Scheme Actuary on possible assumptions for future investment returns. For the calculation of the Scheme's technical provisions, the Trustee has adopted discount rates that are lower than the expected returns on the Scheme assets. The Trustee is able to agree further contributions with the Company at subsequent valuations if future returns prove insufficient.
Investment returns on future income could be lower than the returns available at the valuation date	The Trustee takes this risk into account when determining the Scheme's technical provisions, by incorporating a level of prudence into the investment return assumptions. The Scheme also hedges some of its exposure to changes in interest rates.
Price inflation could be different from that assumed which could result in higher liabilities	The Trustee invests in assets that are expected to be correlated to future inflation in the longer term (sometimes referred to as "real" assets). This means that, over the longer term, such assets are expected to keep pace with inflation. Such assets include equities, property and index-linked bonds. The Scheme also hedges some of its exposure to inflation risk.
Falls in asset values might not be matched by similar falls in the value of the Scheme's liabilities	The Trustee considers this risk when determining the Scheme's investment strategy. It consults with the Company in order to understand the Company's appetite for bearing this risk and takes advice on the Company's ability to make good any shortfall that may arise. To the extent that such falls in asset values result in deficits at future valuations, the Company would be required to agree a recovery plan with the Trustee to restore full funding over a period of time.
Scheme members live longer than assumed	For the calculation of the technical provisions, the Trustee has adopted mortality assumptions that it regards as prudent estimates of the life expectancy of members so that higher reserves are targeted in respect of the risk than are expected to be necessary.
Options exercised by members could lead to increases in the Scheme's liabilities	The Trustee sets the terms for converting benefits in respect of member options on the basis of actuarial advice with a view to avoiding strains on the Scheme's finances as far as is reasonably possible without disadvantaging members. The terms are kept under regular review, generally following each actuarial valuation.
Legislative changes could lead to increases in the Scheme's liabilities	The Trustee takes legal and actuarial advice on changes in legislation and consults with the Company, where relevant.

Economic risk | Demographic risk | Legal risk

Benefits summary

The Scheme is a registered pension scheme under the Finance Act 2004 and the FS Section was contracted-out of the State Second Pension until accrual ceased on 30 June 2012.

The main provisions of the FS section of the Scheme are summarised as follows:

Normal Retirement Date (NRD)	Age 65 for men and women for benefits accrued after 30 November 2006. Age 60 for all other benefits.
Salary	Basic earnings plus any other contractual payments as the employer determines, but excluding overtime.
Final Salary	The highest average Salary over any one of the final five years of membership, or the average of the best three out of the last ten years if greater.
Pensionable Service	Service before 30 June 2012 as a contributing member of the Scheme plus Pensionable Service inherited from a previous scheme within the Group.
Retirement at NRA	A pension equal to one-sixtieth of Final Salary for each year (and part thereof) of Pensionable Service. For service from 1 April 2004, there was an option to accrue pension at one-eightieth of Final Salary.
Retirement before NRA, not on the grounds of ill health (for Employed Deferred members)	An immediate pension calculated as for retirement at NRD (by reference to completed service), but reduced for each year that retirement precedes NRD. Currently, no reduction is applied for early retirement after age 60.
Lump sum at retirement	On retirement part of the pension may be exchanged for a lump sum according to an age-related scale.
Death after retirement	A dependant's pension equal to one-half of the pension which would have been in payment at the date of death assuming no pension was exchanged for a lump sum at retirement. Children's allowances are also paid.
Pension increases	Pension in excess of GMP in payment are guaranteed to be increased each year by 5% (or the change in the RPI if this is lower). The GMP arising from service after 5 April 1988 is increased each year by 3% (or CPI if this is lower). The GMP part of a deferred pension is increased between leaving and State Pension Age at fixed rates (4.75% for leavers after 5 April 2012). The pension in excess of the GMP is increased up to NRD, or earlier starting date of the pension, by 5% a year overall (or RPI if this is lower).
Other employees	KPS-FS provides salary-related risk-benefits on death for most Kingfisher group employees, and also on incapacity for members of KPS-MP.
Special Provisions	Variations to the above provisions apply to executives and senior managers and to honour no-worse-off guarantees in respect of former scheme benefits, as advised to the members concerned.

Discretionary benefits

No future discretionary benefits or discretionary increases in benefit have been allowed for in the calculation of the technical provisions and statutory estimate of solvency, other than our understanding of established practices in benefit calculations.

Changes to the benefits

The FS Section of the Scheme closed to future accrual at 30 June 2012.

Uncertainty about the benefits

No allowance has been made in the calculation of the technical provisions or the statutory estimate of solvency for possible changes to the benefits that may be required to ensure that the Scheme provisions in respect of Guaranteed Minimum Pensions do not unlawfully discriminate between male and female members.

Membership data

A summary of the FS section data provided for this and the previous valuation is presented below.

Employed Deferred members*

	31 March 2013			31 March 2010		
	Number	Deferred pension £m pa	Average pension £ pa	Number	Total pensionable earnings £m pa	Average pensionable earnings £ pa
Males	2,127	15.0	7,052	2,892	76.6	26,487
Females	2,115	7.8	3,688	2,872	42.4	14,763
Total	**4,242**	**22.8**	**5,375**	**5,764**	**119.0**	**20,645**

Deferred Pensioners

	31 March 2013			31 March 2010		
	Number	Deferred pension £m pa	Average pension £ pa	Number	Deferred pension £m pa	Average pension £ pa
Males	8,447	28.1	3,327	8,638	23.0	2,663
Females	9,760	16.2	1,660	10,360	14.1	1,361
Total	**18,207**	**44.3**	**2,433**	**18,998**	**37.1**	**1,953**

Pensioners and Dependants

	31 March 2013			31 March 2010		
	Number	Total pension £m pa	Average pension £ pa	Number	Total pension £m pa	Average pension £ pa
Males	4,665	25.4	5,445	4,305	21.9	5,087
Females	10,544	23.3	2,210	10,979	20.6	1,876
Children	59	0.1	1,695	83	0.1	1,205
Total	**15,268**	**48.8**	**3,196**	**15,367**	**42.6**	**2,772**

Average ages

Number	31 March 2013			31 March 2010		
	Males	Females	Total	Males	Females	Total
Employed Deferred members*	**46.1**	**47.2**	**46.6**	44.2	45.9	45.0
Deferred pensioners	**47.1**	**49.0**	**48.1**	45.4	47.2	46.4
Pensioners and Dependants	**69.4**	**72.3**	**71.1**	68.8	71.9	70.6

* Employed Members for the purposes of the valuation as at 31 March 2010.

Notes on data tables:

- Average ages in respect of pensioners and dependants exclude children
- Deferred pension amounts include revaluation to the valuation date.
- Average ages are unweighted.

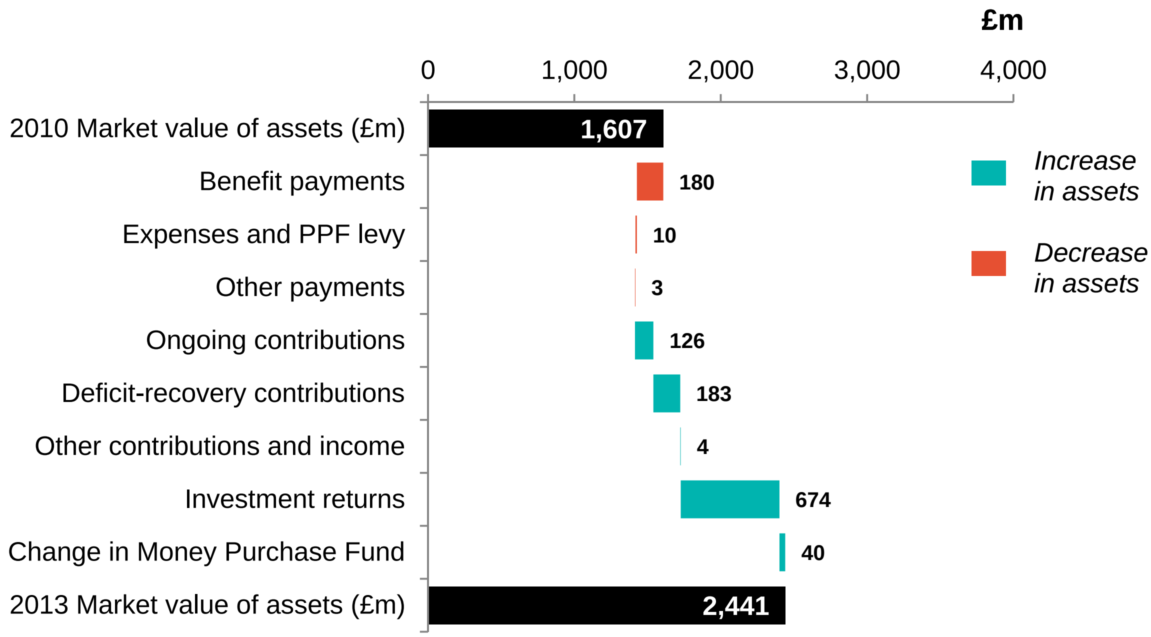
A summary of the MP section and Life assurance members' data provided for this valuation can be found in the Scheme's audited accounts as at 31 March 2013, dated 2 July 2013.

Asset information

Movements in the market value of assets

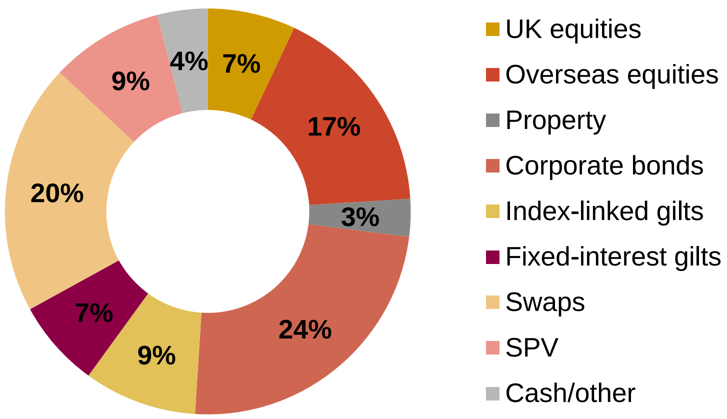
The audited accounts supplied as at 31 March 2013 show that the market value of the Scheme's assets was £2,441m. This includes Additional Voluntary Contributions (AVCs) and MP section assets, which together amounted to £75m.

The change in the Scheme's assets (including AVCs) from £1,607m as at 31 March 2010 to £2,441m as at 31 March 2013 are detailed in the Trustee's Report and Financial Statements over that period. The chart below summarises a broad reconciliation of the change (including AVCs):



Investment strategy

A summary of the Scheme's investment allocation at 31 March 2013 is set out below:



The assets were invested as summarised in the table below as at 31 March 2013 and 31 March 2010:

	Market value as at 31 March 2013		Market value as at 31 March 2010	
	£m	% (ex AVCs)	£m	% (ex AVCs)
Overseas equities	413	17	176	11
UK equities	165	7	353	22
Corporate bonds	578	24	-	-
Fixed-interest gilts	164	7	583	37
Index-linked gilts	215	9	298	19
Property	64	3	77	5
Swap portfolio	473	20	-	-
SPV	203	9	-	-
Cash/Other	91	4	84	5
Total (excluding AVCs)	**2,366**	**100**	1,571	100
AVCs & MP Section	75	-	36	-
Total (including AVCs)	**2,441**	**100**	1,607	100

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 2013 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 24 March 2014.

Neil Mobbs

Neil Mobbs
Fellow of the Institute and Faculty of Actuaries
24 March 2014

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Glossary

This glossary describes briefly the terminology of the regime for funding defined benefit pension schemes as introduced by the Pensions Act 2004.

Actuarial report: A report prepared by the Scheme Actuary in years when an actuarial valuation is not carried out that provides an update on developments affecting the Scheme's assets and technical provisions over the year.

Actuarial valuation: A report prepared by the Scheme Actuary that includes the results of the calculation of the technical provisions based on the assumptions specified in the Statement of Funding Principles and assesses whether the assets are sufficient to meet the statutory funding target.

Contingent asset: An arrangement separate from the assets already held by the trustees under trust (or agreed and documented in the schedule of contributions) that provides for the trustees to receive certain assets should certain pre-defined events takes place.

Covenant: This represents an employer's legal obligation and its ability to provide the financial support to a scheme that may be required now and in the future. The trustees' assessment of the sponsor's covenant will inform both investment and funding decisions.

Demographic assumptions: Assumptions relating to social statistics for Scheme members, which can affect the form, level or timing of benefits members or their dependants receive. This can include levels of mortality experienced by the Scheme and the proportion of members electing to exercise benefit options.

Discount rates: Assumptions used to place a capital value at the valuation date on projected future benefit cash flows from the Scheme. The lower the discount rate the higher the resulting capital value.

Financial assumptions: Assumptions relating to future economic factors which will affect the funding position of the Scheme, such as inflation and investment returns.

Funding target/objective: An objective to have a particular level of assets relative to the accrued liabilities of the Scheme. See also statutory funding objective.

Gilts based funding level: The ratio of Scheme assets (at market value as shown in the accounts) to the value of accrued liabilities (excluding provision for future running costs) calculated using a discount rate derived from yields available on UK Government bonds of appropriate nature and duration.

Pension Protection Fund (PPF): Provides compensation to members of eligible schemes in the event of wind up with insufficient assets and the employer is insolvent. The level of PPF compensation provided is usually lower than the full level of the benefits otherwise due.

Prudence: Regulations require that assumptions are chosen prudently when assessing the level of technical provisions, although they do not define this term. We have interpreted prudence to be the level of conservatism in the assumptions. Where this is interpreted quantitatively, assumptions said to be prudent would result in higher technical provisions than a "best estimate" assumption (where a “best estimate” assumption is one where there is a 50% chance that the actual outcome will be higher or lower than assumed).

The Pensions Regulator: The regulatory supervisor for occupational pension schemes with statutory objectives to protect members' benefits and the Pension Protection Fund, and statutory powers to take interventionist action.

Recovery plan: A document required where an actuarial valuation discloses that the statutory funding objective is not met (ie the assets held are less than the technical provisions). It is a formal agreement between the trustees and the employer that sets out the steps to be taken to achieve the statutory funding objective by the end of an agreed period (the “recovery period”).

Schedule of contributions: A document that sets out in detail the agreed contributions payable to a scheme by members and the employers and the dates by which such contributions are to be paid. It includes, but is not limited to, contributions agreed under a recovery plan.

Scheme Actuary: The individual actuary appointed (under the Pensions Act 1995) by the Trustee to perform certain statutory duties for the Scheme.

Scheme-Specific Funding Regime: A term used to refer to the legislative and regulatory rules that stem from the Pension Act 2004 and which govern the funding of occupational defined benefit pension schemes in the UK.

Secondary Funding Objective (2FO): Is for the Scheme to be in a position by 2030 to provide the accrued benefits with a high level of security, thereby limiting its reliance on the Company for further financial support.

Special Purpose Vehicle (SPV): Is a Scottish Limited Partnership set up by Kingfisher plc in which the Scheme has purchased an interest as a B Limited Partner. The SPV has entered into Sale & Leaseback agreements for four Group properties, such that the Scheme receives the SPV's rental income from those properties, less an allowance for expenses, as its B Limited Partner interest. On the insolvency of Kingfisher plc, the Trustee will gain control of the properties, subject to a maximum value of the solvency deficit.

Statement of Funding Principles (SFP): The SFP sets out the trustees' policy for ensuring that the statutory funding objective and any other funding objectives are met and, in particular, the assumptions for calculating the technical provisions at the effective date of the actuarial valuation. The trustees are responsible for preparing and maintaining this document, taking into account the advice of the Scheme Actuary and in many cases seeking the agreement of the employer.

Statement of Investment Principles (SIP): The SIP sets out the trustees' policy for investing the Scheme's assets. The trustees are responsible for preparing and maintaining this document, taking into account written investment advice from the appointed investment advisor and consulting the employer before any changes are made.

Statutory estimate of solvency: An estimate of the cost of discharging a scheme's liability to pay benefits through the purchase of insurance policies in respect of each member's full benefit entitlement under the Scheme (unless the actuary considers that it is not practicable to make an estimate on this basis, in which case the estimate of solvency can be prepared on a basis that the actuary considers appropriate).

Statutory funding objective: To have sufficient and appropriate assets to cover the Scheme's technical provisions.

Statutory priority order: The order in which the assets of a scheme must be applied in securing the benefits of different members in the event of it being wound up. The order is consistent with the Pension Protection Fund (PPF) because benefits covered by the PPF are the highest priority class of defined benefit liabilities.

Summary funding statement: An update sent to members following the completion of each actuarial valuation or actuarial report informing them of the assessed financial position of the Scheme.

Technical provisions: The amount of assets required to make provision for the accrued liabilities of the scheme. The technical provisions are calculated using the method and assumptions set out in the Statement of Funding Principles.

Winding-up: This is a particular method of discharging a scheme's liability to pay benefits. It typically arises where the employer no longer provides financial support to it (for example if it becomes insolvent) and would usually involve using the scheme's assets to buy insurance policies that pay as much of the scheme's benefits as possible in accordance with the statutory priority order.