

Consolidated income statement

Year ended 31 January 2017

£ millions	Notes	2016/17			2015/16		
		Before exceptional items	Exceptional items (note 4)	Total	Before exceptional items	Exceptional items (note 4)	Total
Sales	3	11,225	–	11,225	10,441	–	10,441
Cost of sales		(7,050)	–	(7,050)	(6,545)	–	(6,545)
Gross profit		4,175	–	4,175	3,896	–	3,896
Selling and distribution expenses		(2,758)	21	(2,737)	(2,666)	(308)	(2,974)
Administrative expenses		(687)	(5)	(692)	(567)	(15)	(582)
Other income		19	7	26	26	157	183
Share of post-tax results of joint ventures and associates		1	–	1	3	–	3
Operating profit		750	23	773	692	(166)	526
Finance costs		(21)	(6)	(27)	(22)	–	(22)
Finance income		13	–	13	8	–	8
Net finance costs	5	(8)	(6)	(14)	(14)	–	(14)
Profit before taxation		742	17	759	678	(166)	512
Income tax expense	6	(143)	(6)	(149)	(167)	67	(100)
Profit for the year		599	11	610	511	(99)	412

Earnings per share

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Basic	27.1p	17.8p
Diluted	27.0p	17.8p
Adjusted basic	24.4p	22.0p
Adjusted diluted	24.3p	22.0p
Underlying basic	25.9p	22.0p
Underlying diluted	25.8p	22.0p

Reconciliation of non-GAAP underlying and adjusted pre-tax profit:

Underlying pre-tax profit	787	686
Transformation costs before exceptional items	(44)	–
Adjusted pre-tax profit	743	686
B&Q China operating loss	–	(4)
Financing fair value remeasurements	(1)	(4)
Exceptional items	17	(166)
Profit before taxation	759	512

The proposed final dividend for the year ended 31 January 2017, subject to approval by shareholders at the Annual General Meeting, is 7.15p per share.

Consolidated statement of comprehensive income

Year ended 31 January 2017

£ millions	Notes	2016/17	2015/16
Profit for the year		610	412
Actuarial (losses)/gains on post-employment benefits	9	(50)	19
Tax on items that will not be reclassified		11	(8)
Total items that will not be reclassified subsequently to profit or loss		(39)	11
Currency translation differences			
Group		390	1
Joint ventures and associates		(1)	(3)
Transferred to income statement		–	(7)
Cash flow hedges			
Fair value gains		52	24
Gains transferred to inventories		(60)	(50)
Available-for-sale financial assets			
Fair value gains		5	2
Transferred to income statement	12	(7)	–
Tax on items that may be reclassified		2	8
Total items that may be reclassified subsequently to profit or loss		381	(25)
Other comprehensive income for the year		342	(14)
Total comprehensive income for the year		952	398

Consolidated statement of changes in equity

Year ended 31 January 2017

£ millions	Notes	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity
		Share capital	Share premium	Own shares held	Retained earnings	Other reserves	Total		
At 1 February 2016		361	2,218	(24)	3,637	(6)	6,186	–	6,186
Profit for the year		–	–	–	610	–	610	–	610
Other comprehensive income for the year		–	–	–	(39)	381	342	–	342
Total comprehensive income for the year		–	–	–	571	381	952	–	952
Share-based compensation		–	–	–	15	–	15	–	15
New shares issued under share schemes		–	3	–	–	–	3	–	3
Own shares issued under share schemes		–	–	7	(6)	–	1	–	1
Purchase of own shares for cancellation		(9)	–	–	(150)	9	(150)	–	(150)
Purchase of own shares for ESOP trust		–	–	(6)	–	–	(6)	–	(6)
Dividends	8	–	–	–	(230)	–	(230)	–	(230)
At 31 January 2017		352	2,221	(23)	3,837	384	6,771	–	6,771
At 1 February 2015		369	2,214	(26)	3,652	11	6,220	10	6,230
Profit for the year		–	–	–	412	–	412	–	412
Other comprehensive income for the year		–	–	–	11	(25)	(14)	–	(14)
Total comprehensive income for the year		–	–	–	423	(25)	398	–	398
Disposal of B&Q China	12	–	–	–	–	–	–	(10)	(10)
Share-based compensation		–	–	–	11	–	11	–	11
New shares issued under share schemes		–	4	–	–	–	4	–	4
Own shares issued under share schemes		–	–	18	(17)	–	1	–	1
Purchase of own shares for cancellation		(8)	–	–	(200)	8	(200)	–	(200)
Purchase of own shares for ESOP trust		–	–	(16)	–	–	(16)	–	(16)
Dividends	8	–	–	–	(232)	–	(232)	–	(232)
At 31 January 2016		361	2,218	(24)	3,637	(6)	6,186	–	6,186

Consolidated balance sheet

At 31 January 2017

£ millions	Notes	2016/17	2015/16
Non-current assets			
Goodwill		2,399	2,397
Other intangible assets		308	276
Property, plant and equipment		3,589	3,212
Investment property		24	25
Investments in joint ventures and associates		23	23
B&Q China investment	12	–	62
Post-employment benefits	9	239	246
Deferred tax assets		28	11
Derivative assets		54	43
Other receivables		8	7
		6,672	6,302
Current assets			
Inventories		2,173	1,957
Trade and other receivables		551	568
Derivative assets		36	56
Current tax assets		6	5
Short-term deposits		–	70
Cash and cash equivalents		795	730
Assets held for sale		–	6
		3,561	3,392
Total assets		10,233	9,694
Current liabilities			
Trade and other payables		(2,495)	(2,369)
Borrowings		(14)	(138)
Derivative liabilities		(26)	(6)
Current tax liabilities		(141)	(66)
Provisions		(63)	(69)
		(2,739)	(2,648)
Non-current liabilities			
Other payables		(50)	(53)
Borrowings		(184)	(179)
Deferred tax liabilities		(282)	(333)
Provisions		(99)	(208)
Post-employment benefits	9	(108)	(87)
		(723)	(860)
Total liabilities		(3,462)	(3,508)
Net assets		6,771	6,186
Equity			
Share capital		352	361
Share premium		2,221	2,218
Own shares held in ESOP trust		(23)	(24)
Retained earnings		3,837	3,637
Other reserves		384	(6)
Total equity		6,771	6,186

The financial statements were approved by the Board of Directors on 21 March 2017 and signed on its behalf by:

Véronique Laury
Chief Executive Officer

Karen Witts
Chief Financial Officer

Consolidated cash flow statement

Year ended 31 January 2017

£ millions	Notes	2016/17	2015/16
Operating activities			
Cash generated by operations	10	925	931
Income tax paid		(144)	(118)
Net cash flows from operating activities		781	813
Investing activities			
Purchase of property, plant and equipment and intangible assets		(406)	(333)
Disposal of property, plant and equipment, investment property and property held for sale		20	25
Disposal of property company	12	–	18
Disposal of B&Q China:	12		
Proceeds (net of costs and cash disposed)		63	102
Deposit repaid		–	(12)
Decrease/(increase) in short-term deposits		70	(22)
Interest received		5	3
Dividends received from joint ventures and associates		–	5
Net cash flows from investing activities		(248)	(214)
Financing activities			
Interest paid		(10)	(12)
Interest element of finance lease rental payments		(2)	(3)
Repayment of bank loans		(2)	(1)
Repayment of fixed term debt		(47)	–
Receipt on financing derivatives		10	–
Capital element of finance lease rental payments		(12)	(13)
New shares issued under share schemes		3	4
Own shares issued under share schemes		1	1
Purchase of own shares for ESOP trust		(6)	(16)
Purchase of own shares for cancellation		(200)	(200)
Ordinary dividends paid to equity shareholders of the Company		(230)	(232)
Net cash flows from financing activities		(495)	(472)
Net increase in cash and cash equivalents and bank overdrafts, including amounts classified as held for sale			
		38	127
Cash and cash equivalents and bank overdrafts, including amounts classified as held for sale, at beginning of year		654	527
Exchange differences		103	–
Cash and cash equivalents and bank overdrafts at end of year	11	795	654

Notes

1 General information

Kingfisher plc ('the Company'), its subsidiaries, joint ventures and associates (together 'the Group') supply home improvement products and services through a network of retail stores and other channels, located mainly in the United Kingdom and continental Europe.

The Company is incorporated in the United Kingdom and is listed on the London Stock Exchange. The address of its registered office is 3 Sheldon Square, Paddington, London W2 6PX.

2 Basis of preparation

The consolidated financial statements of the Company, its subsidiaries, joint ventures and associates are made up to 31 January. The current financial year is the calendar year ended 31 January 2017 ('the year' or '2016/17'). The comparative financial year is the calendar year ended 31 January 2016 ('the prior year' or '2015/16').

The directors of Kingfisher plc, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence and that, therefore, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 January 2017.

The condensed financial information, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet, consolidated cash flow statement and related notes do not constitute statutory financial statements for the year ended 31 January 2017, but are derived from those statements. Statutory financial statements for 2015/16 have been filed with the Registrar of Companies and those for 2016/17 will be filed in due course. The Group's auditors have reported on both years' accounts; their reports were unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The condensed financial information has been abridged from the 2016/17 statutory financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and those parts of the Companies Act 2006 applicable to companies reporting under IFRS and therefore the consolidated financial statements comply with Article 4 of the EU IAS legislation. The consolidated income statement and related notes represent results for continuing operations, there being no discontinued operations in the years presented. The condensed financial information has been prepared under the historical cost convention, as modified by the use of valuations for certain financial instruments, share-based payments and post-employment benefits.

Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 January 2016, as described in note 2 of those financial statements.

Principal rates of exchange against Sterling

	2016/17		2015/16	
	Average rate	Year end rate	Average rate	Year end rate
Euro	1.21	1.16	1.38	1.31
US Dollar	1.34	1.26	1.52	1.42
Polish Zloty	5.28	5.03	5.78	5.78
Russian Rouble	87.98	75.72	94.54	107.52

Use of non-GAAP measures

In the reporting of financial information, the Group uses certain measures that are not required under IFRS, the generally accepted accounting principles ('GAAP') under which the Group reports. Kingfisher believes that adjusted sales, retail profit, underlying pre-tax profit, adjusted pre-tax profit, effective tax rate, underlying earnings per share and adjusted earnings per share provide additional useful information on performance and trends to shareholders. These and other non-GAAP measures, such as net cash, are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items', 'transformation costs', 'underlying', 'adjusted', 'effective tax rate' and 'net cash' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

Retail profit is defined as continuing operating profit before central costs, the Group's share of interest and tax of joint ventures and associates, transformation costs, exceptional items and amortisation of acquisition intangibles. It includes the sustainable benefits of the Group's transformation programme. 2015/16 comparatives exclude B&Q China's operating results. Central costs principally comprise the costs of the Group's head office before transformation costs.

The separate reporting of non-recurring exceptional items, which are presented as exceptional within their relevant income statement category, helps provide an indication of the Group's ongoing business performance. The principal items which are included as exceptional items are:

- non-trading items included in operating profit such as profits and losses on the disposal, closure or impairment of subsidiaries, joint ventures, associates and investments which do not form part of the Group's trading activities;
- profits and losses on the disposal of properties and impairment losses on non-operational assets; and
- the costs of significant restructuring, including certain restructuring costs of the Group's five-year transformation programme launched in 2016/17, and incremental acquisition integration costs.

The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements, amortisation of acquisition intangibles, related tax items and prior year tax items (including the impact of changes in tax rates on deferred tax). 2015/16 comparatives exclude B&Q China's operating results. Financing fair value remeasurements represent changes in the fair value of financing derivatives, excluding interest accruals, offset by fair value adjustments to the carrying amount of borrowings and other hedged items under fair value hedge relationships. Financing derivatives are those that relate to hedged items of a financing nature.

The term 'underlying' refers to the relevant adjusted measure being reported before non-exceptional transformation costs. Non-exceptional transformation costs represent the short-term additional costs that arise only as a result of the transformation programme launched in 2016/17, which either because of their nature or the length of the period over which they are incurred are not considered as exceptional items. These costs principally relate to the unified and unique offer range implementation and the digital strategic initiative. The separate reporting of such costs (in addition to exceptional items) helps provide an indication of the Group's underlying business performance, which includes the sustainable benefits of the transformation programme.

The effective tax rate is calculated as continuing income tax expense excluding tax on exceptional items and adjustments in respect of prior years and the impact of changes in tax rates on deferred tax, divided by continuing profit before taxation excluding exceptional items.

Net cash comprises cash and cash equivalents and short-term deposits less borrowings and financing derivatives (excluding accrued interest). It excludes balances classified as assets and liabilities held for sale.

3 Segmental analysis

Income statement

	2016/17				
			Other International		
£ millions	UK & Ireland	France	Poland	Other	Total
Adjusted sales	4,979	4,254	1,191	801	11,225
B&Q China sales					–
Sales					11,225
Retail profit	358	353	144	(8)	847
Central costs					(48)
Share of interest and tax of joint ventures and associates					(5)
Transformation costs before exceptional items					(44)
Exceptional items					23
Operating profit					773
Net finance costs					(14)
Profit before taxation					759

	2015/16				
			Other International		
£ millions	UK & Ireland	France	Poland	Other	Total
Adjusted sales	4,853	3,786	987	705	10,331
B&Q China sales					110
Sales					10,441
Retail profit	326	311	113	(4)	746
Central costs					(45)
Share of interest and tax of joint ventures and associates					(5)
B&Q China operating loss					(4)
Exceptional items					(166)
Operating profit					526
Net finance costs					(14)
Profit before taxation					512

The operating segments disclosed above are based on the information reported internally to the Board of Directors and Group Executive, representing the geographical areas in which the Group operates. The Group only has one business segment being the supply of home improvement products and services.

The 'Other International' segment consists of Poland, Spain, Portugal, Germany, Russia, Romania and the joint venture Koçtaş in Turkey. Poland has been shown separately due to its significance.

Central costs principally comprise the costs of the Group's head office before transformation costs.

4 Exceptional items

£ millions	2016/17	2015/16
Included within selling and distribution expenses		
UK & Ireland and continental Europe restructuring	21	(305)
Brico Dépôt Romania impairment	–	(3)
	21	(308)
Included within administrative expenses		
Transformation exceptional costs	(5)	–
Brico Dépôt Romania impairment	–	(15)
	(5)	(15)
Included within other income		
Profit on disposal of B&Q China	3	143
Profit on disposal of property and other companies	–	13
Profit on disposal of properties	4	1
	7	157
Included within net finance costs		
UK & Ireland and continental Europe restructuring	(6)	–
	(6)	–
Exceptional items before tax	17	(166)
Exceptional tax items	(6)	67
Exceptional items	11	(99)

Current year exceptional items include a £21m net credit (2015/16: £305m charge) relating to the B&Q store closure programme in the UK and the closure of loss-making stores in France and other countries in continental Europe. In addition, a £6m exceptional interest charge relating to the reduction in discount rate used to measure the overall UK restructuring provision was recognised.

The net credit principally arises due to savings on B&Q store exit costs as compared with the original restructuring provisions recognised, and the reversal of a restructuring provision following the announcement that one of the B&Q stores originally earmarked for closure would remain open, offset mainly by store asset impairments relating to the closure of additional loss-making stores in continental Europe.

Transformation exceptional costs of £5m have been recorded in the year relating to the initial costs of setting up the Group's new offer and supply chain organisation.

A profit of £3m was recognised on disposal of the Group's remaining 30% stake in B&Q China – refer to note 12 for further information. In the prior year a profit of £143m was recorded on disposal of the Group's controlling 70% stake.

In the prior year, an exceptional loss of £18m was recorded relating to the impairment of goodwill and certain stores in the Brico Dépôt Romania business.

5 Net finance costs

£ millions	2016/17	2015/16
Bank overdrafts and bank loans	(10)	(8)
Fixed term debt	(2)	(3)
Finance leases	(2)	(3)
Financing fair value remeasurements	(1)	(4)
Unwinding of discount on provisions	(7)	(1)
Other interest payable	(5)	(3)
Finance costs	(27)	(22)
Cash and cash equivalents and short-term deposits	6	3
Net interest income on defined benefit pension schemes	7	5
Finance income	13	8
Net finance costs	(14)	(14)

The £7m charge relating to the unwinding of discount on provisions includes a £6m exceptional charge relating to the reduction in discount rate used to measure the overall UK restructuring provision.

6 Income tax expense

£ millions	2016/17	2015/16
UK corporation tax		
Current tax on profits for the year	(66)	(7)
Adjustments in respect of prior years	10	4
	(56)	(3)
Overseas tax		
Current tax on profits for the year	(155)	(117)
Adjustments in respect of prior years	(11)	7
	(166)	(110)
Deferred tax		
Current year	22	14
Adjustments in respect of prior years and changes in tax rates	51	(1)
	73	13
Income tax expense	(149)	(100)

The effective tax rate on profit before exceptional items and excluding prior year tax adjustments and the impact of changes in tax rates on deferred tax is 26% (2015/16: 26%). Exceptional tax items for the year amount to a charge of £6m, of which a £1m credit relates to prior year items. In 2015/16 exceptional tax items amounted to a credit of £67m, of which a £1m credit was relating to prior year items.

7 Earnings per share

	2016/17			2015/16		
	Earnings £ millions	Weighted average number of shares millions	Earnings per share Pence	Earnings £ millions	Weighted average number of shares millions	Earnings per share pence
Basic earnings per share	610	2,256	27.1	412	2,311	17.8
Effect of dilutive share options		7	(0.1)		8	–
Diluted earnings per share	610	2,263	27.0	412	2,319	17.8
Basic earnings per share	610	2,256	27.1	412	2,311	17.8
B&Q China operating loss	–		–	4		0.2
Exceptional items before tax	(17)		(0.8)	166		7.2
Tax on exceptional and prior year items	(43)		(2.0)	(76)		(3.3)
Financing fair value remeasurements	1		0.1	4		0.2
Tax on financing fair value remeasurements	–		–	(1)		(0.1)
Adjusted basic earnings per share	551	2,256	24.4	509	2,311	22.0
Transformation costs before exceptional items	44		2.0	–		–
Tax on transformation costs before exceptional items	(11)		(0.5)	–		–
Underlying basic earnings per share	584	2,256	25.9	509	2,311	22.0
Diluted earnings per share	610	2,263	27.0	412	2,319	17.8
B&Q China operating loss	–		–	4		0.2
Exceptional items before tax	(17)		(0.8)	166		7.2
Tax on exceptional and prior year items	(43)		(2.0)	(76)		(3.3)
Financing fair value remeasurements	1		0.1	4		0.2
Tax on financing fair value remeasurements	–		–	(1)		(0.1)
Adjusted diluted earnings per share	551	2,263	24.3	509	2,319	22.0
Transformation costs before exceptional items	44		2.0	–		–
Tax on transformation costs before exceptional items	(11)		(0.5)	–		–
Underlying diluted earnings per share	584	2,263	25.8	509	2,319	22.0

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of shares in issue during the year, excluding those held in the Employee Share Ownership Plan Trust ('ESOP') which for the purpose of this calculation are treated as cancelled.

For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where both the exercise price is less than the average market price of the Company's shares during the year and any related performance conditions have been met.

8 Dividends

£ millions	2016/17	2015/16
Dividends to equity shareholders of the Company		
Ordinary interim dividend for the year ended 31 January 2017 of 3.25p per share (year ended 31 January 2016: 3.18p per share)	73	72
Ordinary final dividend for the year ended 31 January 2016 of 6.92p per share (year ended 31 January 2015: 6.85p per share)	157	160
	230	232

The proposed final dividend for the year ended 31 January 2017 of 7.15p per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the financial statements.

Post-employment benefits

£ millions	2016/17			2015/16		
	UK	Overseas	Total	UK	Overseas	Total
Net surplus/(deficit) in schemes at beginning of year	246	(87)	159	194	(82)	112
Current service cost	(2)	(7)	(9)	(2)	(6)	(8)
Administration costs	(4)	–	(4)	(4)	–	(4)
Net interest income/(expense)	9	(2)	7	6	(1)	5
Net actuarial (losses)/gains	(46)	(4)	(50)	16	3	19
Contributions paid by employer	36	2	38	36	1	37
Exchange differences	–	(10)	(10)	–	(2)	(2)
Net surplus/(deficit) in schemes at end of year	239	(108)	131	246	(87)	159
Present value of defined benefit obligations	(2,999)	(126)	(3,125)	(2,374)	(102)	(2,476)
Fair value of scheme assets	3,238	18	3,256	2,620	15	2,635
Net surplus/(deficit) in schemes	239	(108)	131	246	(87)	159

The assumptions used in calculating the costs and obligations of the Group's defined benefit pension schemes are set by the Directors after consultation with independent professionally qualified actuaries. The assumptions are based on the conditions at the time and changes in these assumptions can lead to significant movements in the estimated obligations, as illustrated in the sensitivity analysis.

A key assumption in valuing the pension obligations is the discount rate. Accounting standards require this to be set based on market yields on high quality corporate bonds at the balance sheet date. The UK scheme discount rate is derived using a single equivalent discount rate approach, based on the yields available on a portfolio of high-quality Sterling corporate bonds with the same duration as that of the scheme liabilities.

The principal financial assumptions for the UK scheme are as follows:

Annual % rate	2016/17	2015/16
Discount rate	2.7	3.6
Price inflation	3.6	3.1

For the UK scheme, the mortality assumptions used have been selected with regard to the characteristics and experience of the membership of the scheme from time to time in connection with triennial funding valuations. The assumptions for life expectancy of UK scheme members are as follows:

Years	2016/17	2015/16
Age to which current pensioners are expected to live (60 now)		
- Male	87.1	86.8
- Female	88.8	87.4
Age to which future pensioners are expected to live (60 in 15 years' time)		
- Male	88.3	87.5
- Female	90.7	88.6

The following sensitivity analysis for the UK scheme shows the estimated impact on the obligation resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £57m
Price inflation	Increase/decrease by 0.1%	Increase/decrease by £46m
Mortality	Increase in life expectancy by one year	Increase by £96m

10 Cash generated by operations

£ millions	2016/17	2015/16
Operating profit	773	526
Share of post-tax results of joint ventures and associates	(1)	(3)
Depreciation and amortisation	253	240
Impairment losses	14	55
Loss on disposal of property, plant and equipment, investment property and property held for sale	4	3
Profit on disposal of B&Q China	(3)	(143)
Profit on disposal of property and other companies	–	(13)
Share-based compensation charge	15	11
(Increase)/decrease in inventories	(46)	56
Decrease/(increase) in trade and other receivables	62	(36)
Increase in trade and other payables	4	27
Movement in provisions	(125)	233
Movement in post-employment benefits	(25)	(25)
Cash generated by operations	925	931

11 Net cash

£ millions	2016/17	2015/16
Cash and cash equivalents	795	730
Bank overdrafts	–	(76)
Cash and cash equivalents and bank overdrafts	795	654
Short-term deposits	–	70
Bank loans	(9)	(10)
Fixed term debt	(147)	(185)
Financing derivatives	44	63
Finance leases	(42)	(46)
Net cash	641	546

£ millions	2016/17	2015/16
Net cash at beginning of year	546	329
Net increase in cash and cash equivalents and bank overdrafts, including amounts classified as held for sale	38	127
(Decrease)/increase in short term deposits	(70)	22
Repayment of bank loans	2	1
Repayment of fixed term debt	47	–
Receipt on financing derivatives	(10)	–
Capital element of finance lease rental payments	12	13
Cash flow movement in net cash	19	163
Adjustment for cash classified as held for sale (B&Q China)	–	57
Exchange differences and other non-cash movements	76	(3)
Net cash at end of year	641	546

12 Disposals

On 5 July 2016, the Group disposed of its remaining 30% interest in the B&Q China business to Wumei Holdings Inc. for a gross consideration of £67m, being the Sterling equivalent of RMB 582m. The profit on disposal of £3m is analysed as follows:

£ millions	
Proceeds	67
Disposal costs	(4)
Net disposal proceeds	63
Fair value of investment disposed	(67)
Fair value gains transferred from available-for-sale reserve	7
Exceptional profit on disposal	3

In the prior year, the Group received gross proceeds of £140m (before disposal costs of £6m) and recognised a profit on disposal of £143m in respect of Wumei Holdings Inc. acquiring a controlling 70% stake in the B&Q China business. In the prior year, the Group also completed the sale of a property company for proceeds of £18m and a profit of £16m, along with the sale of a UK company for proceeds of £nil and a loss of £3m.