

Registered no: 1588407

B&Q Properties Limited
(formerly Chartwell Land plc)
Report and Financial Statements
for the 52 week period ended 1 February 2003



B&Q Properties Limited (formerly Chartwell Land plc)

**Report and Financial Statements
for the 52 week period ended 1 February 2003**

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B&Q Properties Limited (formerly Chartwell Land plc)

Directors' report for the 52 week period ended 1 February 2003

The directors present their report and the audited financial statements for the 52 week period ended 1 February 2003.

Principal activity

The principal activity of the company continues to be property investment.

Change of name and re-registration as a private company

The company re-registered as a private company and changed its name to B&Q Properties Limited on 30 April 2003

Review of business

The loss on ordinary activities before taxation amounted to £1,907,000 (2002: £12,055,000) and after taxation to £22,000 (2002: £8,397,000).

Dividends

An interim dividend of £230,000,000 was paid to the shareholder on 29 January 2003 (2002: £250,000,000). The directors recommended the payment of a final dividend of £300,000,000, which was paid on 28 February 2003.

Directors

The directors of the company who served during the period ended 1 February 2003 are listed below:

Sir Geoffrey Mulcahy	(Resigned: 21/11/2002)
T A Ayre	(Resigned: 06/06/2002)
M P Creedy	(Resigned: 06/06/2002)
I G Garden	
N G B Lindsay	(Resigned: 14/03/2003)
I M Mashiter	(Resigned: 28/03/2003)
M J Reavley	(Appointed: 06/06/2002. Resigned: 28/03/2003)

T Hartwell was appointed a director of the company on 28/03/2003. H A Weir was appointed a director of the company on 31/03/2003.

No director acted as chairman.

Directors' responsibilities statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

B&Q Properties Limited (formerly Chartwell Land plc)

Directors' report

for the 52 week period ended 1 February 2003 (continued)

Directors' responsibilities statement (continued)

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the above financial statements.

Directors' interests

None of the directors has any beneficial interest in the shares of the company nor any beneficial interest in any loan stock of the ultimate holding company, Kingfisher plc. The interests of other directors in the shares of Kingfisher plc at 1 February 2003 were as follows:

a) Share options

	<u>At 03/02/02</u>	<u>Granted</u>	<u>Exercised</u>	<u>Lapsed</u>	<u>Rights issue adjustment</u>	<u>At 01/02/03</u>	
I G Garden	95,048	33,953	-	-	34,402	163,403	(a)
N G B Lindsay	64,740	38,432	-	-	24,791	127,963	(b)
I M Mashiter	48,582	46,164	-	-	20,592	115,338	(c)
M J Reavley	132,036	71,194	-	-	50,342	253,572	(d)

a) Exercisable on varying dates through to 2012 at prices between £1.9495 and £5.8976 a share.

b) Exercisable on varying dates through to 2012 at prices between £1.9495 and £5.8976 a share.

c) Exercisable on varying dates through to 2015 at prices between £1.7104 and £2.9008 a share.

d) Exercisable on varying dates through to 2012 at prices between £1.9495 and £5.8976 a share.

B&Q Properties Limited (formerly Chartwell Land plc)

Directors' report for the 52 week period ended 1 February 2003 (continued)

b) Shares

	<u>2003</u>	<u>2002</u>
I G Garden	2,870	1,473
N G B Lindsay	-	-
I M Mashiter	-	-
M J Reavley	-	-

Employees

The board regards employee involvement and effective communication as being essential to foster good employee relations, to achieve improved performance and productivity, to enhance the quality of working life and to gain commitment to the company's business objectives.

The prime method of communication and involvement throughout the company is the normal day-to-day process of briefing employees through line management.

Disabled persons

It is the company's policy to give full consideration to the possibility of employing disabled persons wherever suitable opportunities exist. Employees who become disabled are given every opportunity and assistance to continue in their employment or to be trained for other suitable positions.

Pension commitments

During the period, the company made pension provisions for its employees within the Kingfisher Pension Scheme.

A formal actuarial valuation of the UK defined benefits scheme was carried out as at 31 March 2002, using the projected unit method of funding.

Payment of suppliers

The company agrees specific terms with its major suppliers. Where such terms have been agreed, it is the company's policy to pay in accordance with them. Where no specific terms have been agreed payment is generally made within 30 days.

The company's average creditor payment period at 1 February 2003 was 5 days.

B&Q Properties Limited (formerly Chartwell Land plc)

Directors' report for the 52 week period ended 1 February 2003 (continued)

Insurance of directors

The company maintains insurance for the directors in respect of their duties as directors of the company.


Charitable donations

Donations paid by the company for charitable purposes amount to £9,900. The company made no political donations during the period.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 10 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



Company Secretary

Independent auditors' report to the members of B&Q Properties Limited (formerly Chartwell Land plc)

We have audited the financial statements which comprise the primary financial statements, the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises *only the directors' report*.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of
B&Q Properties Limited (formerly Chartwell Land plc)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 1 February 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

1 Embankment Place, London

18/7/03

B&Q Properties Limited (formerly Chartwell Land plc)

Profit and loss account for the 52 week period ended 1 February 2003

	Notes	2003 £'000	2002 £'000
TURNOVER	1	5,512	12,786
Administrative expenses	3	(4,555)	(3,438)
Surplus on disposal of land and buildings		4,653	963
Provision for diminution of land and buildings		(1,190)	(675)
Reversal of prior year provision for impairment of investment in subsidiaries		515	(840)
OPERATING PROFIT	4	<u>4,935</u>	<u>8,796</u>
Interest payable	6	(6,988)	(21,428)
Interest capitalised		146	577
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,907)</u>	<u>(12,055)</u>
Taxation credit	7	1,885	3,658
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(22)</u>	<u>(8,397)</u>
Dividend paid to parent company		(230,000)	(250,000)
Dividend payable to parent company		(300,000)	
Dividend received from subsidiary companies		120,000	150,000
Dividend receivable from subsidiary companies		300,000	
RETAINED LOSS	15	<u>(110,022)</u>	<u>(108,397)</u>

Turnover and operating profit have arisen solely from continuing operations.

Turnover is defined as rented income receivable (£10,264,000; 2002: £20,727,000) net of rent payable (£4,309,000; 2002: £7,040,000) and rental expenses (£443,000; 2002: £901,000). All income was derived in the United Kingdom.

B&Q Properties Limited (formerly Chartwell Land plc)

Statement of total recognised gains and losses for the 52 week period ended 1 February 2003

	2003 £'000	2002 £'000
(Loss) for the period	(22)	(8,397)
Unrealised surplus on revaluation of properties	5,506	650
Unrealised surplus/(deficit) on revaluation of investments	43,671	(110,415)
Total gains and losses relating to the period	<u>49,155</u>	<u>(118,162)</u>

Statement of historical cost profits and losses

	2003 £'000	2002 £'000
Reported loss on ordinary activities before taxation	(1,907)	(12,005)
Realisation of property revaluation gains of previous years	22,245	102,080
Difference between an historical cost depreciation charge and actual depreciation charge based on revalued amount	36	102
Historical cost profit on ordinary activities before taxation	<u>20,374</u>	<u>90,177</u>
Historical cost profit for the period retained after taxation	<u>22,259</u>	<u>93,835</u>

B&Q Properties Limited (formerly Chartwell Land plc)

Balance sheet at 1 February 2003

	Notes	2003		2002	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	64,028		102,919	
Investments	9	<u>263,619</u>		<u>519,948</u>	
CURRENT ASSETS			327,647		622,867
Debtors	10	749,914		495,475	
Loans to group companies repayable after more than one year	10	253,804		257,020	
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	11	<u>(1,069,535)</u>		<u>(452,861)</u>	
NET CURRENT ASSETS			<u>(65,817)</u>		<u>299,634</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			261,830		922,501
Creditors: amounts falling due after more than one year	12		-		(300,000)
Provision for impairment in value of investments			(3,133)		(3,648)
Provisions for liabilities and charges	13		(167)		82
NET ASSETS			<u>258,530</u>		<u>618,935</u>
CAPITAL AND RESERVES					
Called up share capital	14		61,050		61,050
Revaluation reserve	15		182,280		454,908
Profit and loss account	15		15,200		102,977
EQUITY SHAREHOLDERS' FUNDS	16		<u>258,530</u>		<u>618,935</u>

The financial statements on pages 9 to 26 were approved by the board of directors on
18 July 2003 and were signed on its behalf by:

I G Garden
Director

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

1 Principal accounting policies

The financial statements of the Company and its subsidiaries are made up to the nearest Saturday to 31 January each year. The financial statements of the Company and its subsidiaries are prepared under the historical cost convention, except for certain land and buildings which are included in the financial statements at valuation, and are prepared in accordance with applicable accounting standards in the United Kingdom. However, compliance with SSAP19 "Accounting for Investment Properties" requires a departure from the requirements of the Companies Act 1985 relating to depreciation on investment properties as explained below. Accounting policies have been consistently applied.

The transitional disclosure requirements of Financial Reporting Standard 17 (Retirement Benefits) have been adopted. There is no impact on the reported figures.

Basis of accounting

The financial statements are prepared under the historical cost convention, except for certain land and buildings which are included in the financial statements at valuation and investment in subsidiaries where the alternative accounting rules allowed under Schedule 4 (para 31) of the Companies Act 1985 have been adopted.

Properties

Investment properties are revalued annually and included in the balance sheet at their open market value.

In accordance with SSAP19, no depreciation is provided in respect of investment properties. This represents a departure from the Companies Act 1985 requirements to provide for the systematic annual depreciation of fixed assets. However, these properties are held for investment and the directors consider that the adoption of the above policy is necessary to give a true and fair view.

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

1 Principal accounting policies (continued)

Depreciation

Depreciation of fixed assets is provided where it is necessary to reflect a reduction from book value to estimated residual value over the useful life of the assets to the company. It is the company policy to maintain its properties in good repair and, in the case of freehold and long leasehold properties, the directors consider that the lives of these properties and their residual values are such that their depreciation is not significant. Accordingly, no depreciation is provided on freehold and long leasehold properties. Depreciation of other fixed assets is calculated by the straight line method and the annual rates applicable to the principal categories are:

Short leasehold properties	over the remaining period of the lease
Tenants' improvements	over the estimated useful life
Tenants' fixtures	between 10% and 15%
Computers and electronic equipment	33%
Motor vehicles	25%
Office furniture	10%
Office equipment	20%

Deferred taxation

Provision is made for deferred taxation using the incremental provision approach and is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed by the balance sheet date subject to the following:

- a) Deferred tax is not recognised on the revaluation of non-monetary assets such as property unless a binding sale agreement exists at the balance sheet date. Where rollover relief is available on an asset the deferred tax is in any case not recognised
- b) Deferred tax assets are recognised to the extent that they are regarded as recoverable. Assets are regarded as recoverable when it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- c) Deferred tax is not recognised on permanent differences.

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

1 Principal accounting policies (continued)

Disposal of land and buildings

Profits on disposal of land and buildings represent the difference between the net proceeds and the net carrying value at the date of sale. Sales are accounted for when there is an unconditional exchange of contracts.

Leased assets

All operating lease payments are charged to the profit and loss account in the period to which the payments relate.

Capitalised interest

Interest on borrowings to finance property developments and the construction of properties held as fixed assets is capitalised from the date work starts on the development to practical completion.

Interest is capitalised before any allowance for tax relief.

Pensions

Certain employees are members of the Kingfisher pension scheme, a defined benefit scheme. The assets of this scheme are held in a separately administered fund. Contributions are determined by an independent, qualified actuary on the basis of triennial valuations using a minimum funding requirement valuation method.

Whilst the scheme is a defined benefit scheme the company is unable to identify its share of the underlying assets and liabilities of the scheme.

A formal actuarial valuation of the scheme was performed as at 31 March 2002. This valuation indicated the assets were sufficient to cover 101% of the scheme's liabilities. Further details can be found in Kingfisher plc's Financial Statements for the year ended 1 February 2003.

Cash flow statement

The company's ultimate parent company is Kingfisher plc and the cash flows of the company will be included in the consolidated cash flow statement of Kingfisher plc. Consequently, the company is exempt under the provisions of Financial Reporting Standard No. 1 (revised) from publishing a cash flow statement.

Consolidation

Under section 228(2) of the Companies Act 1985, B&Q Properties Limited is not required to prepare consolidated financial statements, as it is included by full consolidation in the consolidated financial statements of Kingfisher plc.

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

2 Directors' emoluments

	2003 £'000	2002 £'000
Aggregate emoluments	<u>1,133</u>	<u>1,427</u>

Retirement benefits are accruing to all of the directors (2002: all) under a defined benefit scheme. Of the directors none (2002: none) exercised share options during the year.

The highest paid director

Aggregate emoluments	<u>328</u>	<u>408</u>
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At 1 February 2003, the highest paid director had an accrued pension of £43,725 (2002: £41,299) per annum under a defined benefit scheme.

3 Administrative expenses

Included within administrative expenses are exceptional costs amounting to £ 2,338,000 (2002: £1,329,000) relating to redundancy and retention costs incurred during the year.

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

4 Operating profit

	2003 £'000	2002 £'000
Is stated after crediting:		
Rental income	10,264	20,727
And after charging:		
Auditors' remuneration		
- for audit work	32	36
- for non-audit work	2	10
Leasing payments		
- operating leases - land and buildings	4,309	7,040
Depreciation		
- land and buildings	92	331
- fixtures and fittings	139	476

5 Employee information

The average weekly number of persons (including executive directors) employed by the company during the year was:

	2003 Number	2002 Number
By activity:		
Administration	38	48

	2003 £'000	2002 £'000
Staff costs (for the above persons):		
Wages and salaries	2,919	3,499
Social security costs	312	382
Other pension costs	238	269
	3,469	4,150

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

6 Net interest payable

	2003		2002	
	£'000	£'000	£'000	£'000
INTEREST RECEIVABLE:				
From third parties	2		33	
From subsidiary companies	<u>19,392</u>		<u>21,630</u>	
		19,394		21,663
INTEREST PAYABLE:				
To third parties	(5)		(28)	
To group companies	<u>(26,377)</u>		<u>(43,063)</u>	
		(26,382)		(43,091)
		(6,988)		(21,428)
Less amount capitalised		<u>146</u>		<u>577</u>
		<u>(6,842)</u>		<u>(20,851)</u>

7 Taxation (charge)/credit

	2003	2002
	£'000	£'000
Taxation (charge)/credit on the profit on the ordinary activities of the company for the period:		
UK corporation tax at 30%	1,761	3,437
Over provision of current tax in prior periods	373	162
Deferred tax (charge)/credit	(249)	59
	<u>1,885</u>	<u>3,658</u>

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

Factors affecting tax charge for the period

The tax charge for the period differs from the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below:

	2003 £'000	2002 £'000
Loss on ordinary activities before tax	(1,907)	(12,055)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	(572)	(3,617)
Effects of:		
Timing differences provided for	(61)	59
Non-deductable and non-taxable items	(1,128)	121
Adjustments to prior period corporation tax	(373)	(162)
Current corporation tax for the period	(2,134)	(3,599)
Current year deferred tax charge for the period	61	(59)
Adjustments to prior period deferred tax	188	-
Total tax charge for the period	<u>(1,885)</u>	<u>(3,658)</u>

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

8 Tangible fixed assets

	Land and buildings	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
Cost/valuation			
At 3 February 2002	102,513	3,563	106,076
Revaluation	5,414	-	5,414
Additions	1,282	145	1,427
Disposals	(45,566)	(249)	(45,815)
At 1 February 2003	<u>63,643</u>	<u>3,459</u>	<u>67,102</u>
Depreciation			
At 3 February 2002	-	(3,157)	(3,157)
Revaluation	92	-	92
Charge for period	(92)	(139)	(231)
Disposals	-	222	222
At 1 February 2003	<u>-</u>	<u>3,074</u>	<u>(3,074)</u>
Net book value			
At 1 February 2003	<u>63,643</u>	<u>385</u>	<u>64,028</u>
At 2 February 2002	<u>102,513</u>	<u>406</u>	<u>102,919</u>
Cost/valuation			
At 1 February 2003			
At valuation	63,643	-	63,643
At cost	-	3,459	3,459
	<u>63,643</u>	<u>3,459</u>	<u>67,102</u>
At 2 February 2002			
At valuation	102,513	-	102,513
At cost	-	3,563	3,563
	<u>102,513</u>	<u>3,563</u>	<u>106,076</u>

If land and buildings had not been revalued, they would have been included at the following:

	2003 £'000	2002 £'000
Cost	41,029	63,570
Aggregate depreciation	(2,403)	(2,373)
Net amount	<u>38,626</u>	<u>61,197</u>

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

8 Tangible fixed assets (continued)

	Freehold £'000	Long leasehold £'000	Short leasehold £'000	Total £'000
Land and buildings:				
At valuation				
1 February 2003	<u>49,455</u>	<u>14,235</u>	<u>(47)</u>	<u>63,643</u>
2 February 2002	<u>72,812</u>	<u>27,078</u>	<u>2,623</u>	<u>102,513</u>
Aggregate depreciation				
1 February 2003	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2 February 2002	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book amount				
1 February 2003	<u>49,455</u>	<u>14,235</u>	<u>(47)</u>	<u>63,643</u>
2 February 2002	<u>72,812</u>	<u>27,078</u>	<u>2,623</u>	<u>102,513</u>

As at the year end, 100% of the properties owned by the company had been valued by external qualified valuers, CB Hillier Parker.

The basis of valuation is open market value, taking into account the existence of formal lease arrangements with other Kingfisher plc group companies which have been determined on an arms length basis.

9 Fixed asset investments

Investments in subsidiary companies:

	£'000
At 3 February 2002	519,948
Devaluation for period	(256,329)
At 1 February 2003	<u>263,619</u>

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

9 Fixed asset investments (continued)

Principal subsidiaries

Name of company	Nature of business	Country of Registration	Description of shares held	Proportion of total share capital held
Chartwell Land Investments Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land Development Ltd	Property Development	England and Wales	£1 ordinary	100%
Chartwell Land Properties Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land Shopping Centres	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land (Ilkleyden) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land (Rochdale) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land (Culverhouse) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land (Erdington) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land (Imperial Park) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land (Sidcup) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land Properties (Purley Way) Ltd	Property investment	England and Wales	£1 ordinary	100%
Chartwell Land (Tonbridge) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Chartwell Land Investment Management Ltd	Property Investment	England and Wales	£1 ordinary	100%
Held by Chartwell Land Investments Ltd				
Chartwell Land plc (formerly Triton Property Trust plc)	Property Investment	England and Wales	£1 ordinary	100%
Marston Land Ltd	Property Investment	England and Wales	£1 ordinary	100%
Realmgrove Ltd	Property Investment	England and Wales	£1 ordinary	100%
Elkindale Ltd	Property Investment	England and Wales	£1 ordinary	100%
Damiswood Property Management Ltd	Property Investment	England and Wales	£1 ordinary	100%

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

9 Fixed asset investments (continued)

Name of company	Nature of business	Country of Registration	Description of shares held	Proportion of total share capital held
Held by Chartwell Land Development Ltd				
Chartwell Land Retail Development Ltd	Property Development	England and Wales	£1 ordinary	100%
Chartwell Land Business Development Ltd	Property Development	England and Wales	£1 ordinary	100%
Woodstock Land plc	Property Development	England and Wales	£1 ordinary	100%
Chartwell Land Development Two Ltd	Property Development	England and Wales	£1 ordinary	100%
Waterside (Lincoln) Ltd	Property Development	England and Wales	£1 ordinary	100%
Held by Chartwell Land Shopping Centres Ltd				
Leicester Centre Properties Ltd	Property Investment	England and Wales	£1 ordinary	92.5%
Held by Chartwell Land (Ilkleyden) Ltd				
Chartwell Land (Crawley) Ltd	Property Investment	England and Wales	£1 ordinary	100%
Held by Woodstock Land plc				
Woodstock Land (Epsom) Ltd	Property Investment	England and Wales	£1 ordinary	100%

10 Debtors

	2003 £'000	2002 £'000
Trade debtors	14,260	14,064
Amounts owed by holding company and fellow subsidiaries	4,402	3,367
Amounts owed by subsidiaries	720,900	466,577
Other debtors	148	97
Corporation tax	9,580	10,006
Other taxation and social security	-	192
Rents paid in advance	545	910
Prepayments	79	262
Loan to subsidiary (Chartwell Land Investments Ltd)	250,000	250,000
Loan to subsidiary (Chartwell Land Shopping Centres Ltd)	3,804	7,020
	<u>1,003,718</u>	<u>752,495</u>

The loan to Chartwell Land Investments Ltd is repayable in January 2005. Interest was charged at 6.75% per annum. It will next be subject to review in January 2005 and every two years thereafter.

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

11 Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Bank overdrafts	930	1,790
Trade creditors	758	1,169
Amounts owed to holding company and fellow subsidiaries	857,461	225,270
Amounts owed to subsidiaries	188,354	215,812
Other taxation and social security	270	-
Other creditors	-	(3)
Rents received in advance	1,512	1,780
Accruals and deferred income	20,250	7,043
	<u>1,069,535</u>	<u>452,861</u>

12 Creditors: amounts falling due after more than one year

	2003 £'000	2002 £'000
Loans from holding company:		
6.75% fixed rate, expires November 2008	-	300,000
	<u>-</u>	<u>300,000</u>

During the year the 6.75% fixed rate loan was repaid

13 Provisions for liabilities and charges

	2003 £'000	2002 £'000
Deferred taxation	(104)	145
Provision for pension commitments	(63)	(63)
	<u>(167)</u>	<u>82</u>

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

13 Provisions for liabilities and charges (continued)

The full potential liability for deferred taxation and the amount for which provision has been made in the financial statements are as follows:

	Full potential liability		Amount provided	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Chargeable gains on revaluation of properties	<u>(7,202)</u>	<u>(5,244)</u>	<u>-</u>	<u>-</u>

14 Called up share capital

	2003	2002
	£'000	£'000
Authorised, allotted, called up and fully paid		
61,050,000 ordinary shares of £1 each	<u>61,050</u>	<u>61,050</u>

15 Reserves

	Revaluation reserve investments £'000	Revaluation reserve land and buildings £'000	Profit & loss account £'000
At 3 February 2002	413,592	41,316	102,977
(Loss) for the period	-	-	(110,022)
Transfer between reserves		(22,245)	22,245
Diminution in value of land and buildings taken to profit and loss account during the year	-	440	-
Revaluation of land and buildings for the period	-	5,506	-
Devaluation of investments for the period	(256,329)	-	-
At 1 February 2003	<u>157,263</u>	<u>25,017</u>	<u>15,200</u>

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

16 Reconciliation of movements in shareholder's funds

	2003 £'000	2002 £'000
(Loss)/profit for the period	(110,022)	(108,397)
Property revaluation	5,506	650
Investment in subsidiaries revaluation	(256,329)	(110,100)
Provision for diminution in value of land and buildings taken to profit and loss account	440	675
Net (decrease)/increase to shareholders' funds	<u>(360,405)</u>	<u>(217,172)</u>
Opening shareholders' funds	618,935	836,107
Closing shareholders' funds	<u>258,530</u>	<u>618,935</u>

17 Commitments

	2003 £'000	2002 £'000
a) Capital commitments		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>-</u>	<u>-</u>
b) Lease commitments (land and buildings)		
The company had annual commitments under non-cancellable operating leases as follows:		
- Expiring within one year	-	-
- Expiring in two to five years	-	50
- Expiring in five years or more	<u>3,885</u>	<u>6,571</u>

c) Pension commitments

The company is a member of the Kingfisher Group Pension Scheme. The Group operates defined contribution and funded benefit schemes for its employees. The pension charges relating to the defined benefit schemes are assessed in accordance with the advice of an actuary.

B&Q Properties Limited (formerly Chartwell Land plc)

Notes to the financial statements for the 52 week period ended 1 February 2003

A formal actuarial valuation of the UK defined benefit scheme ('the Scheme') was carried out by an independent professionally qualified actuary, at 31 March 2002, using the projected unit method of funding. The principal assumptions adopted for the future were an inflation rate of 3.0% p.a., an investment return on existing assets of 6.6% p.a., an investment return on future contributions of 6.6% p.a., pensionable pay increases of 4.6% p.a. and pension increases of 2.75% p.a. On this basis, the assets were sufficient to cover over 101% of the Scheme's liabilities. The next valuation will be made on or before 31 March 2005.

18 Ultimate parent company

The company's ultimate parent company is Kingfisher plc, a company registered in England and Wales. Kingfisher plc financial statements may be obtained from 3 Sheldon Square, Paddington, London W2 6PX.

19 Related party disclosures

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Kingfisher plc group or investees of the Kingfisher plc group.

20 Non-adjusting post balance sheet event

On 30 April 2003, properties with a total value of £208,039,000 were transferred to B&Q Properties Limited (formerly Chartwell Land plc) by B&Q plc, a fellow subsidiary of Kingfisher plc. The transfer was made at current valuation and no profit or loss was created in the transferring company.

On 1 June 2003, properties with a total value of £407,440,000 were transferred to B&Q Properties Limited by several of its direct and indirect subsidiaries. The transfer was made at current valuation and no profit or loss was created in the transferring companies.