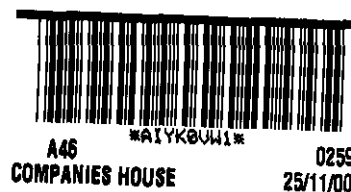




**Screwfix Direct Ltd**  
**(Registered Number 03006378)**

**Directors Report and Accounts**

**For the Year Ended 29th January 2000**



## **Screwfix Direct Ltd**

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# **Screwfix Direct Ltd**

## **Directors' Report for the Year Ended 29<sup>th</sup> January 2000**

The Directors present their report and the audited financial statements for the year ended 29<sup>th</sup> January 2000.

### **Principal activities**

The Company's principal activity during the year was the sale by mail order of building and DIY products.

### **Review of business**

The company continued its growth during the year, the results of which are set out on page 5.

### **Results and dividends and future developments**

The Company's profit before taxation amounted to £6,396,931 (1999: £2,595,490) and after taxation to £4,444,328 (1999 £1,820,490). No dividend was paid in the year (1999 £1,280,000). The directors propose to transfer the retained profit of £4,444,328 to reserves (1999 £540,490).

Both the level of business and year end financial position were satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future.

### **B & Q plc**

The company was acquired by B & Q plc on the 27<sup>th</sup> July 1999.

### **Directors and their interests**

The directors who held office during the year are given as follows:

		Ordinary £1 shares	
		2000	1999
J I Goddard-Watts	(resigned 27 <sup>th</sup> July 1999)	-	12,500
J C Goddard-Watts	(resigned 27 <sup>th</sup> July 1999)	-	12,500
J Goddard-Watts	(resigned 27 <sup>th</sup> July 1999)	-	12,500
M Goddard-Watts	(resigned 27 <sup>th</sup> July 1999)	-	12,500
D J Cox	(appointed 27 <sup>th</sup> July 1999)	-	-
D J Cox	(resigned 11 <sup>th</sup> May 2000)	-	-
G Lloyd	(appointed 20 <sup>th</sup> October 1999)	-	-
S P Robertson	(appointed 27 <sup>th</sup> July 1999)	-	-
A L Rushforth	(appointed 20 <sup>th</sup> October 1999)	-	-
M Toogood	(appointed 27 <sup>th</sup> July 1999)	-	-
M Toogood	(resigned 20 <sup>th</sup> September 2000)	-	-
H Weir	(appointed 27 <sup>th</sup> July 1999)	-	-
H Weir	(resigned 20 <sup>th</sup> September 2000)	-	-
G A Young	(appointed 20 <sup>th</sup> October 1999)	-	-
I Cheshire	(appointed 20 <sup>th</sup> September 2000)	-	-

# **Screwfix Direct Ltd**

## **Directors' Report for the Year Ended 29<sup>th</sup> January 2000 (Continued)**

### **Year 2000**

The company has reviewed the impact of the year 2000 on its business.

The company experienced no disruption or malfunctions since the turn of the year arising from its own computer systems or equipment with date-reliant computer chips.

### **Disabled persons**

It is the policy of the Company to give full and fair consideration to applications for employment from disabled persons and to continue wherever possible the employment of members of staff who may become disabled and to ensure that a suitable training, career development and promotion programme is encouraged.

### **Employee participation**

The company continues to develop a policy of direct and systematic communication with employees via the issue of the monthly 'Voice' magazine and regular staff meetings. In addition, various levels of staff are represented on the company's standing committee, which communicates issues concerning procedures and policies to the Board of Directors.

The parent company employee share scheme will become operational for our employees during 2000.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 29 January 2000 and that applicable standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

### **Creditor payment policy**

The company negotiates specific payment terms with each supplier. It is the company's policy to pay its suppliers in accordance with the terms, which have been agreed. Trade creditors at the year end represented 35 days (1999: 63 days) of purchases.


## **Screwfix Direct Ltd**

### **Directors' Report for the Year Ended 29<sup>th</sup> January 2000 (Continued)**

#### **Auditors**

Pannell Kerr Forster, resigned as auditors on the 14<sup>th</sup> December 1999. The Directors have appointed PricewaterhouseCoopers to fill the vacancy created by the resignation. A resolution to reappoint PricewaterhouseCoopers as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



G P Shillinglaw  
Secretary

2/11/00

## **Auditors' Report to the Members of Screwfix Direct Ltd**

We have audited the financial statements on pages 5 to 15, which have been prepared under the historical cost convention and the accounting policies, set out on pages 7 and 8.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom Accounting Standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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.

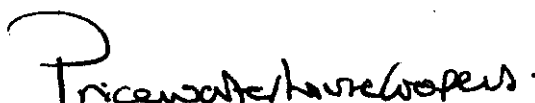
### **Basis of audit opinion**

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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 29<sup>th</sup> January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and  
Registered Auditors  
London

8<sup>th</sup> November 2000

# Screwfix Direct Ltd

## Profit and Loss Account for the Year Ended 29<sup>th</sup> January 2000

	Note	2000 £	1999 £
Turnover	2	58,883,025	28,159,740
Cost of sales		(38,237,952)	(17,990,320)
<b>Gross profit</b>		<b>20,645,073</b>	<b>10,169,420</b>
Administrative expenses		(14,338,772)	(7,603,265)
Other operating income		-	48,092
<b>Operating profit</b>		<b>6,306,301</b>	<b>2,614,247</b>
Interest receivable and similar income	3	172,239	27,096
Interest payable	4	(81,609)	(45,853)
<b>Profit on ordinary activities before taxation</b>	5	<b>6,396,931</b>	<b>2,595,490</b>
Taxation	7	(1,952,603)	(775,000)
<b>Profit for the financial year</b>		<b>4,444,328</b>	<b>1,820,490</b>
Dividends	8	-	(1,280,000)
<b>Retained profit for the year</b>	17	<b>4,444,328</b>	<b>540,490</b>

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 7 to 15 form part of these accounts.

# Screwfix Direct Ltd

Balance Sheet as at 29<sup>th</sup> January 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	9	2,274,315	1,889,887
<b>Current assets</b>			
Stock	10	6,711,433	4,270,610
Debtors	11	3,767,455	925,362
Cash at bank and in hand		2,598,164	406,102
		<b>13,077,052</b>	<b>5,602,074</b>
<b>Creditors - amounts falling due within one year</b>	12	<b>(9,464,734)</b>	<b>(5,827,989)</b>
<b>Net current assets</b>		<b>3,612,318</b>	<b>(225,915)</b>
<b>Total assets less current liabilities</b>		<b>5,886,633</b>	<b>1,663,972</b>
<b>Creditors - amounts falling due after more than one year</b>	13	<b>(295,095)</b>	<b>(557,762)</b>
<b>Provisions for liabilities and charges</b>	15	<b>(41,000)</b>	-
<b>Net assets</b>		<b>5,550,538</b>	<b>1,106,210</b>
<b>Capital and reserves</b>			
Called up share capital	16	50,459	50,000
Capital redemption reserve	17	144,263	144,263
Profit and loss account	17	5,355,816	911,947
Shareholders' funds	18	5,550,538	1,106,210

Approved by the Board on 2<sup>nd</sup> November 2000

Signed on behalf of the board of directors



**Gill Young** Director

The notes on pages 7 to 15 form part of these accounts.



# **Screwfix Direct Ltd**

## **Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000**

### **1 Accounting policies**

The principal accounting policies of the Company are as follows:

#### **(1) Basis of accounting**

The financial statements of the company are made up to the nearest Saturday to 31st January.

The financial statements have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards in the United Kingdom.

The company is a wholly-owned subsidiary of Castorama Dubois Investissements SCA (see note 22) and is included in the consolidated financial statements of Castorama Dubois Investissements SCA, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Castorama Dubois Investissements SCA group or investees of the Castorama Dubois Investissements SCA group (see note 23).

#### **(2) Turnover**

Turnover represents net invoiced sales of goods and supply of services excluding value added tax.

#### **(3) Tangible fixed assets**

Tangible fixed assets are stated at original historical cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write down to estimated residual value the cost of each asset over its estimated useful life:

Leasehold buildings	- lower of 2 % straight line or the life of the lease
Motor vehicles	- 25 % reducing balance

Fixtures, fittings, plant and equipment are written off on a straight-line basis from 3 to 25 years or on a 15 % reducing basis as appropriate.

#### **(4) Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **(5) Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

# **Screwfix Direct Ltd**

## **Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000**

### **(6) Pensions**

The company operated a defined contribution scheme and in addition, the company contributed to the employee's Group personal pension schemes. The pension charge in the profit and loss account represents the amounts payable to these schemes by the company to the funds in respect of the year.

### **(7) Finance and operating leases**

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

The cost of assets held under finance leases are included under tangible assets and depreciation is calculated in accordance with the policy for that class of asset concerned. The corresponding obligations under these leases are shown as creditors. The finance charge element of rentals is charged to the profit and loss account as incurred.

### **(8) Deferred taxation**

Deferred taxation is provided using the liability method. Provision is made for deferred taxation to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. The provision is maintained to the extent that it is probable that an asset or liability will crystallise in the foreseeable future.

## **2 Segmental reporting**

All the company's activities arose in the United Kingdom from the supply by mail order of building and DIY products.

Turnover is attributable to one class of business.

## **3 Investment income and similar income**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Interest received on Inter-Group deposits	<b>111,352</b>	-
Interest receivable on bank deposits	<b>60,887</b>	<b>27,096</b>
	<b>172,239</b>	<b>27,096</b>

# Screwfix Direct Ltd

## Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000

### 4 Interest payable and similar charges

	2000 £	1999 £
Bank loans and overdrafts	-	18,042
Finance charges under finance lease and hire purchase contracts	52,285	27,811
Other	29,324	-
	<b>81,609</b>	<b>45,853</b>

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2000 £	1999 £
Depreciation - owned assets	688,116	337,199
- held under finance lease or hire purchase contracts	112,728	200,085
Operating lease payments		
- plant & machinery	97,491	11,530
- other	530,394	270,802
(Profit)/Loss on disposal of fixed assets	(16,315)	26,935
Auditors' remuneration	30,000	16,350
Staff costs (see note 6)	8,491,165	4,304,752

### 6 Staff costs

Particulars of employee costs are as shown below:

	2000 £	1999 £
Wages and salaries	7,737,525	3,762,784
Social security costs	667,647	299,335
Pension costs	85,993	242,633
	<b>8,491,165</b>	<b>4,304,752</b>

The average weekly number of persons employed by the company during the year was:

	2000 Number	1999 Number
Warehouse	256	136
Sales and Marketing	232	88
	<b>488</b>	<b>224</b>

# Screwfix Direct Ltd

## Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000

### 6 Staff costs continued

Directors' remuneration:

Staff costs include the following remuneration of Directors:

	2000 £	1999 £
Directors' emoluments	2,218,150	506,872
Contributions to money purchase pension schemes	14,667	206,000

The number of directors who were members of company pension schemes were:

	Number	Number
Money purchase schemes	4	4
Group personal pension scheme	4	-

The highest paid director received emoluments and benefits as follows:

	2000 £	1999 £
Emoluments and benefits	1,685,341	135,859
Contributions to Group personal pension scheme	10,321	44,000

### 7 Tax on profit on ordinary activities

The tax charge is based on the taxable profit for the year and comprises:

	2000 £	1999 £
Corporation tax at 30% (1999 – 31%)	1,911,603	775,000
Deferred taxation	41,000	-
	1,952,603	775,000

### 8 Dividends

Equity shares

	2000 £	1999 £
Interim paid (£9.60 per share)	-	480,000
Final paid (£16.00 per share)	-	800,000
	-	1,280,000

# Screwfix Direct Ltd

## Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000

### 9 Tangible fixed assets

	Long Leasehold land and Buildings £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 <sup>st</sup> February 1999	79,806	2,424,285	321,404	2,825,495
Additions	131,708	1,312,438	-	1,444,146
Disposals	-	(87,033)	(296,604)	(383,637)
<b>At 29<sup>th</sup> January 2000</b>	<b>211,514</b>	<b>3,649,690</b>	<b>24,800</b>	<b>3,886,004</b>
<b>Accumulated depreciation</b>				
At 1 <sup>st</sup> February 1999	2,718	845,258	87,632	935,608
Charge for the period	4,641	769,651	26,552	800,844
Disposals	-	(24,921)	(99,842)	(124,763)
<b>At 29<sup>th</sup> January 2000</b>	<b>7,359</b>	<b>1,589,988</b>	<b>14,342</b>	<b>1,611,689</b>
<b>Net book value</b>				
<b>At 29<sup>th</sup> January 2000</b>	<b>204,155</b>	<b>2,059,702</b>	<b>10,458</b>	<b>2,274,315</b>
<b>At 31<sup>st</sup> January 1999</b>	<b>77,088</b>	<b>1,579,027</b>	<b>233,772</b>	<b>1,889,887</b>

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	2000 £	1999 £
Fixtures, fittings and equipment	471,837	623,423
Motor vehicles	10,458	216,228
	<b>482,295</b>	<b>839,651</b>

### 10 Stock

	2000 £	1999 £
Goods for resale	6,711,433	4,270,610

# Screwfix Direct Ltd

## Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000

### 11 Debtors

	2000	1999
	£	£
Trade debtors	302,581	268,422
Other debtors	117,273	385,147
Prepayments & accrued income	688,876	271,793
Amounts owed from group undertakings	2,658,725	0
	<u>3,767,455</u>	<u>925,362</u>

### 12 Creditors - amounts falling due within one year

	2000	1999
	£	£
Trade creditors	3,236,224	2,963,680
Corporation Tax	1,173,017	665,974
Other tax and social security	1,477,195	324,738
Obligations under finance leases and hire purchase contracts	167,941	277,912
Other creditors	55,537	1,004,746
Accruals and deferred income	3,354,820	590,939
	<u>9,464,734</u>	<u>5,827,989</u>

### 13 Creditors – amounts falling due after more than one year

	2000	1999
	£	£
Obligations under finance leases and hire purchase contracts	295,095	557,762

### 14 Obligations under finance leases and hire purchase contracts

	2000	1999
	£	£
Due within one year	167,941	277,912
Due in one – five years	295,095	557,762
	<u>463,036</u>	<u>835,674</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

# Screwfix Direct Ltd

## Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000

### 15 Provision for liabilities and charges

	2000	1999
	£	£
Deferred taxation	41,000	-

Deferred taxation provided in the financial statements and the amount unprovided of the total potential liability are as follows:-

	Amount Provided		Amount unprovided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	41,000	-	-	-

### 16 Called up share capital

	2000	1999
	£	£
<b>Authorised</b>		
Ordinary shares of £1 each	100,000	100,000
<b>Allotted, issued and fully paid</b>		
Ordinary 'A' shares of £1 each	4,083	50,000
Ordinary 'C' shares of £1 each	45,917	-
Ordinary 'D' shares of £0.00001 each	459	-
	50,459	50,000

During the year the 50,000 'A' shares were split into 4,083 'A' shares and 45,917 'C' shares. A bonus issue was made during the year which created 4,591,700 'D' shares. The bonus issue was satisfied by a transfer from the profit and loss account of £459.

### 17 Reserves

	Capital Redemption Reserve	Profit and Loss Account
At 1 <sup>st</sup> February 1999	144,263	911,947
Retained profit for the year	-	4,444,328
Issue of ordinary shares	-	(459)
At 29 <sup>th</sup> January 2000	144,263	5,355,816

# Screwfix Direct Ltd

## Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000

### 18 Reconciliation of Movement in Shareholders' funds

	2000 £	1999 £
Opening equity shareholders' funds	1,106,210	565,720
Profit for the year	4,444,328	1,820,490
Dividends	-	(1,280,000)
Closing equity Shareholders' funds	5,550,538	1,106,210

### 19 Pension arrangements

The company operated a defined contribution pension scheme and in addition the company contributed to a Group Personal Pension Scheme. The assets of these schemes are held separately from those of the company in independently administered funds. The pension cost charge for the year is shown in note 6.

### 20 Capital commitments

The company had authorised and contracted for capital commitments at the balance sheet date of £172,000 (1999: £Nil).

### 21 Other commitments

The company held annual commitments under operating leases as follows:

	Land and Buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiry date:				
Within 1 year	-	17,936	10,982	7,434
Between 1 and 5 years	-	-	126,054	48,020
In more than 5 years	664,500	482,500	-	-

### 22 Ultimate parent undertaking

The directors consider B & Q plc, a company registered in England and Wales, to be the immediate parent company. This company acquired 100 % of the share capital of Screwfix Direct Ltd on 27<sup>th</sup> July 1999. Copies of financial statements of this company can be obtained from The Company Secretary, B & Q Plc, Portswood House, 1 Hampshire Corporate Park, Chandlers Ford, Eastleigh, Hampshire, SO53 3YX.



## **Screwfix Direct Ltd**

### **Notes to the Financial Statements – Year ended 29<sup>th</sup> January 2000**

#### **22 Ultimate parent undertaking continued**

The company is a wholly owned subsidiary of Castorama Dubois Investissements SCA and is included in the consolidated financial statements of Castorama Dubois Investissements SCA. Copies of these accounts can be obtained from The Company Secretary, Castorama Dubois Investissements, Parc d'Activities, Boite Postale 24, 59175 Templemars, France.

The ultimate parent company and controlling party is Kingfisher plc, a company registered in England and Wales. The Annual report and Accounts of Kingfisher plc may be obtained from The Company Secretary, Kingfisher plc, North West House, 119 Marylebone Road, London, NW1 5PX.

#### **23 Related Parties**

During the year the company carried out a number of transactions with related parties in the normal course of business and on an arms length basis.

During the year the company operated a group banking arrangement with its ultimate parent undertaking Kingfisher plc. The credit balance on this account at the year end was £2,401,811. It is not considered meaningful to disclose the aggregate value of the cash sweeping transactions during the year. Net interest paid under this arrangement amounted to £111,352.

During the year the company leased two properties from The Screwfix Direct Limited Retirement Benefits Pension Scheme. The fair market rents paid during the year were £96,250 (1999 – £157,557). During the year the properties were acquired by a group company.

During the year the directors purchased assets from the company amounting to £209,678 which in their opinion represented their fair market value. Net book value immediately prior to the transfer was £209,678.