

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Annual Report and Financial Statements

for the year ended 31 January 2017

Registered number: 07156522

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B&Q PROPERTIES SOUTH SHIELDS LIMITED

Directors' report

for the year ended 31 January 2017

The directors' present the Annual Report and the audited financial statements for the year ended 31 January 2017.

Principal activity

The principal activity of the Company was that of property investment. It ceased trading in September 2016.

Business review and dividends

The profit for the financial year before taxation amounted to £14k (2016: £344k) and after taxation amounted to a loss of £1k (2016: £325k). No dividend has been paid or is proposed in respect of the year (2016: £nil).

Future outlook

The Company sold its investment property in October 2016 and is no longer trading.

Financial risk management

The Company's operations expose it to a variety of financial risks, which include interest rate risk, liquidity risk and credit risk.

As part of the Kingfisher plc group, the Company's interest rate and liquidity risks are managed centrally by the group treasury department. The group treasury department has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs.

Events after the balance sheet date

There are no events subsequent to 31 January 2017 impacting the Company's financial statements.

Going concern

The Company sold its investment property and ceased to trade during the year. The directors do not expect the Company to trade in the foreseeable future. As a result, the directors have prepared the financial statements of the Company on a basis other than that of a going concern. Further details are provided in note 2 to the financial statements.

Directors

The directors of the Company at 31 January 2017 and throughout the year unless otherwise indicated were:

G Smith	
M L Loeve	(resigned 3 May 2017)
A Watters	(resigned 27 May 2016)
D G McGloughlin	(appointed 3 May 2017 / resigned 14 June 2017)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report including the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under Company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Directors' report (continued)

for the year ended 31 January 2017

Directors' responsibilities statement (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

In preparing this report advantage has been taken of the small Companies' exemption under Companies Act 2006 s419(2) to provide a strategic report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Appointment of Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



G Smith
Company Secretary

18 October 2017

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Independent auditor's report to the members of B&Q Properties South Shields Limited

for the year ended 31 January 2017

We have audited the financial statements of B&Q Properties South Shields Limited for the year ended 31 January 2017 which comprise the Income statement, the Statement of changes in equity, the Balance sheet, and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2017 and of its loss for the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report; or
- we have not received all the information and explanations we require for our audit.

C. Siviter

Claire Siviter FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Southampton, United Kingdom

24 October 2017

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Income statement

for the year ended 31 January 2017

£'000	Notes	2017	2016
		Total	Total
Revenue		143	203
Administrative expenses		-	(18)
Other (Expense) / Income		(59)	266
Operating profit		84	451
Finance costs	4	(70)	(107)
Profit before taxation	5	14	344
Income tax expense	6	(15)	(19)
Profit/(Loss) for the year		(1)	325

All of the above transactions relate to discontinued operations.

The Company has no recognised gains or losses in the current or preceeding period other than the gains disclosed above; therefore no separate Statement of Comprehensive Income has been presented.

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Statement of changes in equity

as at 31 January 2017

£'000	Attributable to equity shareholders of the Company	
	Retained earnings	Total
At 1 February 2016	164	164
Profit and total comprehensive income for the year	(1)	(1)
At 31 January 2017	163	163
At 1 February 2015	(161)	(161)
Profit and total comprehensive income for the year	325	325
As at 31 January 2016	164	164

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Balance sheet as at 31 January 2017

£'000	Notes	2017	2016
Current assets			
Trade and other receivables	7	307	-
Assets held for sale	8	-	3,000
Total assets		307	3,000
Current liabilities			
Trade and other payables	9	(129)	(2,817)
Current tax liabilities		(15)	(19)
Total liabilities		(144)	(2,836)
Net assets		163	164
Equity			
Share capital	10	-	-
Retained earnings		163	164
Total equity		163	164

The notes on pages 7 to 11 form part of the financial statements.

The financial statements of B&Q Properties South Shields Limited (registered number 07156522) were approved by the Board of Directors and authorised for issue on 18 October 2017 and signed on its behalf by:

G Smith
Director



B&Q PROPERTIES SOUTH SHIELDS LIMITED

Notes to the financial statements

for the year ended 31 January 2017

1 General information

B&Q Properties South Shields Limited is a private company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is B&Q House, Chestnut Avenue, Chandlers Ford, Eastleigh, Hampshire, SO53 3LE. The nature of the Company's operations and its principal activities are set out in the directors report on pages 1 to 2.

2 Significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to non current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, standards not yet effective, presentation of a cashflow statement and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Kingfisher plc, which are publicly available.

b. Going concern

As outlined in the directors' report, the Company sold its investment property during the year. The directors do not expect the Company to trade in the foreseeable future. As a result, the directors have prepared the financial statements of the Company on a basis other than that of a going concern which includes, where appropriate, writing down the Company assets to net realisable value. The financial statements do not include any costs incurred since the balance sheet date or any provision for the future costs of the business of the Company except to the extent that such costs were committed at the balance sheet date. The directors of the Company's ultimate parent company, Kingfisher plc, have provided a letter confirming their support in settling any remaining liabilities as they fall due.

c. Revenue recognition

Revenue is comprised primarily of external rental income. Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Other income is comprised of profits and losses on disposal of assets and the impairment or reversal of impairment of investment properties.

d. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense which are taxable or deductible in other years or which are never taxable or deductible.

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Notes to the financial statements (continued) for the year ended 31 January 2017

2 Significant accounting policies (continued)

d. Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences or unused tax losses can be utilised. Deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill in a business combination. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are calculated using tax rates which have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the liability is settled or the asset is realised.

Current and deferred tax are charged or credited to the income statement, except when they relate to items charged or credited directly to equity, in which case the current or deferred tax is also recognised directly in equity.

Current and deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and when the Company intends to settle its current tax assets and liabilities on a net basis.

e. Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Company has substantially transferred the risks and rewards of ownership. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and liabilities are offset only when the Company has a currently enforceable legal right to set-off the respective recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Trade receivables

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost less any provision for bad and doubtful debts.

(ii) Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost.

f. Assets and liabilities held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

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Notes to the financial statements (continued) **for the year ended 31 January 2017**

2 Significant accounting policies (continued)

f. Assets and liabilities held for sale (continued)

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. This excludes financial assets, deferred tax assets and assets arising from employee benefits, which are measured according to the relevant accounting policy.

3 Critical accounting estimates and judgements

The preparation of the financial statements under FRS101 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. There are no estimates, judgements or assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

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Notes to the financial statements (continued) for the year ended 31 January 2017

4 Finance costs

£'000	2017	2016
Interest payable to Group undertakings	(70)	(107)
Finance costs	(70)	(107)

Interest on loans from Group Companies is incurred at a rate of 3.7842% (2016: 3.9021%)

5 Profit before taxation

The revenue consists of rental income derived in the UK.

£'000	2017	2016
Revenue	143	203

The following items of expense/(income) have been charged/(credited) in arriving at profit before taxation:

£'000	2017	2016
Depreciation of property, plant and equipment and investment property		
- Owned assets	-	16
Release of impairment of property, plant and equipment and investment property	-	(266)
Loss on disposal		
- Fixtures, fittings and equipment	59	-

The cost of auditing the financial statements for the year was £688 (2016: £688). This has been borne by B&Q Properties Limited and has not been recharged. There were no fees for non-audit services in the year (2016: none).

None of the directors received any emoluments in respect of services to the Company during the current period or prior period. There are no employees of the Company other than the directors. The directors are remunerated by other group Companies which are not recharged.

6 Income tax expense

£'000	2017	2016
UK corporation tax		
Current tax on profits for the year	15	19
Income tax expense	15	19

Factors affecting tax charge for the year

The UK corporation tax rate reduced in the prior year from 21% to 20% with effect from 1 April 2015, and accordingly, the Company's profits for this accounting period are taxed at a rate of 20% (2016: 20.17%).

From 1 April 2017 the rate of Corporation Tax has fallen from 20% to 19%, and from 1 April 2020 will fall again to 17%. These changes were enacted at the balance sheet date and have been reflected in the calculation of deferred tax balances.

The tax charge for the year differs from the standard rate of corporation tax in the UK of 20% (2016: 20.17%). The differences are explained below:

£'000	2017	2016
Profit before taxation	14	344
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20.17%)	3	69
Net income not chargeable for tax purposes	12	(50)
Income tax expense	15	19

Tax is paid by the parent Company and charged through the intercompany account.

B&Q PROPERTIES SOUTH SHIELDS LIMITED

Notes to the financial statements (continued) for the year ended 31 January 2017

7 Trade and other receivables

£'000	2017	2016
Current		
Amounts owed by Group undertakings	307	-
Trade and other receivables	307	-

8 Assets held for sale

£'000	2017	2016
Assets held for sale	-	3,000

At 31 January 2016 the Company's investment property was classified as held for sale resulting in a reversal of impairment of £266k being recognised in the year. In October 2016, the Company completed the sale of its investment property for £3,000k.

9 Trade and other payables

£'000	2017	2016
Current		
Trade payables	59	-
Amounts owed to Group undertakings	70	2,817
Trade and other payables	129	2,817

Amounts due to Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Interest is paid on the interCompany balance at a rate of 3.7842% (2016: 3.9021%).

10 Share capital

	Number of ordinary shares	Ordinary share capital £
<i>Allotted, called up, and fully paid.</i>		
At 1 February 2016	1	1
At 31 January 2017	1	1

There were no changes to share capital during the year.

11 Related party transactions

As permitted by FRS 101 the Company has taken advantage of the exemption not to disclose transactions either with its immediate parent undertaking and with other wholly owned subsidiaries of the Kingfisher plc group.

12 Ultimate parent undertaking

The Company's immediate parent undertaking is B&Q Properties Limited.

The ultimate parent undertaking and controlling party is Kingfisher plc, a Company registered in England and Wales. The largest and smallest group preparing consolidated financial statements of which B&Q Properties Limited is a member, is Kingfisher plc. The Annual Report and Financial Statements of Kingfisher plc may be obtained from the Company Secretary, Kingfisher plc, 3 Sheldon Square, Paddington, London, W2 6PX.