

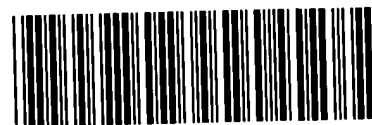
# **B&Q PROPERTIES SOUTH SHIELDS LIMITED**

**Annual Report and Financial Statements**

**for the year ended 31 January 2018**

**Registered number: 07156522**

TUESDAY



A19 \*A7HMLHNF\* 30/10/2018 #124  
COMPANIES HOUSE

# B&Q PROPERTIES SOUTH SHIELDS LIMITED

## Directors' report

for the year ended 31 January 2018

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The directors' present the Annual Report and the audited financial statements for the year ended 31 January 2018.

### 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 £67k (2017: £14k) and after taxation amounted to a profit of £66k (2017: loss of £1k). No dividend has been paid or is proposed in respect of the year (2017: £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.

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The Company has implemented policies that require appropriate credit checks for relevant third party debts. The exposure on any individual counterparty is assessed as low so the directors believe that the credit risk for the Company is acceptable.

### Events after the balance sheet date

There are no events subsequent to 31 January 2018 impacting the Company's financial statements.

### Going concern

The Company sold its investment property and ceased to trade during the prior 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 2018 and throughout the year unless otherwise indicated were:

G Smith	(resigned 23 January 2018)
P Crisp	(appointed 3 October 2017)
H Feltham	(appointed 3 October 2017 / resigned 28 September 2018)
D G McGloughlin	(appointed 3 May 2017 / resigned 14 June 2017)
M L Loeve	(resigned 3 May 2017)
G Bell	(appointed 1 October 2018)

# B&Q PROPERTIES SOUTH SHIELDS LIMITED

## Directors' report (continued)

for the year ended 31 January 2018

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### 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.

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 s415A to provide a strategic report and the relevant exemptions in preparing the Directors' 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:



P Crisp  
Director

Date: 25-10-2018

# **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 2018**

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### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of B&Q Properties South Shields Limited which comprise:

- the income statement;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

# **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 2018**

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#### **Report on the audit of the financial statements (continued)**

##### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

##### **Report on other legal and regulatory requirements**

##### **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 have 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 strategic report or the directors' report.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

##### **Use of our report**

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.

**D. Winstone**

Daryl Winstone (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP, Statutory Auditor  
London, United Kingdom

Date: 30 October 2018

# B&Q PROPERTIES SOUTH SHIELDS LIMITED

## Income statement

for the year ended 31 January 2018

£'000	Notes	2018	2017
		Total	Total
<b>Revenue</b>		-	143
Other Income / (Expense)		<b>59</b>	(59)
<b>Operating profit</b>		<b>59</b>	84
Finance income / (costs)	4	<b>8</b>	(70)
<b>Profit before taxation</b>	5	<b>67</b>	14
Income tax expense	6	<b>(1)</b>	(15)
<b>Profit for the year</b>		<b>66</b>	(1)

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 2018

£'000	Attributable to equity shareholders of the Company		
	Share capital	Retained earnings	Total
<b>At 1 February 2017</b>	-	<b>163</b>	<b>163</b>
Profit and total comprehensive income for the year	-	<b>66</b>	<b>66</b>
<b>At 31 January 2018</b>	-	<b>229</b>	<b>229</b>
<b>At 1 February 2016</b>	-	164	164
Loss and total comprehensive income for the year	-	(1)	(1)
<b>As at 31 January 2017</b>	-	163	163

Retained earnings represent accumulated profits from previous periods.

# B&Q PROPERTIES SOUTH SHIELDS LIMITED

## Balance sheet as at 31 January 2018

£'000	Notes	2018	2017
<b>Current assets</b>			
Trade and other receivables	7	300	307
<b>Total assets</b>		<b>300</b>	<b>307</b>
<b>Current liabilities</b>			
Trade and other payables	8	(70)	(129)
Current tax liabilities		(1)	(15)
<b>Total liabilities</b>		<b>(71)</b>	<b>(144)</b>
<b>Net assets</b>		<b>229</b>	<b>163</b>
<b>Equity</b>			
Share capital	9	-	-
Retained earnings		229	163
<b>Total equity</b>		<b>229</b>	<b>163</b>

The notes on pages 8 to 12 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 25 October 2018 and signed on its behalf by:



P Crisp  
Director



# B&Q PROPERTIES SOUTH SHIELDS LIMITED

## Notes to the financial statements for the year ended 31 January 2018

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### 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 prior 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.

# **B&Q PROPERTIES SOUTH SHIELDS LIMITED**

## **Notes to the financial statements (continued)** **for the year ended 31 January 2018**

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### **2 Significant accounting policies (continued)**

#### **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.

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.

# **B&Q PROPERTIES SOUTH SHIELDS LIMITED**

## **Notes to the financial statements (continued)** **for the year ended 31 January 2018**

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### **2 Significant accounting policies (continued)**

#### **e. Financial instruments (continued)**

##### **(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.

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. The estimates, judgements and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

#### **Sources of estimation uncertainty**

There are no sources of estimation uncertainty.

#### **Judgements made in applying accounting policies**

There are no critical accounting judgements.

# B&Q PROPERTIES SOUTH SHIELDS LIMITED

## Notes to the financial statements (continued) for the year ended 31 January 2018

### 4 Finance Income

£'000	2018	2017
Interest Receivable to Group undertakings	8	(70)
<b>Finance Income</b>	<b>8</b>	<b>(70)</b>

Interest on loans from Group Companies is incurred at a rate of 3.1681% (2017: 3.7842%)

### 5 Profit before taxation

The revenue consists of rental income derived in the UK.

£'000	2018	2017
Revenue	-	143

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

£'000	2018	2017
Profit/(Loss) on disposal		
- Fixtures, fittings and equipment	59	(59)

The cost of auditing the financial statements for the year was £688 (2017: £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 (2017: 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	2018	2017
<b>UK corporation tax</b>		
Current tax on profits for the year	1	15
<b>Income tax expense</b>	<b>1</b>	<b>15</b>

Factors affecting tax charge for the year

The UK corporation tax rate reduced in the year from 20% to 19% with effect from 1 April 2017, and accordingly, the company's profits for this accounting period are taxed at a rate of 19.17% (2016/17: 20.00%).

From 1 April 2020 the UK corporation tax rate will fall to 17%. This change was enacted at the balance sheet date and has been reflected in the calculation of deferred tax balances where applicable.

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19.17% (2017: 20.00%). The differences are explained below:

£'000	2018	2017
Profit before taxation	67	14
Profit multiplied by the standard rate of corporation tax in the UK of 19.17% (2017: 20.00%)	13	3
Net income not chargeable for tax purposes	(12)	12
<b>Income tax expense</b>	<b>1</b>	<b>15</b>

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 2018

### 7 Trade and other receivables

£'000	2018	2017
<b>Current</b>		
Amounts owed by Group undertakings	300	307
<b>Trade and other receivables</b>	<b>300</b>	<b>307</b>

Interest is paid on the intercompany balance at a rate of 3.1681% (2017: 3.7842%).

### 8 Trade and other payables

£'000	2018	2017
<b>Current</b>		
Trade payables	-	59
Amounts owed to Group undertakings	70	70
<b>Trade and other payables</b>	<b>70</b>	<b>129</b>

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 3.1681% (2017: 3.7842%).

### 9 Share capital

	Number of ordinary shares	Ordinary share capital
£		
Allotted, authorised, called up, and fully paid		
At 1 February 2017	1	1
At 31 January 2018	1	1

There were no changes to share capital during the year.

### 10 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.

### 11 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 South Shields 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.