

DUNELM ESTATES LIMITED

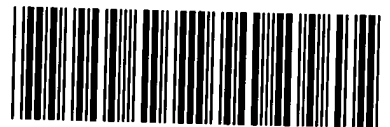
Annual Report and Financial Statements

Registered number 04708269

52 weeks ended

27 June 2020

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COMPANIES HOUSE

Company information

Directors	Nicholas Wilkinson William Adderley Laura Carr Steve Barton
Secretary	Dawn Durrant
Company number	04708269
Registered office	Watermead Business Park Syston Leicestershire LE7 1AD
Independent auditors	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX United Kingdom

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Strategic Report

The Directors present their strategic report together with the Directors' report and the audited financial statements of the Company for the 52 weeks period ended 27 June 2020.

Principal activities

The company is currently non-trading, however its prior activity was the letting of property.

Business review and future development

The profit for the financial period was £285k (2019: profit of £3,765k).

On 29 June 2019, the trade and net assets of Dunelm Estates Limited were transferred to another Group company, Dunelm (Soft Furnishings) Limited, the main trading entity of the Group. All assets and liabilities were transferred at book value. On 26 June 2020, Dunelm Group plc reassigned a receivable owed to it by the Company to Dunelm (Soft Furnishings) Limited. The Company also wrote off the balance receivable from Zoncolan Limited of £3k. The Company subsequently declared a dividend in specie of £14,699k to Dunelm (Soft Furnishings) Limited. Consequently, at the balance sheet date the Company has share capital of £100 and a receivable from Dunelm (Soft Furnishings) Limited of £100, and will be dormant in the future.

Principal risks and uncertainties

From the perspective of the Company, its principal risks and uncertainties are integrated with the principal risks of Dunelm Group plc and its subsidiaries ('the group') of which the Company is a member and not managed separately. The principal risks of the Group are disclosed in the consolidated financial statements of Dunelm Group plc which does not form part of this report.

Key performance indicators ("KPIs")

Given the business is non-trading, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board



Laura Carr
Director

10 September 2020

Watermead Business Park
Syston
Leicestershire
LE7 1AD

Directors' Report

The Directors' present their report together with the audited financial statements for the 52 weeks period ended 27 June 2020.

Results and dividends

On 29 June 2019, the trade and net assets of Dunelm Estates Limited were transferred to another Group company, Dunelm (Soft Furnishings) Limited, the main trading entity of the Group. All assets and liabilities were transferred at book value. On 26 June 2020, Dunelm Group plc reassigned a receivable owed to it by the Company to Dunelm (Soft Furnishings) Limited. The Company also wrote off the balance receivable from Zoncolan Limited of £3k. The Company subsequently declared a dividend in specie of £14,699k to Dunelm (Soft Furnishings) Limited. Consequently, at the balance sheet date the Company has share capital of £100 and a receivable from Dunelm (Soft Furnishings) Limited of £100, and will be dormant in the future.

The profit for the financial period was £285k (2019: profit of £3,765k).

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Nicholas Wilkinson
William Adderley
Laura Carr
Steve Barton

Qualifying third party indemnity provisions

At the time this report is approved, and during the financial year, a qualifying third party indemnity provision was in place for the benefit of one or more of the Directors.

Going concern

The Directors have made appropriate enquiries and formed a judgement at the time of approving the financial statements that it is appropriate to adopt the going concern basis of accounting in preparing the financial information. The Company has no liabilities and ceased trading as at 29 June 2019. The Directors do not plan to wind the Company up in the next 12 months.

Furthermore, the Company has no future expected income or receivables to recover. Therefore the Directors have concluded that Covid-19 has had no impact on the Company's going concern.

Political and charitable contributions

The Company made no political or charitable contributions during the financial period.

Treasury and Risk Management

The Company's approach to treasury and financial risk management is explained in note 12.

Future developments

These have been discussed in the Strategic Report.

Directors' Report *(continued)*

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board



Laura Carr
Director

10 September 2020

Watermead Business Park
Syston
Leicestershire
LE7 1AD

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



Laura Carr
Director
10 September 2020

Watermead Business Park
Syston
Leicestershire
LE7 1AD

Independent auditors' report to the members of Dunelm Estates Limited

Report on the audit of the financial statements

Opinion

In our opinion, Dunelm Estates Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 27 June 2020 and of its profit and cash flows for the 52 weeks period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 27 June 2020; the Statement of comprehensive income, the Statement of cash flows, the Statement of changes in equity for the 52 weeks period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern

Independent auditors' report to the members of Dunelm Estates Limited *(continued)*

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 27 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Independent auditors' report to the members of Dunelm Estates Limited *(continued)*

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 4, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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..

Independent auditors' report to the members of Dunelm Estates Limited *(continued)*

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Skedgel (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
10 September 2020

Statement of comprehensive income

for the 52 weeks period ended 27 June 2020

		2020	2019
	Note	52 weeks	52 weeks
		£'000	£'000
Revenue		-	7,125
Gross profit		-	7,125
Operating costs		-	(1,687)
Operating profit	3	-	5,438
Financial income	4	301	-
Financial expense	4	(16)	(1,284)
Profit before tax		285	4,154
Taxation	6	-	(389)
Profit and total comprehensive income for the period		285	3,765

Statement of cash flows

for the 52 weeks period ended 27 June 2020

There were no cash movements during the period (2019: Nil) for the Company as any cash transactions were executed by Dunelm (Soft Furnishings) Limited on behalf of the Company. As a result, no statement of cash flows has been presented in these financial statements.

Statement of financial position
as at 27 June 2020

	<i>Note</i>	2020	2019
		£'000	£'000
Non-current assets			
Investment property	<i>8</i>	-	-
		-	-
Current assets			
Trade and other receivables	<i>9</i>	-	15,096
Total assets		-	15,096
Current liabilities			
Trade and other payables	<i>10</i>	-	(682)
Total liabilities		-	(682)
Net assets		-	14,414
Equity			
Share capital	<i>11</i>	-	-
Retained earnings		-	14,414
Total equity		-	14,414

The financial statements on pages 9 to 18 were approved by the Board of Directors on 10 September 2020 and were signed on its behalf by:



Laura Carr
Director

Company number 04708269

Statement of changes in equity
for the 52 weeks period ended 27 June 2020

	<i>Note</i>	Share capital £'000	Retained earnings £'000	Total equity £'000
As at 1 July 2018		-	10,649	10,649
Total comprehensive income for the period		-	3,765	3,765
As at 29 June 2019		-	14,414	14,414
Total comprehensive income for the period		-	285	285
Dividend in specie	7	-	(14,699)	(14,699)
As at 27 June 2020		-	-	-

The notes on pages 12 to 18 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

Basis of preparation

Dunelm Estates Limited (the "Company") is a Company incorporated and domiciled in the UK. Dunelm Estates Limited is a private company, limited by shares. The registered office is Watermead Business Park, Syston, Leicestershire, LE7 1AD.

The Company financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The annual financial statements are prepared under the historical cost convention. The financial statements are prepared in pounds sterling, rounded to the nearest thousand.

Going concern

The Directors have made appropriate enquiries and formed a judgement at the time of approving the financial statements that it is appropriate to adopt the going concern basis of accounting in preparing the financial information. The Company has no liabilities and ceased trading as at 29 June 2019. The Directors do not plan to wind the Company up in the next 12 months.

Furthermore, the Company has no future expected income or receivables to recover. Therefore the Directors have concluded that Covid-19 has had impact on the Company's going concern.

Use of estimates and judgements

The presentation of the annual financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Directors consider that there are no material estimates or judgments in these financial statements.

Investment Property

Owned assets

Items of property are stated at cost less accumulated depreciation (see below) and impairment losses.

Where parts of an item of property have different useful lives, they are accounted for as separate items of property.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings 50 years

The residual value of an asset, if significant, is reassessed annually.

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

Trade and other receivables

Trade and other receivables are initially recognised at fair value and then carried at amortised cost net of impairment provisions.

Impairment excluding investment properties and deferred tax assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Revenue

Revenue represents rent receivable on investment properties let to other companies.

Financial expenses

Financial expenses comprise of interest payable to Group undertakings.

Financial income

Financial income comprises interest receivable on borrowings calculated using the effective interest rate method.

Taxation

Tax on the profit or loss for the period comprises of current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax represents the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, together with any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recognised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be recognised.

New standards and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial period beginning on or after 30 June 2019 have had a material impact on the Company.

2. Group reorganisation

On 29 June 2019, the trade and net assets of Dunelm Estates Limited were transferred to another Group company, Dunelm (Soft Furnishings) Limited, the main trading entity of the Group. All assets and liabilities were transferred at book value. On 26 June 2020, Dunelm Group plc reassigned a receivable owed to it by the Company to Dunelm (Soft Furnishings) Limited of £696k. The Company also wrote off the balance receivable from Zoncolan Limited of £3k. The Company subsequently declared a dividend in specie of £14,699k to Dunelm (Soft Furnishings) Limited. Consequently, at the balance sheet date the Company had share capital of £100 and a receivable from Dunelm (Soft Furnishings) Limited of £100 and will be dormant in the future.

Notes to the financial statements *(continued)*

3. Operating profit

Operating profit is stated after charging the following items:

	2020 52 weeks £'000	2019 52 weeks £'000
Depreciation of property	-	1,582

No depreciation was charged as all properties were transferred to Dunelm (Soft Furnishings) Limited, a fellow Group company, in the previous financial period.

	2020 52 weeks £'000	2019 52 weeks £'000
Amounts payable to the Auditors in respect of:		
Audit	3	7
Other services	-	-
	<u>3</u>	<u>7</u>

Auditors' remuneration as agreed was borne by Dunelm (Soft Furnishings) Limited, another Group company. No recharge is made to the Company (2019: Nil).

4. Financial income and expense

	2020 52 weeks £'000	2019 52 weeks £'000
Financial income		
Interest on loans to Group companies	301	-
	<u>301</u>	<u>-</u>
Financial expense		
Interest on loans from Group companies	(13)	(1,284)
Balances written off	(3)	-
	<u>(16)</u>	<u>(1,284)</u>
	<u>285</u>	<u>(1,284)</u>

5. Directors' remuneration and employees

The Directors received no remuneration (2019: Nil) in respect of their services to the Company. The remuneration of the Directors was borne by Dunelm (Soft Furnishings) Limited and Dunelm Group plc, other Group companies. No recharge is made to the Company (2019: Nil).

There were no employees of the Company in the period (2019: Nil).

Notes to the financial statements *(continued)*

6. Taxation

	2020 52 weeks £'000	2019 52 weeks £'000
Current taxation		
UK corporation tax charge for the period	-	377
Deferred taxation		
Origination of temporary differences	-	12
	-	12
Total tax expense	-	389

	2020 52 weeks £'000	2019 52 weeks £'000
Profit before taxation	285	4,154
UK corporation tax at standard rate of 19.0% (2019:19.0%)	54	789
Depreciation on ineligible assets	-	282
Adjustments in respect of prior periods	-	1
Expenses not deductible on tax purposes	1	-
Group relief	(55)	(682)
Effect of standard rate of corporation tax change	-	(1)
Total tax expense	-	389

Factors that may affect future, current and total tax charges

In March 2020, the UK Government substantively enacted a corporation tax rate of 19.0% from 1 April 2020 rather than the previously enacted reduction to 17.0%.

7. Dividends

	2020 52 weeks £'000	2019 52 weeks £'000
Dividened in specie for the period ended 27 June 2020 - £146,987 per share	14,699	-
	14,699	-

Notes to the financial statements *(continued)*

8. Investment property

	Freehold land and buildings £'000
Cost	
At 1 July 2018	89,382
Additions	35
Disposed to fellow Group company	(89,417)
At 29 June 2019	-
At 27 June 2020	-
Accumulated depreciation	
At 1 July 2018	12,025
Charge for the financial period	1,582
Disposed to fellow Group company	(13,607)
At 29 June 2019	-
At 27 June 2020	-
Net book value	
At 1 July 2018	77,357
At 29 June 2019	-
At 27 June 2020	-

On 29 June 2019 all assets were transferred to Dunelm (Soft Furnishings) Limited, a fellow Group company.

9. Trade and other receivables

	2020 £'000	2019 £'000
Amounts owed by Group undertakings	-	15,096
	-	15,096

Interest is charged on the Company's interest-bearing loans and borrowings at 2.0% pa. On 26 June 2020, the Company wrote off the balance receivable from Zoncolan Limited of £3k. The Company subsequently declared a dividend in specie of £14,699k to Dunelm (Soft Furnishings) Limited, leaving a balance of £100 owed by Dunelm (Soft Furnishings) Limited.

Notes to the financial statements *(continued)*

10. Trade and other payables

	2020	2019
	£'000	£'000
Current		
Amounts due to Group undertakings	-	682
Total current trade and other payables	<u>-</u>	<u>682</u>

Interest is charged on the Company's interest-bearing loans and borrowings at 2.0% pa. On 26 June 2020, Dunelm Group plc reassigned a receivable owed to it by the Company to Dunelm (Soft Furnishings) Limited of £696k.

11. Share capital

	2020	2019
	£	£
2020: 100 Ordinary shares of £1 each (2019: 100):		
Allotted, called up and fully paid	<u>100</u>	<u>100</u>

12. Financial risk management

The Board of Directors of Dunelm Group plc has overall responsibility for the oversight of the Group's risk management framework. A formal process for reviewing and managing risk in the business has been developed. A register of strategic and operational risks is maintained and reviewed quarterly by the Group Board, who also monitors the status of agreed actions to mitigate key risks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

However, the Company had no liabilities at the period end.

Interest rate and foreign currency risk

All interest bearing borrowings are from Group companies and denominated in sterling.

Fair values

Assets and liabilities are carried at amortised cost, which are equivalent to their fair value.

Notes to the financial statements *(continued)*

13. Related parties

The Company has a related party relationship with its holding Company and other Group companies, and also with its Directors.

Transactions between the Company and its related parties were as follows:

	Ultimate Parent company		Other Group companies	
	2020	2019	2020	2019
	52 weeks	52 weeks	52 weeks	52 weeks
	£'000	£'000	£'000	£'000
Sale of rental services	-	-	-	7,103
Balances written off	(3)	-	-	-
Interest (paid)/received	(13)	(13)	301	(1,271)
	(16)	(13)	301	5,832

	Ultimate Parent company		Other Group companies	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Balances receivable from	-	-	-	15,096
Balances payable to	-	(682)	-	-
	-	(682)	-	15,096

14. Ultimate controlling party

The Company is a subsidiary undertaking of Dunelm Limited. Dunelm Group plc is the ultimate parent company incorporated in England and Wales. The Directors' consider that the ultimate controlling party is the Adderley family by virtue of their combined shareholding. The largest and smallest Group of undertakings for which Group financial statements are drawn up and of which the Company is a member is the Dunelm Group plc accounts.

Copies of the Dunelm Group plc financial statements are available from the Company Secretary, Dunelm Group plc, Watermead Business Park, Syston, Leicestershire, LE7 1AD, or the group corporate website.