

Dunelm (Bowburn) Limited  
Directors' report and financial statements  
for the year ended 31 December 2018

**Registered Number 06560285**



# Dunelm (Bowburn) Limited

## Directors' report and financial statements

for the year ended 31 December 2018

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# Dunelm (Bowburn) Limited

## Directors' report

The directors present their directors' report and audited financial statements for the year ended 31 December 2018.

### Principal activities

The company's principal activity during the year was that of property construction.

### Business review

The results for the year are shown on page 5 of these financial statements.

### Basis of preparation

The financial statements are being prepared on a basis other than going concern which the directors believe to be appropriate for the reasons set out below. No further adjustments were necessary to reduce assets to their realisable values or to provide for liabilities arising from the decision.

The directors have decided that no new land for developments will be acquired, and the intention of the directors is to liquidate the company.

### Proposed dividends

The directors do not recommend the payment of a dividend (2017: £nil).

### Directors

The directors who were in office during the year and up to the date of signing the financial statements were as follows:

M F Hogan

D Horrocks (appointed 9 May 2018)

A E Radcliffe

M A Sowerby (appointed 29 January 2018)

G Woodcock (resigned 9 May 2018)

### Political contributions

The company made no political donations or incurred any political expenditure during the year.

### Statement of director's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 United Kingdom Accounting Standards, comprising FRS 102, 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.

# Dunelm (Bowburn) Limited

## Directors' report (continued)

### Statement of director's responsibilities in respect of the financial statements (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.

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.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

### Small company provisions

In preparing this report, the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board

  
A E Radcliffe

Director

Date ..... 23/9/2019 .....

Esh House  
Bowburn North Industrial Estate  
Bowburn  
Durham  
DH6 5PF

# Dunelm (Bowburn) Limited

## Independent auditors' report to the members of Dunelm (Bowburn) Limited

### Report on the audit of the financial statements

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#### Opinion

In our opinion, Dunelm (Bowburn) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 balance sheet as at 31 December 2018; the statement of income and retained earnings for the year then ended; the accounting policies; and the notes to the financial statements.

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#### 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.

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#### 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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#### 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 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.

# Dunelm (Bowburn) Limited

## Independent auditors' report to the members of Dunelm (Bowburn) Limited (continued)

### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 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 Directors' Report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of director's responsibilities in respect of the financial statements, 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](http://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.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

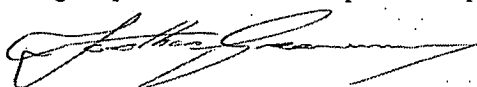
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified 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.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Greenaway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
25 September 2019

## Dunelm (Bowburn) Limited

### Statement of income and retained earnings for the year ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		-	2,219
<b>Profit on ordinary activities before taxation</b>		-	2,219
Tax on profit	3	-	-
<b>Profit for the financial year</b>		-	2,219
<b>Profit and loss account brought forward</b>		<b>(849,097)</b>	<b>(851,316)</b>
<b>Profit and loss account at the end of the year</b>		<b>(849,097)</b>	<b>(849,097)</b>

All results derive from continuing operations.

The company had no other comprehensive income during the current or preceding year other than that reflected in the profit and loss account.

There is no material difference between the profit before taxation and the loss for the financial year stated above and their historical cost equivalents.

# Dunelm (Bowburn) Limited

## Balance sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors	4	3,201	3,201
Cash at bank and in hand		-	-
		<b>3,201</b>	<b>3,201</b>
<b>Creditors: amounts falling due within one year</b>	5	<b>(30)</b>	<b>(30)</b>
<b>Net assets</b>		<b>3,171</b>	<b>3,171</b>
<b>Capital and reserves</b>			
Called up share capital	6	1	1
Capital contribution reserve	7	852,267	852,267
Profit and loss account	7	(849,097)	(849,097)
<b>Total shareholders' funds</b>		<b>3,171</b>	<b>3,171</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 5 to 11 were approved by the board of directors on.....23/9/2019.....  
and were signed on its behalf by:



M A Sowerby  
Director

Company registered number: 06560285



# **Dunelm (Bowburn) Limited**

## **Statement of accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### **Statement of compliance and general information**

The Company is limited by shares and is incorporated in the United Kingdom. The registered address is Esh House, Bowburn North Industrial Estate, Durham, DH6 5PF. These financial statements have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **Basis of preparation**

As 100% of the company's voting rights are controlled within the group headed by Esh Holdings Limited, the company has taken advantage of the exemption contained in paragraph 33.1A of FRS 102 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- (ii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv);
- (iii) from disclosing the company key management personnel compensation in total, as required by FRS 102 paragraph 33.7.

### **Going concern**

The financial statements are being prepared on a basis other than going concern which the directors believe to be appropriate for the reasons set out below. No further adjustments were necessary to reduce assets to their realisable values or to provide for liabilities arising from the decision.

The directors have decided that no new land for developments will be acquired, and the intention of the directors is to liquidate the company.

### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by section 29 of FRS 102.

# **Dunelm (Bowburn) Limited**

## **Statement of accounting policies (continued)**

### **Financial instruments**

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other group companies the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

### **Critical judgements and estimates in applying the accounting policies**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no critical estimates or judgements.

# Dunelm (Bowburn) Limited

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

### 1 Notes to the profit and loss account

#### Auditors' remuneration

In the current and prior year the audit fee has been borne by another group company.

### 2 Remuneration of directors

Emoluments of the Company's directors are paid by the parent company. Their services to this Company and to a number of other subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company.

The directors were the only employees.

### 3 Taxation

#### Tax expense included in profit and loss

Analysis of charge in year:

	2018	2017
	£	£
UK corporation tax:		
Current tax on income for year	-	-

#### Reconciliation of tax charge

The current tax charge for the period is the same as (2017: lower) than the standard rate of corporation tax in the UK 19% (2017: 19.25%). The differences are explained below:

	2018	2017
	£	£
Tax reconciliation:		
Profit before tax	-	2,219
Current tax at 19% (2017: 19.25%)	-	427
Effects of:		
Group relief surrendered/(claimed)	-	(427)
Total tax charge (see above)	-	-

# Dunelm (Bowburn) Limited

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

### 3 Taxation (continued)

#### Tax rate changes

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 21% to 20% from 1 April 2015.

The Finance (No. 2) Act 2015 was substantively enacted on 26 October 2015. This reduced the main rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. A further reduction in the main corporation tax rate to 17% from 1 April 2020 was announced in the 2016 Budget and substantively enacted in the Finance Act 2016. Given the changes are stepped, deferred tax assets and liabilities reflect the rate of 19% that will apply from 1 April 2017.

### 4 Debtors

	2018	2017
	£	£
Amounts owed by group undertakings	3,201	3,201

### 5 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	30	30

Amounts owed to group undertakings are unsecured and repayable on demand.

### 6 Called-up share capital

	2018	2017
	£	£
Authorised, allotted, called-up and fully paid		
1 ordinary share of £1 each	1	1

# **Dunelm (Bowburn) Limited**

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

### **7 Reserves**

	<b>Capital contribution reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
At 1 January 2018	852,267	(849,097)
Profit for the year	-	-
<b>At 31 December 2018</b>	<b>852,267</b>	<b>(849,097)</b>

### **8 Ultimate parent company**

The company is a subsidiary undertaking of Dunelm Homes Limited, incorporated in England and Wales. The ultimate parent company is Esh Investments Limited, incorporated in England and Wales.

The largest group in which results of the company are consolidated is that headed by Esh Investments Limited and the smallest is that headed by Esh Holdings Limited. The consolidated financial statements of these companies are available to the public and may be obtained from Companies House.

The directors do not consider there to be an individual ultimate controlling party at the year end.