

Dunelm Card Services Limited

**Directors' report and financial
statements**

Registered number 5357374

4 July 2009

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Company information

Directors	WL Adderley DA Stead
Secretary	DA Stead
Company number	5357374
Registered office	Fosse Way Syston Leicestershire LE7 1NF
Auditors	KPMG Audit Plc 1 Waterloo Way Leicester LE1 6LP
Bankers	Barclays Bank Plc 15 Colmore Row Birmingham B3 2WN

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Directors' report

The Directors present their Directors' report and audited financial statements for the year ended 4 July 2009

Principal activities and business review

The Company was set up to provide card handling services to a group company. However, no such services were ever provided. The company carried on a business for the period from 1 March 2005 to 30 September 2005 when all activity ceased. The company has not traded during the period.

Results and Dividends

The profit after tax for the year was £Nil (2008 £2,000)

Dividends amounting to £Nil (2008 £96,000) have been declared, authorised and paid on the ordinary shares.

Directors

The Directors who held office during the year were as follows

WL Adderley
DA Stead

Political and charitable contributions

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

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 each aware, there is no relevant audit information of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

By order of the board



D A Stead
Director

Fosse Way
Syston
Leicestershire
LE7 1NF

10 February 2009 2010

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Responsibility statement

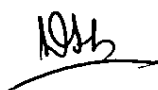
We confirm that to the best of our knowledge

- the financial statements, prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and
- the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

By order of the Board



Will Adderley
Chief Executive



David Stead
Financial Director

Independent Auditors' report to the members of Dunelm Card Services Limited

We have audited the financial statements of Dunelm Card Services Limited for the period ended 4 July 2009 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 4 July 2009 and of its result for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
- we have not received all the information and explanations we require for our audit.

MJD Lane 
(Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Leicester

22 February 2010

Income Statement
for the 53 weeks ended 4 July 2009

	Note	2009 £000	2008 £000
Financial income	1	-	2
Financial expenses	1	-	-
Profit before tax		<u>-</u>	<u>2</u>
Taxation	2	-	-
Profit for the period attributable to equity shareholders		<u><u>-</u></u>	<u><u>2</u></u>

The income statement has been prepared on the basis that all operations are continuing

There are no recognised incomes or expenses other than those included above

Balance Sheet
At 4 July 2009

	Note	2009 £000	2008 £000
Current assets			
Trade and other receivables		-	-
Total assets		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables		-	-
Liability for current tax payable		-	-
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u><u>-</u></u>	<u><u>-</u></u>
Equity			
Share capital	3	-	-
Retained earnings		-	-
Total equity attributable to the equity shareholders		<u><u>-</u></u>	<u><u>-</u></u>

These financial statements were approved by the board of Directors on 10 February 2010 and were signed on its behalf by



D A Stead
Director

Company number 5357374

Cash Flow Statement
 for 53 weeks ended 4 July 2009

	<i>Note</i>	2009 £000	2008 £000
Cash flows from operating activities			
Profit before tax		-	2
Adjustments for			
Net financing costs	1	-	(2)
Operating profit		-	-
Decrease in trade and other receivables		-	2,418
(Decrease) in trade and other payables		-	(2,418)
Net movement in working capital		-	-
Cash flows from operating activities		-	-
Net cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-

Statement of changes in equity
 for the 53 weeks ended 4 July 2009

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 30 June 2007	-	94	94
Profit for the period	-	2	2
Dividends	-	(96)	(96)
Balance at 28 June 2008	-	-	-
Profit for the period	-	-	-
Dividends	-	-	-
Balance at 4 July 2009	-	-	-

Accounting policies

Dunelm Card Services Limited (the "Company") is a company incorporated and domiciled in the UK

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and in accordance with the provisions of the Companies Act 2006

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

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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected

There are no key estimates and judgements used in the financial statements

Measurement convention

The financial statements are prepared on the historical cost basis

Expenses

Financing income and expenses

Financing income and expenses comprise interest receivable and payable to Group undertakings

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the income statement. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years

Adopted IFRS not yet applied

In the current year the Company adopted

IFRS 2 Amended IFRS 2 – Share-Based Payment Vesting Conditions and Cancellations

This did not have any significant impact on the financial statements of the Company

At the date of approval of these financial statements, the following standards, amendments and interpretations were in place but not yet effective

IFRS 3	Revised	IFRS 3 – Business Combinations
IFRS 8		Operating Segments
IAS 1	Revised	IAS 1 – Presentation of Financial Statements
IAS 23	Revised	IAS 23 – Borrowing costs
IAS 27	Revised	IAS 27 – Consolidated and Separate Financial Statements
IAS 32	Revised	IAS 32 – Financial Instruments Presentation
IAS 39/IFRS 7	Revised	IAS 39 – Financial Instrument Recognition & Measurement and IFRS 7 – Reclassification of Financial Instruments
IFRIC 13		Customer Loyalty Programmes
IAS 32	Amendment	IAS 32 – Financial Instruments Presentation Classification of Rights Issues

Accounting policies *(continued)*

IFRIC 9/IAS 39 Amendment IAS 39 - Financial Instrument Embedded Derivatives

IAS 32 Amendment IAS 32 - Financial Instruments Recognition and Measurement of Eligible Hedged Items

IAS 39 Amendment IAS 39 - Financial Instrument Reclassification of Financial Assets

The above will be adopted in the Company's financial statements when they become effective. Revised IFRS 3 will require the recognition of subsequent changes in the fair value of contingent consideration in the income statement rather than against goodwill, and transaction costs will be required to be recognised immediately in the income statement. IFRS 8 requires segment information to be based on the same basis as information reported to management for decision making purposes. Revised IAS 23 requires borrowing costs attributable to the acquisition or construction of certain assets to be capitalised.

When adopted none of the above standards or amendments are expected to have any significant impact on the financial statements of the Company.

Notes

1 Financial income and expense

	2009 £000	2008 £000
<i>Finance income</i>		
Group undertakings	-	2
<i>Finance expense</i>		
Group undertakings	-	-
Net finance income	-	2

2 Taxation

	2009 £000	2008 £000
<i>Current taxation</i>		
UK corporation tax charge for the period	-	1
Adjustments in respect of prior periods	-	(1)
Total tax expense in the income statement	-	-

The tax charge is reconciled with the standard rate of UK corporation tax as follows

	2009 £000	2008 £000
Profit before tax	-	2
Tax using the UK corporation tax rate of 28 % (2008 29.5%)	-	1
Over provided in prior years	-	(1)
Total tax expense	-	-

Notes (continued)

3 Share capital

	2009 £000	2008 £000
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	-	-

4 Related parties

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

Related parties with which the Company has transacted

Transactions between the company and its related parties were as follows

	Parent company		Other group companies	
	2009 £000	2008 £000	2009 £000	2008 £000
Payable to group undertakings	-	-	-	(3)
Balance transferred to other group undertaking	-	(2,382)	-	-
Consideration received in respect of balance transferred	-	-	-	2,382
Net interest receivable / (payable)	-	60	-	(57)
Dividend paid	-	(96)	-	-
	-	(2,418)	-	2,322

	Parent company		Other group companies	
	2009 £000	2008 £000	2009 £000	2008 £000
Balances receivable from	-	-	-	-
Balances (payable) to	-	-	-	-
	-	-	-	-

5 Ultimate parent company

The Company is a subsidiary undertaking of Dunelm Group Plc which is the ultimate parent company incorporated in England and Wales. The ultimate controlling party is the Adderley family by virtue of their combined shareholding in Dunelm Group Plc.

6 Subsequent events

There are no material post balance sheet events