

DREAM HOME LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR



DREAM HOME LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		902,782		767,894
Current assets					
Stocks		367,977		379,592	
Debtors	4	1,138,451		1,197,499	
Cash at bank and in hand		664,450		651,387	
		<u>2,170,878</u>		<u>2,228,478</u>	
Creditors: amounts falling due within one year	5	<u>(1,046,998)</u>		<u>(1,264,068)</u>	
Net current assets			1,123,880		964,410
Total assets less current liabilities			2,026,662		1,732,304
Creditors: amounts falling due after more than one year	6		(203,127)		(202,595)
Provisions for liabilities					
Deferred tax liability	7	<u>85,471</u>		<u>61,356</u>	
			<u>(85,471)</u>		<u>(61,356)</u>
Net assets			<u>1,738,064</u>		<u>1,468,353</u>
Capital and reserves					
Called up share capital	8		70		73
Share premium account	9		-		12,498
Capital redemption reserve	9		33		30
Profit and loss reserves	9		1,737,961		1,455,752
Total equity			<u>1,738,064</u>		<u>1,468,353</u>

DREAM HOME LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2018

The directors of the company have elected not to include a copy of the income statement within the financial statements.

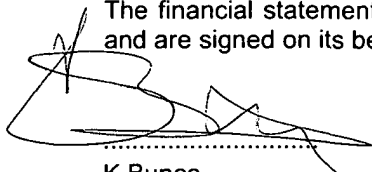
For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 10/09/2019 and are signed on its behalf by:



K Bunce
Director

DREAM HOME LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017		73	12,498	30	1,021,130	1,033,731
Year ended 31 December 2017:						
Profit and total comprehensive income for the year		-	-	-	434,622	434,622
Balance at 31 December 2017		73	12,498	30	1,455,752	1,468,353
Year ended 31 December 2018:						
Profit and total comprehensive income for the year		-	-	-	294,711	294,711
Cancellation of shares	8	(3)	(12,498)	3	(12,502)	(25,000)
Balance at 31 December 2018		70	-	33	1,737,961	1,738,064

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Dream Home Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 7, The Deacon Estate, North Circular Road, Chingford, Essex, United Kingdom, E4 8QF.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of kitchen installation services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	6.6% straight line
Fixtures, fittings and equipment	25% straight line
Motor vehicles	25% straight line
Showroom	10.0% - 33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All translation differences are taken to profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 67 (2017 - 61).

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3 Tangible fixed assets

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Showroom	Total
	£	£	£	£	£
Cost					
At 1 January 2018	738,295	687,085	330,290	330,323	2,085,993
Additions	141,775	25,022	100,746	14,880	282,423
Disposals	-	-	(74,255)	-	(74,255)
At 31 December 2018	880,070	712,107	356,781	345,203	2,294,161
Depreciation					
At 1 January 2018	231,420	646,221	277,067	163,391	1,318,099
Depreciation charged in the year	48,649	18,293	44,565	36,028	147,535
Eliminated in respect of disposals	-	-	(74,255)	-	(74,255)
At 31 December 2018	280,069	664,514	247,377	199,419	1,391,379
Carrying amount					
At 31 December 2018	600,001	47,593	109,404	145,784	902,782
At 31 December 2017	506,875	40,864	53,223	166,932	767,894

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	998,710	1,043,551
Other debtors	138,497	153,530
	1,137,207	1,197,081
Deferred tax asset	1,244	418
	1,138,451	1,197,499

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Obligations under finance leases	117,767	99,715
Trade creditors	666,899	898,353
Corporation tax	44,001	17,492
Other taxation and social security	138,125	117,206
Other creditors	19,836	7,896
Accruals and deferred income	60,370	123,406
	1,046,998	1,264,068

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Obligations under finance leases	203,127	202,595

Creditors due after one year comprise hire purchase agreement balances. These are secured over the assets to which they relate.

7 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Balances:				
Accelerated capital allowances	85,471	61,356	-	-
Short term timing differences	-	-	1,244	418
	<u>85,471</u>	<u>61,356</u>	<u>1,244</u>	<u>418</u>

	2018 £
Movements in the year:	
Liability at 1 January 2018	60,938
Charge to profit or loss	23,289
Liability at 31 December 2018	<u>84,227</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
140 (2017: 146) Ordinary shares of 50p each	70	73
	<u>70</u>	<u>73</u>

The company has one class of ordinary shares which carries no right to fixed income.

During the year 5 ordinary shares were bought back by the company for £25,000. As a result of this transaction share capital reduced by £3, increasing the capital redemption reserve by the same amount, and reduced share premium by £12,498.

9 Reserves

Share premium

The share premium account represents consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Retained earnings represent cumulative profit and loss net of distributions to owners.

10 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated for an average term of 5 years with fixed rentals.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	191,472	175,400
Between one and five years	744,401	430,100
In over five years	492,605	60,083
	<u>1,428,478</u>	<u>665,583</u>

DREAM HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Related party transactions

Remuneration of key management personnel

	2018 £	2017 £
Aggregate compensation	375,836	447,317

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Expenses paid	
	2018 £	2017 £
Key management personnel	-	1,142

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts due from related parties		
Key management personnel	899	675

No guarantees have been given or received.

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF DREAM HOME LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of Dream Home Limited which comprise the statement of financial position, the statement of changes in equity and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Dream Home Limited, as a body, in accordance with the terms of our engagement letter dated 18 May 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Dream Home Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Dream Home Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Dream Home Limited under the Act. You consider that Dream Home Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Dream Home Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

RSM UK Tax and Accounting Limited

RSM UK Tax and Accounting Limited
Chartered Accountants
3rd Floor
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

16/09/2019