

# Eshott Hall Estate Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 2006

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COMPANIES HOUSE

# Eshott Hall Estate Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

T N H Sanderson  
M A Sanderson

### SECRETARY

T N H Sanderson

### REGISTERED OFFICE

Eshott Hall  
Eshott  
Morpeth  
Northumberland  
NE65 9EP

### AUDITORS

Baker Tilly UK Audit LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

### BANKERS

Yorkshire Bank Plc  
46 Corey Street  
York  
YO1 9NQ

### SOLICITORS

Eversheds Solicitors  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3XX

# Eshott Hall Estate Limited

## DIRECTORS' REPORT

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The directors present their report and financial statements of Eshott Hall Estate Limited for the year ended 31 March 2006

### PRINCIPAL ACTIVITY

The principal activity of the company was that of property management, development and investment

### RESULTS AND DIVIDENDS

The results for the year are set out on page 6

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being

- a) to finance its operations,
- b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

### DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year were as follows

T N H Sanderson  
M A Sanderson

### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are responsible and prudent,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice

# Eshott Hall Estate Limited

## DIRECTORS' REPORT

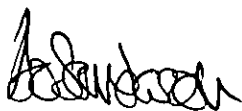
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### AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Baker Tilly UK Audit LLP be reappointed as auditors of the company will be put to the Annual General Meeting

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the Board on 18/04/08 and signed on its behalf by



T N H Sanderson  
Director

# Eshott Hall Estate Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESHOTT HALL ESTATE LIMITED

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We have audited the financial statements on pages 6 to 15

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us to confirm the appropriateness of preparing the financial statements on the going concern basis was limited because the company has not prepared any profit or cash flow projections for an appropriate period subsequent to the balance sheet date. Further, insufficient audit evidence was available concerning the recoverability of amounts owed by the group undertakings, associated companies and directors. As a result, and in the absence of any alternative evidence available to us, we have been unable to form a view as to the recoverability of these balances, and therefore the applicability of the going concern basis, the circumstances of which, together with the effect on the financial statements should this basis be inappropriate, are set out in Note 1 to the financial statements.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Eshott Hall Estate Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESHOTT HALL ESTATE LIMITED

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### **Opinion: Disclaimer on view given by the financial statements**

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985

In respect solely of the limitations in our work referred to above we have not obtained all the information and explanations that we considered necessary for the purpose of our audit

Notwithstanding our disclaimer on the view given by the financial statements, in our opinion the information given in the Directors' Report is consistent with the financial statements



BAKER TILLY UK AUDIT LLP

Registered Auditor

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

13<sup>th</sup> April 2008

# Eshott Hall Estate Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2006

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	Notes	2006 £	2005 £
Administrative expenses		(167,338)	(172,965)
Other operating income		<u>193,423</u>	<u>191,201</u>
<b>Operating profit</b>	2	26,085	18,236
Investment income	3	80,000	-
Other interest receivable and similar income		-	19
Interest payable and similar charges		<u>(120,064)</u>	<u>(118,463)</u>
<b>Loss on ordinary activities before taxation</b>		(13,979)	(100,208)
Tax on loss on ordinary activities		-	-
<b>Loss on ordinary activities after taxation</b>		<u>(13,979)</u>	<u>(100,208)</u>
<b>Loss for the year</b>	12	<u>(13,979)</u>	<u>(100,208)</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 2006

		2006 £	2005 £
Loss on ordinary activities after taxation	12	(13,979)	(100,208)
Unrealised movement on revaluation of property	12	<u>2,180,902</u>	<u>129,980</u>
<b>Total recognised gains relating to the year</b>		<u>2,166,923</u>	<u>29,772</u>

# Eshott Hall Estate Limited

## BALANCE SHEET

as at 31 March 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Intangible assets	5		13,000		13,000
Tangible assets	6		6,498,473		4,363,610
Investments	7		5,002		5,002
			<u>6,516,477</u>		<u>4,381,612</u>
<b>Current assets</b>					
Stocks			9,538		9,538
Debtors	8		1,097,785		1,077,059
			<u>1,107,323</u>		<u>1,086,597</u>
<b>Creditors amounts falling due within one year</b>	9		<u>(2,110,127)</u>		<u>(2,063,630)</u>
<b>Net current liabilities</b>			<u>(1,002,804)</u>		<u>(977,033)</u>
<b>Total assets less current liabilities</b>			5,513,673		3,404,579
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(12,857)</u>		<u>(20,686)</u>
<b>Net assets</b>			<u>5,500,816</u>		<u>3,383,893</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Share premium account	12		839,377		839,377
Revaluation reserve	12		4,651,116		2,491,267
Profit and loss account	12		10,223		53,149
<b>Shareholders' funds</b>			<u>5,500,816</u>		<u>3,383,893</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The financial statements were approved by the Board on 18/04/08 and signed on its behalf by



T N H Sanderson  
Director

# Eshott Hall Estate Limited

## ACCOUNTING POLICIES

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### ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

### CHANGES IN ACCOUNTING POLICY

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

#### *FRSSE 2005*

There has been no change in accounting policies relevant to the company on implementation of FRSSE 2005 (effective January 2005) during the year ended 31 March 2006

Under this standard, dividends paid are class as reserve movements rather than being charged to the profit and loss account for the year

The comparative figures for the previous financial year are not affected as there was no dividend paid in that year

The balance sheet reserves carried forward remain the same

### TURNOVER AND PROFITS

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities

### INTANGIBLE FIXED ASSETS

These relate to sporting rights over estate land These will retain their value for the foreseeable future and as such are not amortised

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at costs Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Freehold Buildings	-	Straight line over fifty years
Freehold Land	-	No depreciated
Woodland	-	Not depreciated

### LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under hire purchase contract and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

### INVESTMENTS

Fixed asset investments are stated at cost less provision for permanent diminution in value

### STOCK

Stock and work in progress are valued at the lower of cost and net realisable value

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# Eshott Hall Estate Limited

## ACCOUNTING POLICIES

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### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to received more, tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### GROUP ACCOUNTS

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts

**Eshott Hall Estate Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

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**1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

Due to the significance of the company's net current liabilities and the uncertainty with regard to the recoverability of amounts owed from group undertakings, associated companies and directors as shown in the balance sheet, the directors have considered the appropriateness of the going concern basis of preparation used in the financial statements

The group undertakings, to which the balances are owed from, are considered in the directors' opinions, to be going concerns. As a result no provision has been made in relation to these balances within the financial statements. The directors are also of the opinion that they will have the ability to repay these loans at some stage in the future.

The directors have not prepared projected profit or cashflow information for a period of at least twelve months from the anticipated date of approval of the financial statements. The company meets its working capital requirements through the support of the company's bankers, group undertakings, associated companies and directors.

Subject to the above support the directors believe that the cashflows expected to be generated will allow the company to operate within its facilities.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements accordingly do not include any adjustment in order to reflect presentation on a break up basis.

**2 OPERATING PROFIT**

	2006 £	2005 £
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	54,034	44,780
Auditors' remuneration	4,000	4,000
	<u>58,034</u>	<u>48,780</u>

**3 INCOME FROM INVESTMENTS**

	2006 £	2005 £
Income from subsidiary undertakings	<u>80,000</u>	<u>-</u>

**4 DIVIDENDS**

**Dividends paid and proposed on equity shares**

	2006 £	2005 £
Paid during the year		
Equity dividends on Ordinary shares	50,000	-
	<u>50,000</u>	<u>-</u>

**Eshott Hall Estate Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

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5 INTANGIBLE FIXED ASSETS

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2005	13,000
	<hr/>
At 31 March 2006	13,000
	<hr/>
<b>Net book values</b>	
At 31 March 2006	13,000
	<hr/>
At 31 March 2005	13,000
	<hr/>

The directors believe the value of the sporting rights has not decreased since their acquisition by the company

6 TANGIBLE FIXED ASSETS

	<b>Freehold land and buildings £</b>	<b>Long leasehold property £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2005	4,385,000	18,210	4,403,210
Additions	-	-	-
Revaluation	2,095,263	-	2,095,263
	<hr/>	<hr/>	<hr/>
At 31 March 2006	6,480,263	18,210	6,498,473
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 2005	39,600	-	39,600
Revaluation	(85,639)	-	(85,639)
Charge for the year	46,039	-	46,039
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2006</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net book values</b>			
At 31 March 2006	6,480,263	18,210	6,498,473
	<hr/>	<hr/>	<hr/>
At 31 March 2005	4,345,400	18,210	4,363,610
	<hr/>	<hr/>	<hr/>

The freehold land and buildings were valued on an open market basis as at 31 March 2006 by Mr J F Turnbull, BSc, FRICS, FAAV of Youngs Chartered Surveyors of 3 Wentworth Place, Hexham

Freehold land and buildings is made up of investment and estate properties, both of which were revalued on an open market basis as at 31 March 2006 by Mr J F Turnbull of Youngs Chartered Surveyors of 3 Wentworth Place, Hexham

**Eshott Hall Estate Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

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6 TANGIBLE FIXED ASSETS *(continued)*

The directors believe that the woodland is currently worth at least the amount shown above at the balance sheet date

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2006		2005	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Freehold property	56,414	1,228	57,642	1,226

Tangible fixed assets included at a valuation would have been included on a historical cost basis at

	2006 £	2005 £
Cost	2,033,307	2,033,307
Depreciation	204,160	179,174
Net book value	<u>1,829,147</u>	<u>1,854,133</u>

7 FIXED ASSETS INVESTMENTS

	Subsidiary undertakings shares £	Participating interests shares £	Total £
<b>Cost</b>			
At 1 April 2005			
At 31 March 2006	2	5,000	5,002
<b>Net Book values</b>			
At 31 March 2006	<u>2</u>	<u>5,000</u>	<u>5,002</u>
At 31 March 2005	<u>2</u>	<u>5,000</u>	<u>5,002</u>

**Eshott Hall Estate Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006**

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**7 FIXED ASSETS INVESTMENTS (continued)**

**Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Nature of business</b>	<b>Share held class</b>	<b>Proportion of shares held</b>
<b>Subsidiary undertaking</b>				
Eshott Homes Limited	England	Property development	Ordinary shares	100%
<b>Participating interests</b>				
Hartford Hall Estate Limited	England	Property development	Ordinary shares	50% minority

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	<b>Capital and reserves £</b>	<b>Loss for the year £</b>
Eshott Homes Limited	(224,532)	(37,749)
Hartford Hall Estate Limited	(1,080,030)	(1,542,633)

**8 DEBTORS**

	<b>2006 £</b>	<b>2005 £</b>
Amounts owed by group undertakings	500,387	970,557
Amount owed by companies under common control	261,739	40,000
Other debtors	296,796	66,502
Directors loan account	38,863	-
	<u>1,097,785</u>	<u>1,077,059</u>

**Eshott Hall Estate Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

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9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank overdraft	106,789	36,727
Bank loan	1,974,619	1,750,000
Net obligations under finance leases and hire purchase contracts	7,829	10,004
Trade creditors	103	136,873
Other creditors	-	80,630
Accruals and deferred income	20,787	49,396
	<u>2,110,127</u>	<u>2,063,630</u>

Bank borrowings and the net obligations under finance leases and hire purchase are secured

10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Net obligations under finance leases and hire purchase contracts	<u>12,857</u>	<u>20,686</u>

11 SHARE CAPITAL

	2006 £	2005 £
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid equity</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Equity shares</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Eshott Hall Estate Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2006

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12 RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 April 2005</b>	839,377	2,491,267	53,149	3,383,793
Revaluation of property	-	2,180,902	-	2,180,902
Loss for the year	-	-	(13,979)	(13,979)
Other movements	-	(21,053)	21,053	-
Equity dividends	-	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2006</b>	<u>839,377</u>	<u>4,651,116</u>	<u>10,223</u>	<u>5,500,716</u>

13 CONTINGENT LIABILITIES

The company has guaranteed the bank borrowings of Eshott Homes Limited through unlimited cross guarantees between the two companies. The borrowings of Eshott Homes Limited amounted to £1,646,665 at 31 March 2006 (2005 £Nil)

14 TRANSACTIONS WITH DIRECTORS

At the year end the company had a balance of £38,863 due from T N H Sanderson (2005 £49,596). There is no interest accruing on this balance and the maximum overdrawn position during the year was £49,596, the balance as at 1 April 2006.

15 RELATED PARTY TRANSACTIONS

Disclosure of the following transactions, which were all on normal commercial terms, is required in line with the provisions of FRSSE 2005 (effective January 2005)

At the year end the company had a balance of £500,387 due from its wholly owned subsidiary, Eshott Homes Limited, £261,739 due from a company under common control, Filebase Limited and £296,796 due from an entity under common control, Eshott Home Farm.

16 CONTROLLING INTEREST

The company was controlled throughout the current and previous period by T N H Sanderson by virtue of his ownership of the entire share capital of the company.