

Esh Acorn Homes Limited
Directors' report and financial statements
for the year ended 31 December 2021

Registered Number 04360675

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Esh Acorn Homes Limited

Directors' report and financial statements

for the year ended 31 December 2021

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Esh Acorn Homes Limited

Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activities of the company are the regeneration and sale of affordable housing and the development and sale of land stocks.

Business review

The results for the year and financial position at the year-end are presented on page 6.

Dividends

Dividends paid during the year comprise a final dividend of £nil (2020: £nil).

Directors

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

D Horrocks

A E Radcliffe

M A Sowerby (Resigned 31st Jan 21)

Political and charitable contributions

The company made no political or charitable donations nor incurred any political expenditure during the year (2020: £nil).

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.

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.

Esh Acorn Homes Limited

Directors' report (continued)

Statement of director's responsibilities in respect of the financial statements (continued)

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

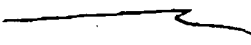
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

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.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

On behalf of the board


A E Radcliffe
Director
22 September 2022

Esh House
Bowburn North Industrial Estate
Bowburn
Durham
DH6 5PF

Esh Acorn Homes Limited

Independent auditors' report to the directors of Esh Acorn Homes Limited

Report on the audit of the financial statements

Opinion

In our opinion, Esh Acorn Homes Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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 Directors' report and financial statements (the "Annual Report"), which comprise: Balance sheet as at 31 December 2021; Statement of income and retained earnings for the year then ended; the Statement of accounting policies; and the notes to the financial statements.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Esh Acorn Homes Limited

Independent auditors' report to the directors of Esh Acorn Homes Limited (continued)

Reporting on other information (continued)

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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 2021 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase the company's profitability or reduce any loss. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of board minutes;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulation;
- Challenging assumptions and judgements made by management in their significant accounting estimates and forecasts;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

Esh Acorn Homes Limited

Independent auditors' report to the directors of Esh Acorn Homes Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 directors 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.

Other required reporting

Companies Act 2006 exception reporting

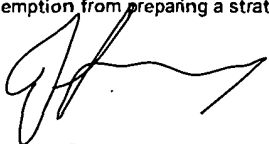
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained 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.

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
22 September 2022

Esh Acorn Homes Limited

Statement of income and retained earnings for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	1	-	-
Cost of sales		(16,795)	-
Gross loss		(16,795)	-
Administrative expenses		(6,014)	(2,642)
Operating loss		(22,809)	(2,642)
Interest payable		(309)	-
Other Interest receivable and similar income	4	-	15
Loss before taxation	5	(23,118)	(2,627)
Tax on profit	6	-	(7,585)
Loss for the financial year		(23,118)	(10,212)
Accumulated profit brought forward		133,736	143,948
Dividends paid		-	-
Accumulated profit carried forward		110,618	133,736

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.

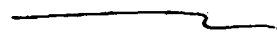
Esh Acorn Homes Limited

Balance sheet as at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Debtors	7	236,792	254,288
Cash at bank and in hand		191	234
		236,983	254,522
Creditors: amounts falling due within one year	8	(90,934)	(85,355)
Net assets		146,049	169,167
Capital and reserves			
Called up share capital	9	1	1
Capital contribution reserve	10	35,430	35,430
Profit and loss account	10	110,618	133,736
Total shareholders' funds		146,049	169,167

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 6 to 13 were approved by the board of directors on 22 September 2022 and were signed on its behalf by:


A E Radcliffe
Director

Company registered number: 04360675

Esh Acorn Homes Limited

Statement of accounting policies

Statement of compliance and general information

The Company is limited by shares and is incorporated in England and Wales. 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.

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

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and under the historical cost accounting rules.

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.

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 company meets its financing requirements through its cash resources and balances with other companies in the group headed by Esh Holdings Limited.

The company is subject to a cross-guarantee banking arrangement with its parent undertaking, Esh Holdings Limited, and certain other group undertakings. Detailed information regarding the financial position of the group headed by Esh Holdings Limited, its cash flows, liquidity position and borrowing facilities are included in the financial statements of Esh Holdings Limited, which can be obtained from Companies House.

The group headed by Esh Holdings Limited trades with a large number of customers and suppliers across a number of sectors and expects to meet its day to day working capital requirements through its existing considerable cash reserves and ongoing trade which remains profitable.

After making detailed enquiries and taking into account the factors discussed above, the Board is confident that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to prepare the financial statements on a going concern basis.

Esh Acorn Homes Limited

Statement of accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

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.

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations.

Turnover

Turnover is measured at the fair value of consideration received or receivable net of discounts and VAT provided that it can be measured reliably.

Turnover on long-term contracts is recorded at cost appropriate to the stage of completion plus attributable profits, less amounts recognised in previous years, as set out in the accounting policy for long-term contracts.

Turnover on short term contracts is recognised when the contract is completed.

Dividends

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Esh Acorn Homes Limited

Notes to the financial statements for the year ended 31 December 2021

1 Turnover

The turnover of the company for the year has been derived entirely from its principal activities, wholly undertaken in the United Kingdom.

2 Notes to the profit and loss account

Auditors' remuneration

	2021	2020
	£	£
Audit of these financial statements	-	-

In the current period the audit fee has been borne by another group company. The fee for this company is estimated at £1,000.

3 Remuneration of directors

The directors received no remuneration from the company during either the current or preceding financial year.

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.

4 Interest receivable and similar income

	2021	2020
	£	£
Receivable from group undertakings	-	15

5 Profit before taxation

Profit before taxation is stated after charging:

	2021	2020
	£	£
Auditors' remuneration		
Audit of these financial statements	6,000	2,500

Esh Acorn Homes Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Tax on loss

Analysis of charge in year:

	2021	2020
	£	£
UK corporation tax:		
Current tax on income for the year	-	-
Adjustments in respect of previous periods	-	7,585
Tax on loss	-	7,585

Reconciliation of the tax charge

The total tax charge for the year is lower (2020: lower) than the standard rate of corporation tax in the UK 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Total tax reconciliation:		
Loss before taxation	(23,118)	(2,627)
Current tax at 19% (2020: 19%)	(4,392)	(499)
Effects of:		
Group relief	4,392	480
Expenses not deductible	-	19
Adjustments in respect of previous periods	-	7,585
Total tax charge	-	7,585

Tax rate changes

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The proposal to increase the rate to 25% has been enacted at the balance sheet date, its effects are included in these financial statements.

Esh Acorn Homes Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Debtors

	2021 £	2020 £
Trade debtors	-	1,680
Amounts owed by group undertakings	233,433	247,346
Other debtors	3,359	3,402
Amounts owed by participating interests	-	1,860
	236,792	254,288

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	-
Amounts owed to group undertakings	20,154	13,986
Corporation tax	34,569	34,569
Other taxation and social security	-	-
Accruals and deferred income	36,211	36,800
	90,934	85,355

Amounts owed to group undertakings do not bear interest and are not secured.

9 Called up share capital

	2021 £	2020 £
Authorised, Allotted, called up and fully paid		
1 (2020: 1) ordinary share of £1 each	1	1

Esh Acorn Homes Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Reserves

	Capital contribution reserve £	Profit and loss account £
At 1 January 2021	35,430	133,736
Loss for the financial year	-	(23,118)
At 31 December 2021	35,430	110,618

11 Dividends paid

	2021 £	2020 £
Ordinary shares		
£nil (2020: £nil) per £1 share	-	-

12 Contingent liabilities

There are no known contingent liabilities.

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Esh Developments 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 group is that headed by Esh Holdings Limited. The consolidated financial statements of this company 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.