

Company registration number 05963712 (England and Wales)

**NEWTON HALL (NORTHUMBERLAND) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## COMPANY INFORMATION

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<b>Director</b>	D Fisher
<b>Secretary</b>	A J Fisher
<b>Company number</b>	05963712
<b>Registered office</b>	The Apartment Group 1st Floor Two, Jesmond Three Sixty Newcastle upon Tyne NE2 1DB
<b>Auditor</b>	Sumer Auditco Limited Unit 2 Gosforth Park Avenue Newcastle Upon Tyne NE12 8EG
<b>Business address</b>	Newton Hall Newton-By-The-Sea Alnwick Northumberland NE66 3DZ

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# NEWTON HALL (NORTHUMBERLAND) LIMITED

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# NEWTON HALL (NORTHUMBERLAND) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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The director presents the strategic report for the year ended 31 July 2023.

#### Principal activity

The principal activity of the company is the provision of hotel and wedding facilities, the operation of bars and restaurants as well as the operation of caravan sites and holiday cottages.

#### Fair review of the business

The financial year saw a significant increase in trading, as the venue at Runa Farm and the Garden Rooms on the Newton Hall Estate delivered their first year of trading.

The introduction of the Garden Rooms also led to improved trading at the Joiner's Arms, and Le Petit Chateau continued its strong performance in wedding sales.

During the year, the company continued to invest in its sites, spending in excess of £1.6m to enhance and improve the hospitality offerings already provided by the company. The company continues to invest in its facilities.

#### Key performance indicators

The director considers turnover, gross profit and EBITDA (earnings before interest, tax, depreciation and amortisation) to be the key measures of the company's performance:

- Turnover has increased during the year by £2,940,267 to £13,605,966, a rise of 27% on 2022.
- Gross profit percentage has slightly decreased during the year from 85.22% to 83.66%.
- EBITDA for the year was £2,406,483 (2022 - £4,067,317).
- Profit after tax for the year was £1,306,462 (2022 - £3,197,934).

The balance sheet shows that the company net assets have increased to £10,745,676 (2022 - £9,439,214). The company invested £1,601,426 (2022 - £4,522,964) in fixed assets over the period.

The director considers the company's financial performance and position to be satisfactory in the light of current trading conditions.

#### Fixed assets

In the opinion of the director, the value of the company's land and buildings are not materially in excess of that shown in the financial statements when considered in relation to its use in the company's trade.

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The board reviews these risks and puts in place policies to mitigate them.

The key business and financial risks are:

#### *Employees*

The company's performance depends largely on some key employees. The company provides competitive remuneration packages to ensure key employees are both retained and incentivised.

#### *Environment, health and safety incidents*

Appropriate measures are implemented to ensure the risk of any environmental and health and safety issues are minimised. The company strives to maintain high standards in these areas.

#### *Liquidity risk*

The director regularly monitors the financial information to ensure that any risks in this area are considered on a timely basis.

#### *Credit risk*

The director regularly monitors debtors to ensure that any risks of bad and doubtful debts are provided for on a timely basis.

### Future developments

The company is set to continue with its expansion plans, with further development of outdoor space and additional venues will be added to the portfolio in the near future.

In addition to acquiring new venues, the company is looking to expand and improve its existing venues, with a number of projects identified across the estate in 2024.

On behalf of the board

**D Fisher**

**Director**

Approved by the board on 30 April 2024

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 JULY 2023**

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The director presents his annual report and financial statements for the year ended 31 July 2023.

#### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

D Fisher

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Sumer Auditco Limited be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of director's responsibilities**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

#### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

## **NEWTON HALL (NORTHUMBERLAND) LIMITED**

### **DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that they ought to have taken as director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

**D Fisher**

**Director**

Approved by the board on 30 April 2024

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF NEWTON HALL (NORTHUMBERLAND) LIMITED

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#### Opinion

We have audited the financial statements of Newton Hall (Northumberland) Limited (the 'company') for the year ended 31 July 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.



## **NEWTON HALL (NORTHUMBERLAND) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF NEWTON HALL (NORTHUMBERLAND) LIMITED**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of director**

As explained in detail as part of the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF NEWTON HALL (NORTHUMBERLAND) LIMITED**

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#### **Capabilities of the audit in detecting irregularities, including fraud**

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include health & safety legislation and UK licensing laws.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of legal costs incurred; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

**Paul Gainford**  
**Senior Statutory Auditor**  
**For and on behalf of Sumer Auditco Limited**  
**Statutory Auditor**  
**Unit 2**  
**Gosforth Park Avenue**  
**Newcastle Upon Tyne**

**NE12 8EG**

30 April 2024

## NEWTON HALL (NORTHUMBERLAND) LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	13,605,966	10,665,699
Cost of sales		(2,223,649)	(1,575,937)
<b>Gross profit</b>		11,382,317	9,089,762
Administrative expenses		(9,218,204)	(5,472,770)
Other operating income		56,444	307,569
<b>Operating profit</b>	<b>4</b>	2,220,557	3,924,561
Interest payable and similar expenses	<b>6</b>	(522,073)	(164,932)
<b>Profit before taxation</b>		1,698,484	3,759,629
Tax on profit	<b>7</b>	(392,022)	(561,695)
<b>Profit for the financial year</b>		1,306,462	3,197,934

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 JULY 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	1,306,462	3,197,934
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>1,306,462</u>	<u>3,197,934</u>

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **BALANCE SHEET**

**AS AT 31 JULY 2023**

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		20,392,133		18,991,440
<b>Current assets</b>					
Stocks	10	144,455		289,648	
Debtors falling due after more than one year	11	1,305,874		970,476	
Debtors falling due within one year	11	5,495,162		1,982,861	
Cash at bank and in hand		298,939		1,063,618	
		<u>7,244,430</u>		<u>4,306,603</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,977,320)</u>		<u>(6,213,986)</u>	
<b>Net current assets/(liabilities)</b>			<u>1,267,110</u>		<u>(1,907,383)</u>
<b>Total assets less current liabilities</b>			<u>21,659,243</u>		<u>17,084,057</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(9,275,523)		(6,539,961)
<b>Provisions for liabilities</b>					
Deferred tax liability	15	<u>1,638,044</u>	<u>(1,638,044)</u>	<u>1,104,882</u>	<u>(1,104,882)</u>
<b>Net assets</b>			<u><u>10,745,676</u></u>		<u><u>9,439,214</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		100		100
Profit and loss reserves			<u>10,745,576</u>		<u>9,439,114</u>
<b>Total equity</b>			<u><u>10,745,676</u></u>		<u><u>9,439,214</u></u>

The financial statements were approved and signed by the director and authorised for issue on 30 April 2024

**D Fisher**  
**Director**

Company registration number 05963712 (England and Wales)

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2023**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 August 2021</b>		100	6,246,883	6,246,983
<b>Year ended 31 July 2022:</b>				
Profit and total comprehensive income		-	3,197,934	3,197,934
Dividends	8	-	(5,703)	(5,703)
<b>Balance at 31 July 2022</b>		100	9,439,114	9,439,214
<b>Year ended 31 July 2023:</b>				
Profit and total comprehensive income		-	1,306,462	1,306,462
<b>Balance at 31 July 2023</b>		100	10,745,576	10,745,676

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	23				
		(1,631,601)		2,161,127	
Interest paid		(522,073)		(164,932)	
Income taxes (paid)/refunded		(554,155)		45,880	
<b>Net cash (outflow)/inflow from operating activities</b>		(2,707,829)		2,042,075	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,601,426)		(4,522,964)	
Proceeds from disposal of tangible fixed assets		14,807		-	
<b>Net cash used in investing activities</b>		(1,586,619)		(4,522,964)	
<b>Financing activities</b>					
Proceeds from new bank loans		9,731,400		2,842,343	
Repayment of bank loans		(6,201,631)		(276,250)	
Dividends paid		-		(5,703)	
<b>Net cash generated from financing activities</b>		3,529,769		2,560,390	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(764,679)		79,501	
Cash and cash equivalents at beginning of year		1,063,618		984,117	
<b>Cash and cash equivalents at end of year</b>		298,939		1,063,618	

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

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### 1 Accounting policies

#### Company information

Newton Hall (Northumberland) Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Apartment Group, 1st Floor, Two, Jesmond Three Sixty, Newcastle upon Tyne, NE2 1DB. The principal places of business are Newton Hall, Newton-By-The-Sea, Alnwick, Northumberland, NE66 3DZ, and Le Petit Château, Jedburgh Road, Otterburn, Northumberland, NE19 1NR.

#### 1.1 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.

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, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents income receivable from the company's principal activities and is exclusive of value added tax. Income from the provision of hotel and conference facilities are recognised on the day of the event. Income from cottage rental and bar/restaurant operations are recognised when the respective service is provided. Caravan site income is spread over the duration of the caravan season. Amounts relating to future accounting periods are carried forward within accruals and deferred income.

#### 1.4 Tangible fixed assets

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

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

Land and buildings Freehold	Not depreciated
Land and buildings Leasehold	Not depreciated
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% reducing balance

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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.



# NEWTON HALL (NORTHUMBERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 1 Accounting policies

(Continued)

In accordance with the true and fair principle, there was no depreciation charge for freehold land and buildings in the year. The director believes that this represents a more accurate view of the value of these tangible fixed assets.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

#### 1.6 Stocks

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

#### 1.7 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 in the company's balance sheet 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 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, 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.

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***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 creditors, bank loans and loans from connected companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the 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.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

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### 1 Accounting policies

(Continued)

#### 1.10 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, if considered material to the financial statements.

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.

#### 1.11 Retirement benefits

The company provides a defined contribution retirement benefit scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

#### 1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.13 True and fair override

In 2012, Vibrant Ventures Limited, a related company, acquired freehold properties to the value of £455,000. Although legal title is held by Vibrant Ventures Limited, the beneficial ownership of the aforementioned properties sits in Newton Hall (Northumberland) Limited.

It is the intention to transfer the legal ownership of the properties from Vibrant Ventures Limited to Newton Hall (Northumberland) Limited to align beneficial and legal ownership together. The required financial support was provided to Vibrant Ventures Limited by Newton Hall (Northumberland) Limited. As there will be no overall loss to either company, the transaction involving the freehold property has been treated as if the freehold property was acquired by Newton Hall (Northumberland) Limited during the year ended 31 July 2012 and was owned by the company at the year end. This accounting treatment reflects the substance of the transaction rather than its legal form.

In 2018, the company purchased a freehold property to the value of £180,318. Legal title for this property is held by the director, Duncan Fisher, due to a restriction in the title of the property under section 157 of the Housing Act 1985. The beneficial ownership of the property sits in Newton Hall (Northumberland) Limited.

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Assessing indicators of impairment

In assessing whether there have been any indications of impairment of assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices. The carrying amount of tangible fixed assets at the reporting end date was £20,392,133 (2022: £18,991,440).

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023 £	2022 £
Turnover analysed by class of business		
Hall and cottage rentals	4,698,253	3,308,677
Caravan pitch income	36,717	48,487
Restaurant and bar sales	8,870,996	7,308,535
	<u>13,605,966</u>	<u>10,665,699</u>
	2023 £	2022 £
Other significant revenue		
Grants received	-	1,138
	<u>-</u>	<u>1,138</u>

# NEWTON HALL (NORTHUMBERLAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

### 3 Turnover and other revenue

(Continued)

Turnover and other significant revenue have arisen wholly within the UK.

Grant income includes amounts of £nil (2022 - £1,138) received in relation to the Coronavirus Job Retention Scheme.

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	6,300	6,010
Depreciation of owned tangible fixed assets	185,926	142,756
	<u>192,226</u>	<u>148,766</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Office and management	47	32
Bar and restaurant	152	109
Total	<u>199</u>	<u>141</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	4,259,333	2,919,344
Social security costs	310,040	188,859
Pension costs	70,031	45,193
	<u>4,639,404</u>	<u>3,153,396</u>

### 6 Interest payable and similar expenses

	2023	2022
	£	£
Other finance costs:		
Other interest	522,073	164,932
	<u>522,073</u>	<u>164,932</u>

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

### **7 Taxation**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	41,389	182,529
Adjustments in respect of prior periods	(182,529)	-
	<u>(141,140)</u>	<u>182,529</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	533,162	379,166
	<u>533,162</u>	<u>379,166</u>
<b>Total tax charge</b>	<u>392,022</u>	<u>561,695</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit before taxation	1,698,484	3,759,629
	<u>1,698,484</u>	<u>3,759,629</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 21.01% (2022: 19.00%)	356,851	714,330
Tax effect of expenses that are not deductible in determining taxable profit	(682)	(239)
Adjustments in respect of prior years	(178,740)	2,656
Effect of change in corporation tax rate	(50,777)	-
Permanent capital allowances in excess of depreciation	(278,042)	(559,884)
Other permanent differences	10,250	8,765
Deferred tax adjustment in the year	533,162	396,067
	<u>392,022</u>	<u>561,695</u>
<b>Taxation charge for the year</b>	<u>392,022</u>	<u>561,695</u>

### **8 Dividends**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Final paid	-	5,703
	<u>-</u>	<u>5,703</u>

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

### **9 Tangible fixed assets**

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 August 2022	15,743,117	2,534,478	2,174,451	161,010	20,613,056
Additions	712,820	310,470	483,618	94,518	1,601,426
Disposals	(14,807)	-	-	-	(14,807)
At 31 July 2023	16,441,130	2,844,948	2,658,069	255,528	22,199,675
<b>Depreciation and impairment</b>					
At 1 August 2022	-	-	1,562,002	59,614	1,621,616
Depreciation charged in the year	-	-	177,101	8,825	185,926
At 31 July 2023	-	-	1,739,103	68,439	1,807,542
<b>Carrying amount</b>					
At 31 July 2023	16,441,130	2,844,948	918,966	187,089	20,392,133
At 31 July 2022	15,743,117	2,534,478	612,449	101,396	18,991,440

### **10 Stocks**

	2023 £	2022 £
Goods for resale	144,455	289,648

### **11 Debtors**

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,696	198,233
Corporation tax recoverable	273,401	-
Amounts due from connected companies	4,068,747	1,567,465
Other debtors	931,058	39,969
Prepayments and accrued income	217,260	177,194
	5,495,162	1,982,861
<b>Amounts falling due after more than one year:</b>		
Amounts due from connected companies	1,305,874	970,476
<b>Total debtors</b>	6,801,036	2,953,337

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

### **12 Creditors: amounts falling due within one year**

	Notes	2023 £	2022 £
Bank loans and overdrafts	14	455,877	396,218
Trade creditors		820,602	1,214,011
Amounts due to connected companies		450,792	1,036,318
Corporation tax		394,627	816,521
Other taxation and social security		602,695	136,769
Other creditors		76,841	133,460
Accruals and deferred income		3,175,886	2,480,689
		<u>5,977,320</u>	<u>6,213,986</u>

### **13 Creditors: amounts falling due after more than one year**

	Notes	2023 £	2022 £
Bank loans	14	9,275,523	5,805,413
Amounts due to connected companies		-	734,548
		<u>9,275,523</u>	<u>6,539,961</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	7,000,358	-
	<u>7,000,358</u>	<u>-</u>

### **14 Loans and overdrafts**

	2023 £	2022 £
Bank loans	<u>9,731,400</u>	<u>6,201,631</u>
Payable within one year	455,877	396,218
Payable after one year	<u>9,275,523</u>	<u>5,805,413</u>

The bank loan is secured by a legal charge and debenture over the assets of the company, together with an unlimited cross guarantee. Further detail on the cross guarantee is provided in note 18 to the financial statements.

The bank borrowings relate to a fixed term loan facility of 180 months, which is denominated in Pounds Sterling with a nominal interest rate of 2.5% over the Bank Of England Base rate at the time. The loan is repayable in equal instalments up to March 2038.



# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

### **15 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:

	<b>Liabilities 2023 £</b>	<b>Liabilities 2022 £</b>
<b>Balances:</b>		
Fixed asset timing differences	1,638,044	1,104,882
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		<b>2023 £</b>
Liability at 1 August 2022		1,104,882
Charge to profit or loss		533,162
		<u>          </u>
Liability at 31 July 2023		1,638,044
		<u>          </u>

### **16 Retirement benefit schemes**

	<b>2023 £</b>	<b>2022 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	70,031	45,193
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### **17 Share capital**

	<b>2023 Number</b>	<b>2022 Number</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	100	100	100	100
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company has one class of ordinary shares which do not carry a right to fixed income.

### **18 Financial commitments, guarantees and contingent liabilities**

The company has given an unlimited cross guarantee in favour of Natwest Bank Plc in respect of the bank borrowings of Newton Hall (Northumberland) Limited, Apartment 1 Limited, Manners (Newcastle) Limited, Whitworth Hall Developments Limited, Modnarway Limited and Vibrant Ventures Limited. No liability is expected to arise as a result of this guarantee.

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 JULY 2023**

### **19 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	-	960,000

### **20 Related party transactions**

#### **Transactions with related parties**

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

	Head office charge	
	2023	2022
	£	£
Entities with control, joint control or significant influence over the company	1,811,717	588,448

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
<b>Amounts due to related parties</b>		
Entities with control, joint control or significant influence over the company	450,792	1,770,866

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
<b>Amounts due from related parties</b>		
Entities with control, joint control or significant influence over the company	5,374,621	2,537,941

### **21 Directors' transactions**

Included in other debtors is an amount of £758,540 owed by the director of the company (2022 - owed to £60,866).

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Activity in year	-	(60,866)	1,598,509	(779,103)	758,540
		(60,866)	1,598,509	(779,103)	758,540

# **NEWTON HALL (NORTHUMBERLAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 JULY 2023**

### **22 Ultimate controlling party**

D Fisher is the controlling party by virtue of his interest in the issued share capital of the company.

### **23 Cash (absorbed by)/generated from operations**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	1,306,462	3,197,934
<b>Adjustments for:</b>		
Taxation charged	392,022	561,695
Finance costs	522,073	164,932
Depreciation and impairment of tangible fixed assets	185,926	142,756
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	145,193	(50,916)
Increase in debtors	(3,574,298)	(701,524)
Decrease in creditors	(608,979)	(1,153,750)
<b>Cash (absorbed by)/generated from operations</b>	<b>(1,631,601)</b>	<b>2,161,127</b>

### **24 Analysis of changes in net debt**

	<b>1 August 2022</b>	<b>Cash flows</b>	<b>31 July 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,063,618	(764,679)	298,939
Borrowings excluding overdrafts	(6,201,631)	(3,529,769)	(9,731,400)
	<b>(5,138,013)</b>	<b>(4,294,448)</b>	<b>(9,432,461)</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.