

**Esh Homes Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2021**

**Registered Number 08894853**

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# **Esh Homes Limited**

## **Annual report and financial statements for the year ended 31 December 2021**

### **Contents**

Directors' report.....	1
Independent auditors' report to the members of Esh Homes Limited .....	4
Statement of income and retained earnings for the year ended 31 December 2021 .....	7
Balance sheet as at 31 December 2021 .....	8
Statement of accounting policies .....	9
Notes to the financial statements for the year ended 31 December 2021 .....	13

# Esh Homes Limited

## Directors' report

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

### Principal activities

The principal activity of the company is house building.

### Directors

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

P J Brown

D Horrocks

A E Radcliffe

M Sowerby (Resigned 31 January 2021)

### Business review and results

2021 was a year of continuous realigning of the private housing business as we continued our strategy of making Homes by Esh a self-sustaining business.

The business continued its progression to middle market traditionally built housing with the focus being on developing the opportunities from the Joint venture with Darlington Council.

Outside of the partnership we still continue to look across the region for development sites.

We continue to carefully target growth opportunities that fit our margin and capital return targets.

The company had an operating loss of £614k (2020: £539k loss), interest receivable of £12k, dividends receivable of £700k resulting in a pre-tax profit of £98k (2020: £535k loss) for the year.

### Key performance indicators

The company uses a number of performance indicators, both non-financial and financial to ensure that activities are monitored and controlled effectively. These indicators are reported to the staff and the Board regularly and include; health & safety, staff welfare, training and development, personal development reviews and customer care. Our financial indicators include turnover, gross and net profit, cash management and overheads. We hold weekly sales and construction meetings and land meetings, as well as quarterly forecast reviews and valuation meetings. These meetings ensure that we are constantly monitoring the progress of the business and reviewing any potential problems. Financial indicators are summarised below:

	2021 £'000	2020 £'000
Turnover	13,469	9,716
Gross profit	992	787
Profit/(loss) before tax	98	(535)
Cash at bank and in hand	1,453	1,204

## **Esh Homes Limited**

### **Directors' report (continued)**

#### **Principal risks and uncertainties**

The company operates in the speculative house building market. The housing market has continued to see some recovery over the period but there still remains some uncertainty as to how sustained the recovery might be, with the market being dependent on the confidence of potential buyers.

The availability of sufficient and appropriately priced funding is key to the company's ongoing trading plans.

The pressure on the supply chain has improved slightly but material costs are still rising and there are still shortages on certain materials, and some industry wide pressure due to skill shortages across the country.

#### **Going concern**

The company meets its financing requirements through balances with other companies in the group headed by Esh Holdings Limited. The company has received assurances that group funding will continue to be made available for the foreseeable future.

#### **Proposed dividends**

The directors do not recommend the payment of a dividend (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.

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.

## **Esh Homes Limited**

### **Directors' report (continued)**

#### **Political and charitable contributions**

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

#### **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  
29 September 2022

Esh House  
Bowburn North Industrial Estate  
Bowburn  
Durham  
DH6 5PF

## **Esh Homes Limited**

# **Independent auditors' report to the directors of Esh Homes Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Esh 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 profit 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 Annual 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 Homes Limited**

# **Independent auditors' report to the directors of Esh 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 Homes Limited**

# Independent auditors' report to the directors of Esh 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](http://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  
29 September 2022

## Esh Homes Limited

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

	Note	2021 £	2020 £
Turnover	1	13,469,085	9,716,483
Cost of sales		(12,476,931)	(8,929,553)
<b>Gross profit</b>		<b>992,154</b>	<b>786,930</b>
Administrative expenses		(1,606,232)	(1,325,990)
<b>Operating loss</b>	2	<b>(614,078)</b>	<b>(539,060)</b>
Income from other fixed asset investments		-	-
Interest receivable and similar income	5	11,950	4,542
Interest payable and similar expenses		-	-
Dividend received		700,000	-
<b>Profit/(loss) before taxation</b>		<b>97,872</b>	<b>(534,518)</b>
Tax on profit/(loss)	6	47,906	149,781
<b>Profit/(loss) for the financial year</b>	12	<b>145,778</b>	<b>(384,737)</b>
Accumulated losses brought forward		(1,008,698)	(623,961)
Dividends paid		-	-
<b>Accumulated losses carried forward</b>		<b>(862,920)</b>	<b>(1,008,698)</b>

All results derive from continuing operations.

The company had no other comprehensive income/(expense) during the current or preceding year other than that reflected in the statement of income and retained earnings.

There is no material difference between the profit/(loss) before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

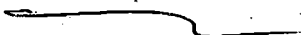
## Esh Homes Limited

### Balance sheet as at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Current assets</b>					
Stocks	8	4,483		468,196	
Debtors	9	2,904,450		1,916,782	
Cash at bank and in hand		1,453,064		1,203,921	
		4,361,997		3,588,899	
<b>Creditors: amounts falling due within one year</b>	10	(5,224,916)		(4,597,596)	
<b>Net current liabilities</b>			(862,919)		(1,008,697)
<b>Total assets less current liabilities</b>			(862,919)		(1,008,697)
<b>Net liabilities</b>			(862,919)		(1,008,697)
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Accumulated losses	12		(862,920)		(1,008,698)
<b>Total shareholders' deficit</b>			(862,919)		(1,008,697)

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 7 to 17 were approved by the board of directors on 29 September 2002 and were signed on its behalf by:

  
A E Radcliffe  
Director

Company registered number: 08894853

## **Esh Homes Limited**

### **Statement of accounting policies**

#### **Statement of compliance and general information**

The Company is limited by shares and is incorporated in the United Kingdom. The registered address is Esh House, Bowburn North Industrial Estate, Durham, County 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**

As the company is a wholly owned subsidiary of Esh Investments 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 a parent company consolidated statement of cash flows 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).

#### **Going concern**

The company meets its financing requirements through balances with other companies in the group headed by Esh Holdings Limited. The company has received assurances that group funding will continue to be made available for the foreseeable future.

The company is subject to a cross guarantee banking arrangement with its parent undertaking, Esh Holdings Limited, and certain other group undertakings.

The group headed by Esh Holdings Limited has substantial net assets. 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.

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 Homes Limited**

### **Statement of accounting policies (continued)**

#### **Going concern (continued)**

In light of the COVID-19 pandemic, the directors of the parent, Esh Holdings Limited, have performed an assessment to determine whether there are any material uncertainties arising that could cast significant doubt on its ability to continue to support the company. This assessment, which included stress testing the Group's cashflow forecasts and revenue generation, did not highlight any concern Esh Holdings Limited's ability to provide continued support. Further information can be found in Esh Holdings Limited consolidated financial statements, which can be obtained from the Company Secretary, Esh House, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF.

#### **Leases**

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and estimated selling price less cost to complete and sell, which comprises all estimated costs of completion and overheads. Work in progress comprises direct materials, labour costs, site overheads, associated professional charges and other attributable overheads.

Investments in land without the benefit of a planning consent are initially included at cost. Regular reviews are carried out to identify any impairment in the value of the land considering the existing use value of the land and the likelihood of achieving a planning consent and the value thereof. Provision is made to reflect any irrecoverable amounts.

#### **Interest-bearing borrowings**

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

#### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## **Esh Homes Limited**

### **Statement of accounting policies (continued)**

#### **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 in the reconciliation of movements in shareholders' funds.

#### **Dividends**

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

#### **Turnover**

Turnover from private housing sales and land is recognised when transactions have legally completed. Sales incentives are substantially cash in nature but include part-exchange costs which mainly relate to amounts written down, where the part-exchange allowance given to the purchaser of the new home is greater than the valuation of the part-exchange property. Incentives are accounted for by reducing the house build revenue by the cost to the company of providing the incentive.

Sales incentives also include shared equity schemes which are accounted for in other debtors. Revenue is recognised at initial fair value.

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

#### **Critical judgements and estimates in applying the accounting policies**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## **Esh Homes Limited**

### **Statement of accounting policies (continued)**

#### **Critical judgements and estimates in applying the accounting policies (continued)**

In order to determine the profit that the Company is able to recognise on its developments in a specific period, the Company has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate costs to complete on such developments, and make estimates relating to future sales prices on those developments and units. In making these assessments, there is an element of inherent uncertainty. The Company has developed internal controls and review procedures to assess the appropriateness of estimates made.

## **Esh Homes Limited**

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

#### **1 Turnover**

Turnover is derived from the principal activities, wholly undertaken in the United Kingdom. Turnover can be further analysed as follows:

	2021 £	2020 £
Sales of homes	-	-
Contract Build	13,468,635	8,175,236
Sale of land and other	450	1,541,247
	13,469,085	9,716,483

#### **2 Operating loss**

##### **Auditors' remuneration**

	2021 £	2020 £
Audit of these financial statements	36,000	24,000

#### **3 Remuneration of directors**

The directors received no remuneration in respect of their services to the company during the current year (2020: £nil). Emoluments of the Company's directors are paid by a 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.

#### **4 Staff numbers and costs**

The monthly average number of persons employed:

	Number of employees	
	2021	2020
Management and administration	28	27

The aggregate payroll costs:

	2021 £	2020 £
Wages and salaries	1,369,161	1,135,954
Social security costs	131,974	117,144
Other pension costs	60,233	50,659
	1,561,368	1,303,757



## Esh Homes Limited

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

#### 5 Interest receivable and similar income

	2021 £	2020 £
Interest receivable	11,950	4,542

#### 6 Tax on profit/(loss)

Analysis of credit in year:

	2021 £	2020 £
UK corporation tax:		
Current tax on expenses for the year	-	(149,781)
Deferred tax	(47,906)	-
<b>Tax on profit/(loss)</b>	<b>(47,906)</b>	<b>(149,781)</b>

#### Factors affecting the tax (credit) for the current year

The 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 £
<b>Total tax reconciliation</b>		
Profit/(loss) before taxation	97,872	(534,518)
Current tax at 19% (2020: 19%)	18,595	(101,558)
<i>Effects of:</i>		
Tax rate changes	(47,906)	(5,424)
Expenses not deductible	540	459
Adjustments in respect of previous years	-	(43,258)
Group relief	113,863	-
Income not taxable	(133,000)	-
<b>Total tax (credit)</b>	<b>(47,906)</b>	<b>(149,781)</b>

#### Tax rate changes

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Its effects are included in these financial statements.

## Esh Homes Limited

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

#### 7 Investments

The undertakings in which the Company's interest at the year-end is more than 20% are as follows:

Joint Ventures	Proportion of voting rights and shares held	Nature of business
Eastbourne JV Limited	50%	Housebuilder
Heighington JV Limited	50%	Housebuilder
West Park JV Limited	50%	Housebuilder
Middleton St George JV Limited	50%	Housebuilder
ESH DBC Limited	50%	Housebuilder
Neasham Road JV Limited	50%	Housebuilder

#### 8 Stocks

	2021 £	2020 £
Land and raw materials	-	450,000
Work in progress	4,483	18,196
	4,483	468,196

#### 9 Debtors

	2021 £	2020 £
Trade Debtors	12,278	6,448
Amounts owed by group undertakings	62,038	1,187,394
Amounts owed by undertakings in which the entity has a participating interest (note 14)	2,532,769	403,449
Other debtors	32,399	162,740
Deferred tax	200,533	152,627
VAT recoverable	43,180	-
Prepayments and accrued income	21,253	4,123
	2,904,450	1,916,781

Amounts owed by undertakings in which the entity has a participating interest are unsecured and bear no interest.

## Esh Homes Limited

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

#### 10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	426,139	106,922
Amounts owed to group undertakings	2,456,039	3,641,818
Other taxation and social security	43,139	63,857
Other creditors	10,296	35,867
VAT payable	-	18,350
Amounts due to participating interests (note 14)	-	39,620
Accruals and deferred income	2,289,303	691,161
	<b>5,224,916</b>	<b>4,597,595</b>

Amounts owed to group undertakings are unsecured and bear no interest.

#### 11 Called up share capital

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

#### 12 Accumulated losses

	£
At 1 January 2021	(1,008,698)
Profit for the financial year	145,778
At 31 December 2021	<b>(862,920)</b>

#### 13 Ultimate parent company

The Company is a subsidiary undertaking of Esh Investments Limited, the ultimate parent company incorporated in England and Wales. The immediate parent company is Esh Holdings Limited.

The largest group in which the results of the Company are consolidated is that headed by Esh Investments Limited, and the smallest group is that headed by Esh Holdings Limited, both incorporated in England and Wales. The consolidated financial statements of the smallest and largest groups to consolidate 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.

## Esh Homes Limited

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

#### 14 Related party transactions

Transactions with related Esh Group companies during the year ended 31 December 2021 were:

	Sales		Purchases		Debtors		Creditors	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Salutation Road Ltd								
Trade	2	-	-	-	-	-	-	10
Middleton St George Ltd								
Trade	196	-	-	-	58	29	-	-
Esh DBC Ltd								
Trade	1068	-	-	-	173	1	-	-
Loan	-	-	-	-	1374	-	-	=
West Park JV Ltd								
Trade	8091	-	-	-	660	356	-	-
Eastbourne JV Limited								
Trade	-	-	-	-	-	-	-	10
Climathus Ltd								
Trade	-	-	-	-	-	1	-	-
Heighington JV Ltd								
Trade	84	-	1	-	16	16	-	20
Neasham Road JV Ltd								
Trade	2453	-	-	-	252	-	-	-
	11894	-	1	-	2533	403	-	40