

Northumberland Estates 2007 Limited

Report and Financial Statements

31 March 2022

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COMPANIES HOUSE

Northumberland Estates 2007 Limited

Directors

Roderick Charles St. John Wilson

Colin Barnes

Lesley Ilderton (resigned 30 September 2021)

Clare Ingle (appointed 17 June 2021)

Auditor

UNW LLP

Citygate

St. James' Boulevard

Newcastle upon Tyne

NE1 4JE

Registered Office

Quayside House

110 Quayside

Newcastle upon Tyne

NE1 3DX

Northumberland Estates 2007 Limited

Registered No. 06096854

Directors' report

The directors present their report and financial statements for the year ended 31 March 2022.

Principal activity and review of the business

The principal activity of the company is that of a holding company.

Directors

The directors are shown on page 1.

Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

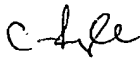
Auditor

UNW LLP were appointed during the year and a resolution to reappoint UNW LLP as auditor will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board



Clare Ingle

Director

31/08/22

Statement of directors' responsibilities

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHUMBERLAND ESTATES 2007 LIMITED

Opinion

We have audited the financial statements of Northumberland Estates 2007 Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2022 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 United Kingdom, including the Financial Reporting Council'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 directors' 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 directors 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 directors are 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHUMBERLAND
ESTATES 2007 LIMITED (continued)**

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are 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 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.

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.

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:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHUMBERLAND
ESTATES 2007 LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 members, as a body, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

F. Rivett

Fern Rivett BA ACA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

31/08/22

Statement of comprehensive income

for the year ended 31 March 2022

	<i>Notes</i>	2022	2021
		£	£
Operating expenses		(7,124)	(10,441)
Operating loss		(7,124)	(10,441)
Loss before interest and taxation		(7,124)	(10,441)
Interest receivable and similar income	3	170,837	186,693
Profit before taxation		163,713	176,252
Taxation		-	-
Profit for the financial year		163,713	176,252

There was no other comprehensive income during the year (2021 - £nil).

Northumberland Estates 2007 Limited

Company registration no.: 06096854

Statement of financial position

at 31 March 2022

	Notes	2022 £	2021 £
Current assets			
Debtors	4	3,891,451	11,376,586
Cash at bank and in hand		<u>8,792</u>	<u>272,680</u>
		3,900,243	11,649,266
Creditors: amounts falling due within one year	5	<u>(13)</u>	<u>(7,912,749)</u>
Net current assets		3,900,230	3,736,517
Net assets		<u>3,900,230</u>	<u>3,736,517</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>3,900,229</u>	<u>3,736,516</u>
Shareholders' funds		<u>3,900,230</u>	<u>3,736,517</u>

These financial statements have been prepared in accordance with provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

These financial statements were approved by the Board of Directors on 31 August 2022 and approved on their behalf by:



Clare Ingle
Director

Statement of changes in equity

for the year ended 31 March 2022

	Called-up share capital	Profit and loss account	Shareholders equity
	£	£	£
<i>At 1 April 2020</i>	1	3,560,264	3,560,265
Profit for the year	-	176,252	176,252
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	176,252	176,252
<i>At 31 March 2021</i>	1	3,736,516	3,736,517
Profit for the year	-	163,713	163,713
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	163,713	163,713
<i>At 31 March 2022</i>	1	3,900,229	3,900,230

Notes to the financial statements

at 31 March 2022

1. Accounting policies

Statement of compliance

Northumberland Estates 2007 Limited is a limited company incorporated in England. The Registered Office is Quayside House, 110 Quayside, Newcastle upon Tyne, NE1 3DX.

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

The group in which the results of the Company are consolidated is Northumberland Estates Limited. Consolidated financial statements are available from the aforementioned registered office.

The accounting principles used to prepare the financial statements are based on historical cost, unless stated otherwise.

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

Significant accounting policies

Going concern

The directors' believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the parent undertaking, Northumberland Estates Limited. The directors have received confirmation that Northumberland Estates Limited intends to support the company for a period of at least one year after the date of signing these financial statements. The directors have prepared detailed forecasts, with reference to these forecasts, consider that the group has adequate resources to continue in operational existence for the 12 months from approval of financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account.

Current tax is the amount of tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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

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

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

at 31 March 2022

1. Accounting policies (continued)

Basic financial assets

Basic financial assets, which include trade, other and group debtors along with cash and bank balances, which 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets 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.

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.

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 trade other and group creditors 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 payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Directors' remuneration and staff costs

There are no persons holding service contracts with the company. None of the directors received any remuneration from the company during the year (2021 - £nil). The apportionment of time spent by Directors' and staff is not separately recorded and no cost has been allocated in this regard.

Notes to the financial statements

at 31 March 2022

3. Interest receivable and similar income

	2022	2021
	£	£
Interest receivable from related parties	<u>170,837</u>	<u>186,693</u>

4. Debtors

	2022	2021
	£	£
Amounts owed by group undertakings	<u>3,891,451</u>	<u>11,376,586</u>
	<u>3,891,451</u>	<u>11,376,586</u>

5. Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to related parties	13	25,088
Amounts owed to group undertakings	-	7,887,661
	<u>13</u>	<u>7,912,749</u>

6. Related party transactions

At 31 March 2022 the company owed £13 (2021 - £nil) to one trust within the Traditional Estate.

At 31 March 2022 the company owed £nil (2021 - £25,088) to Cluff Geothermal, a company controlled by a trustee who is a shareholder of the ultimate parent undertaking – Northumberland Estates Limited.

7. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Northumberland Estates Limited, a company registered in England. The group financial statements of Northumberland Estates Limited can be obtained from Quayside House, 110 Quayside, Newcastle upon Tyne, NE1 3DX.

The Duke of Northumberland is regarded the ultimate controlling party at 31 March 2022 as he is a shareholder and trustee of various trusts within the Traditional Estate.

8. Contingent liabilities

The company is party to a cross guarantee with respect to loan notes issued to investors. Loan notes were issued in November 2020 for a value of £200 million and at 31 March 2022 and 31 March 2021 the potential liability with respect to this guarantee amounted to £nil.