

Company Registration No: 03244100

ESTATES & MANAGEMENT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



ESTATES & MANAGEMENT LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

W K Procter
M J Gaston
P A Hallam
F Ahmad
T E Sandles
J J Woodcock
M D Watson

SECRETARY

D T Lau

REGISTERED OFFICE

Berkeley House
304 Regents Park Road
London
N3 2JX

AUDITOR

RSM UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

ESTATES & MANAGEMENT LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2020.

Review of the business and future developments

The company provides property management services, including the collection and distribution of rents and ancillary income, to a large portfolio of ground rent owning property companies.

The results for the company show a loss for the year of £4,168,266 (2019: £2,402,147 profit).

The company had a cash balance of £3,309,176 (2019: £3,542,884) as at the balance sheet date, the majority of which is held on behalf of related and other parties (see note 8).

In the opinion of the directors, the result for the year and the financial position of the company at 31 December 2020 were satisfactory given the increases in operating costs and the reduction in management fees earned during the year. The directors are confident that the company will continue as a going concern for the foreseeable future and meet all of its liabilities as they fall due.

The company, together with its related party property owning groups of companies, is looking to increase, by acquisition, its market share of ground rent assets owned and managed.

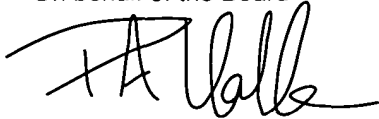
The directors do not expect there to be significant future developments which could adversely impact the business however notice should be taken of the potential legislative changes disclosed in the critical accounting estimates and assumptions section of note 1.8.

Public pledge for leaseholders

In June 2019 a number of residential real estate developers and freeholders signed a government-backed public pledge in relation to leaseholders. This pledge is a crucial step towards positive change in the residential leasehold market and reflects our commitment to promoting good practice. The company also signed this pledge.

The pledge sets out a number of principles which will assist existing and future leaseholders in ensuring the leasehold system is as fair and transparent as possible. It also includes undertakings to work with other freeholders and stakeholders to develop a comprehensive Code of Practice which establishes the responsibilities of freeholders and enshrines the highest standards for the management and maintenance of properties.

On behalf of the Board



P A Hallam
Director

21 / 12 / 2021

ESTATES & MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Principal Activities

The principal activity of the company during the year was property management.

Results and dividends

The statement of comprehensive income is set out on page 8 and shows the results for the year. The loss for the year amounted to £4,168,266 (2019: £2,402,147 profit). The directors did not declare a dividend.

Directors

The following directors have held office during the year:

W K Procter
M J Gaston
P A Hallam
M D Watson (appointed: 22nd February 2021)
F Ahmad (appointed: 24th February 2021)
T E Sandles (appointed: 24th February 2021)
J J Woodcock (appointed: 24th February 2021)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

ESTATES & MANAGEMENT LIMITED

DIRECTORS' REPORT

Insurance of company officers

The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company.

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

On behalf of the board:



P A Hallam
Director

21/12/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTATES & MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Estates & Management Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, 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 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTATES & MANAGEMENT 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has 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 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.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTATES & MANAGEMENT LIMITED (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance regulations and property laws & regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, evaluating advice received from tax advisors, reviewing client information with respect to ongoing legal matters and reviewing and monitoring government releases regarding leasehold reforms. Potential changes to property laws and regulations and their impact on these financial statements are further discussed in the accounting policies on pages 13 and 14.

We do not consider there to be any significant laws and regulations which have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

Colin Roberts FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

21 DECEMBER 2021

ESTATES & MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	2	11,277,979	13,816,087
Administrative expenses		(15,448,801)	(11,544,809)
Operating (loss)/profit		<u>(4,170,822)</u>	<u>2,271,278</u>
Interest receivable and similar income	3	2,556	9,915
(Loss)/profit before taxation	4	<u>(4,168,266)</u>	<u>2,281,193</u>
Taxation	6	-	120,954
(Loss)/profit for the financial year		<u><u>(4,168,266)</u></u>	<u><u>2,402,147</u></u>

ESTATES & MANAGEMENT LIMITED**STATEMENT OF FINANCIAL POSITION (Company Registration Number: 03244100)****AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Current assets			
Debtors	7	9,654,409	13,088,372
Cash at bank and in hand	8	3,309,176	3,542,884
		<u>12,963,585</u>	<u>16,631,256</u>
Creditors: amounts falling due within one year	9	(1,641,968)	(1,141,373)
Net assets		<u>11,321,617</u>	<u>15,489,883</u>
Capital and reserves			
Called up share capital	10	2,000,000	2,000,000
Profit and loss account		9,321,617	13,489,883
Total equity		<u>11,321,617</u>	<u>15,489,883</u>

The financial statements on pages 8 to 18 were approved by the board of directors and authorised for issue on 21/12/2021 and are signed on its behalf by:



P A Hallam
Director

ESTATES & MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Profit and loss account £	Total £
Balance at 31 December 2018	2,000,000	11,087,736	13,087,736
Profit and total comprehensive income	-	2,402,147	2,402,147
Balance at 31 December 2019	<u>2,000,000</u>	<u>13,489,883</u>	<u>15,489,883</u>
Loss and total comprehensive income	-	(4,168,266)	(4,168,266)
Balance at 31 December 2020	<u>2,000,000</u>	<u>9,321,617</u>	<u>11,321,617</u>

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Company information

Estates & Management Limited ("the company") is a private company limited by shares, domiciled and incorporated in England. The address of the company's registered office and principal place of business is Berkeley House, 304 Regents Park Road, London, N3 2JX. The principal activity of the company during the year was that of property management.

1.1 Basis of accounting

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

1.2 Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Fairhold Services Limited. The consolidated financial statements of Fairhold Services Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

1.3 Going concern

In preparing the accounts on the going concern basis the directors have given consideration to the company's result for the year and the company's net asset position.

The directors have determined that the company has, or can expect to have, sufficient working capital for its needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.4 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

1.5 Turnover

Turnover comprises management charges and administration fees receivable in respect of property management.

Turnover is recognised at the fair value of the consideration received or receivable for services provided to customers in the ordinary nature of the business.

1.6 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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, in full, to its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.8 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

In preparing these financial statements, the directors have made estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of group and related party balances and potential legislative changes

A significant amount of judgement is taken by the directors in assessing the recoverability of any group or related party balances. Where balances are not deemed fully recoverable provisions have been made.

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.8 Critical accounting estimates and assumptions (continued)

The Government, through the Department for Communities and Local Government, now known as the Department for Levelling Up, Housing and Communities (DLHC), the Competitions and Markets Authority (CMA) and the Law Commission, has undertaken a series of consultations on and reviews of the residential property market with a focus on the legal framework surrounding the freehold and leasehold classes of property interests. In January 2021, an announcement was released by the DLHC on a number of proposed changes to the law governing leasehold enfranchisement. These proposals, which have not yet been enacted, but some of which are included in the Leasehold Reform (Ground Rent) Bill published on 11 June 2021, include changes to the rights of leaseholders in relation to leasehold extensions and freehold purchases as well as changes to the manner in which ground rent would subsequently be determined. The implementation of legislative changes arising from these reviews could materially reduce the level of income generated by the group of which the company is a member.

The directors are of the view that the proposed changes would be very damaging to the residential property market and against the interests of consumers and other property owners. The directors have engaged actively in the consultations and with other stakeholders and interested parties in order to convey the group's opposition to the current proposals. Recent public announcements by government and in the Law Commission's report have recognised that any proposals to make wholesale reforms retrospectively pose real problems with respect to the contravention of human rights legislation. As such the impact of reforms will be greatest for future leases and not those already in existence.

The proposed leasehold reforms could potentially lead to a loss of business and adversely affect the group's ability to recover certain balances from related parties. However, the financial consequences of any changes are too uncertain to enable the directors to reasonably estimate the impact of such changes on their forecasts. The accounts have been prepared on the assumption that any legislative changes will not materially reduce the ability of the related parties to repay these balances.

2. Turnover

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

	2020 £	2019 £
Continuing operations:		
Management charges	8,244,450	10,486,725
Administration fees	3,033,529	3,329,362
	<u>11,277,979</u>	<u>13,816,087</u>

The company's turnover and result before taxation have been derived from its principal activity wholly undertaken in the United Kingdom.

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. Interest receivable and similar income

	2020	2019
	£	£
Bank interest receivable	2,556	8,798
Other interest receivable	-	1,117
	<u>2,556</u>	<u>9,915</u>

4. (Loss)/profit before taxation

	2020	2019
	£	£
The (loss)/profit before taxation is stated after charging:		
- Auditor's remuneration	33,120	32,500
	<u>33,120</u>	<u>32,500</u>

5. Employees and directors

There were no employees during the year other than the directors (2019: nil). The directors are remunerated by the parent company Fairhold Services Limited. It is not possible to identify separately the amount of the directors' remuneration attributable to services performed for the company.

6. Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax	-	-
UK corporation tax refund for prior years	-	(120,954)
Total current tax	<u>-</u>	<u>(120,954)</u>
Deferred tax	<u>-</u>	<u>-</u>
Total tax on (loss)/profit	<u>-</u>	<u>(120,954)</u>

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

6. Taxation (continued)

Factors affecting the tax charge for the year.

The tax assessed for the year is lower than the effective rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit before tax	(4,168,266)	2,281,193
Profit multiplied by the effective rate of corporation tax in the UK of 19% (2019: 19%).	(791,971)	433,427
Effects of:		
Disallowable expenditure	19	1,300
Group relief surrendered/(received) without charge	768,542	(478,639)
UK transfer pricing	23,410	43,912
Refund of tax for prior years	-	(120,954)
Tax credit	-	(120,954)

7. Debtors

	2020 £	2019 £
Other Receivables	764,843	-
Amounts owed by parent undertaking	8,889,566	12,887,184
Prepayments and accrued income	-	201,188
	9,654,409	13,088,372

There are no fixed terms of repayment for the parent undertaking loans included within short term debtors. Even though these loans are repayable on demand it is not expected that these loans will be repaid within the foreseeable future as the counterparties have agreed not to call balances unless sufficient funds are available to enable payments to be made without causing hardship to the other party.

8. Cash at bank and in hand

Included within the company's cash at bank and in hand balance are amounts due to third parties totalling £1.62m (2019: £2.50m) in respect of amounts collected by the company in its capacity as a property managing agent. The majority of the remainder of the cash at bank and in hand relates to amounts similarly collected by the company for various related parties. These amounts are held in trust for those parties and are repayable immediately if demanded.

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	19,574	37,935
Other creditors	1,622,394	1,103,438
	<u>1,641,968</u>	<u>1,141,373</u>

10. Share capital and reserves

Share capital

	2020 £	2019 £
Allotted, issued and fully paid: 2,000,000 ordinary shares of £1	<u>2,000,000</u>	<u>2,000,000</u>

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Reserves

Reserves of the company represent the following:

Retained earnings

Cumulative profit and loss net of distributions to owners.

11. Parent company, ultimate parent company and ultimate controlling party

The immediate parent company is Fairhold Services Limited, a company incorporated in England and Wales. This undertaking is the holding company of both the largest and smallest group for which group accounts are prepared and of which the company is a member. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors regard the ultimate holding company to be Euro Investments Overseas Incorporated, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

ESTATES & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

12. Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

During the year the company had turnover of £8.21m (2019: £8.96m) in respect of property management and administrative services provided to related party property owning companies, not covered by the related party disclosures exemption. The individual companies have not been listed out due to the immaterial nature of the individual balances coupled with the fact that they all fall under the ultimate control of the Tchenguiz Family Trust. These companies are related by virtue of common directors and/or common control.

13. Guarantees and contingent liabilities

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other participating group undertakings' unpaid debts in this connection.