

Company Registration No. 08918100 (England and Wales)

FREMONT PROPERTY MANAGERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

WEDNESDAY



AB858GI3

A06

13/07/2022

#330

COMPANIES HOUSE

FREEMONT PROPERTY MANAGERS LIMITED

COMPANY INFORMATION

Directors	N Howell O Saleh	(Appointed 4 October 2021) (Appointed 4 October 2021)
------------------	---------------------	----------------------------------------------------------

Secretary	FirstPort Secretarial Limited
------------------	-------------------------------

Company number	08918100
-----------------------	----------

Registered office	Queensway House 11 Queensway New Milton Hampshire United Kingdom BH25 5NR
--------------------------	------------------------------------------------------------------------------------------

Bankers	NatWest Group 156 High Street Southampton Hampshire SO14 2NP
----------------	--------------------------------------------------------------------------

FREMONT PROPERTY MANAGERS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Profit and loss account and statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7 - 17

FREEMONT PROPERTY MANAGERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of property and related services.

The Company was acquired by FirstPort Limited on 4 October 2021. The Company forms part of the FirstPort division of of the Drive Topco Limited Group (the "Group").

Directors

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

N Howell	(Appointed 4 October 2021)
O Saleh	(Appointed 4 October 2021)
N Bannister	(Resigned 4 October 2021)
K Barr	(Resigned 4 October 2021)
P Cummings	(Resigned 4 October 2021)
K Edgar	(Resigned 4 October 2021)

Results and dividends

The results for the year are set out on .

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors' Insurance

The Group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group. This is a qualifying third party indemnity provisions made for the benefit of its directors during the year. These provisions remain in force at both the reporting date and the date of signing these financial statements.

Disabled Persons

The Group's policy is to enable and support recruitment of disabled workers. Assistance with initial training is given and we adapt the workplace as appropriate. Should an existing employee's circumstance change, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, support, career development and promotion wherever possible.

Employees

The Group's policy is to consult and discuss with colleagues, both individually and collectively, about any matters likely to impact their interests. Open communication is valued, with important information and updates shared with employees through regular news bulletins, as well as monthly CEO and executive updates, to ensure all our colleagues are aware of changes affecting the business.

Future Developments

On 25 March 2022, the Board agreed the sale of the Group to Emeria, subject to approval by the Financial Conduct Authority. We are extremely excited to be joining Emeria who are the European leader in residential real estates services. Following completion, the Group will remain operationally independent, with no impact to the Group's customers, clients, employees or suppliers.

During 2022, the Company will continue to focus on sustaining excellent customer service, well-trained teams and introducing technological innovation to support our property managers and expanding into new growth areas of operation.

FREEMONT PROPERTY MANAGERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Risk Management

The Group's operations expose us to a variety of financial risks that include the effects of credit, liquidity, cashflow and interest rate risk. There are robust controls in place to limit any adverse impact on our Group's performance by monitoring potential financial risks. Given the business' size, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

Our Group's exposure to interest rate risk was assessed by management and considered low. We have a large base of UK residential and commercial customers, which reduces the concentration of credit risk. Where we transact with corporate customers, our credit control teams follow strict processes for managing and mitigating the risk of non-payment of charges.

The Group has cash management and forecasting processes in place to manage cashflow and liquidity within our existing financing.

Strategic Report

Advantage has been taken under section 414B of the Companies' Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from the requirement to prepare a strategic report.

Going Concern

Further information on going concern is included in note 1.4.

FREEMONT PROPERTY MANAGERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of directors' 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, 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

On behalf of the board



O Saleh
Director

31 May 2022

FREEMONT PROPERTY MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

PROFIT AND LOSS ACCOUNT

	Notes	2021 £	2020 £
Turnover	3	1,147,401	1,870,707
Administrative expenses		(979,406)	(1,826,785)
Exceptional item	4	(130,504)	-
Profit before taxation		<u>37,491</u>	<u>43,922</u>
Tax on profit		(1,732)	-
Profit for the financial year		<u><u>35,759</u></u>	<u><u>43,922</u></u>

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

STATEMENT OF COMPREHENSIVE INCOME

	2021 £	2020 £
Profit for the year	35,759	43,922
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>35,759</u></u>	<u><u>43,922</u></u>

FREEMONT PROPERTY MANAGERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	7		11,387		17,794
Current assets					
Debtors	8	128,739		42,677	
Cash at bank and in hand		62,731		114,207	
		191,470		156,884	
Creditors: amounts falling due within one year	9	(179,968)		(185,550)	
Net current assets/(liabilities)			11,502		(28,666)
Total assets less current liabilities			22,889		(10,872)
Provisions for liabilities			(1,380)		(3,378)
Net assets/(liabilities)			21,509		(14,250)
Capital and reserves					
Called up share capital	12	80,000		80,000	
Profit and loss reserves		(58,491)		(94,250)	
Total equity			21,509		(14,250)

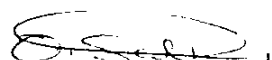
For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The notes on pages 7 to form an integral part of these financial statements.

The financial statements on pages 4 to 17 were approved by the board of directors and authorised for issue on 31 May 2022 and are signed on its behalf by:



O Saleh
Director

Company Registration No. 08918100

FREEMONT PROPERTY MANAGERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020	80,000	(138,172)	(58,172)
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	43,922	43,922
Balance at 31 December 2020	80,000	(94,250)	(14,250)
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	35,759	35,759
Balance at 31 December 2021	80,000	(58,491)	21,509

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Freemont Property Managers Limited is a private company limited by shares incorporated in England and Wales. The registered office is Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR.

The Company provides residential property management and related services within the UK.

1.1 Statement of compliance

These financial statements have been prepared in compliance with 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.

1.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1.3 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

1.4 Going concern

The operations of the Company are managed as part of the Drive Topco Limited Group ("Group"). The Company is funded via the Group's bank facilities and therefore manages its day-to-day working capital requirements in line with the Group's facilities. The ability of the Group to service its debt obligations is critical to the ongoing trading of the business and the Directors have considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect our ability to meet our liabilities. The Group has a considerable number of on-going management contracts and accordingly the forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities for a period of at least 12 months from the signing date of these accounts.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

On 25 March 2022, the Board executed a sale and purchase agreement for the sale of 100% of the issued share capital of Drive Topco Limited to Emeria UK Res Newco Limited ("Emeria"). Completion of this transaction is subject to approval by the Financial Conduct Authority and is expected to complete within the next 12 months. The Directors have considered the impact of this in assessing the Group's ability to continue as a going concern. The Group's forecast to June 2023, including the "severe" scenario described above, shows that the Group will generate cash with a positive cash balance and so isn't reliant on any further funding. The Directors have held numerous discussions with Emeria and reviewed various documents as part of the sale process in regards to Emeria's financing and future plans and intentions of the Group. The Directors are satisfied that Emeria have sufficient financing in place and that post completion, the Group will remain operationally independent as the UK subsidiary of Emeria, with the Group's existing management team remaining in place. Based on the above and on the Directors discussions with Emeria, there is no reason for the Directors to believe that there will be any impact on the Group's ability to continue to operate as a going concern.

FREMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 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, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures of Drive Topco Limited;

(iii) from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures of Drive Topco Limited; and

(iv) from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Drive Topco Limited has control, joint control or significant influence over both the company and the related entities.

1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement in or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the type of revenue have been met as described below.

(i) Residential property management services

Fees for residential property management services, including maintenance, are recognised as the Company's obligations under the applicable contracts are delivered to the customer which is typically on a straight line basis over the period of the contract.

(ii) Recharge of house managers' employment cost

Amounts collected from customer in relation to the employment of house managers and deputies to oversee individual developments managed by the Group are recognised as net of cost. The Group is considered to be an agent as it does not have exposure to significant risks and rewards associated with the rendering of this services.

1.7 Exceptional itmes

The Company classifies certain non-recurring charges or credits in a financial year that are not part of the underlying trading business, that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide a fair view of the true financial performance of the Company.

FREMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the balance sheet date for any material remaining obligations to employees.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are payable in accordance with the rules of the scheme. Amounts due but not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

(iii) Annual bonus plan

The Group operates annual bonus plans for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

1.9 Tangible fixed assets

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

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

Plant and equipment

Straight line over 3 to 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.10 Taxation

Taxation credit for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the related tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

(ii) Deferred tax

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 also recognised in relation to assets and liabilities acquired in a business combination where the amount that will be deducted or assessed for tax differs to the fair value at which the asset or liability is recognised on acquisition in the financial statements. The tax base of an asset or liability is determined based on the expected manner of recovery.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an ability and intention to settle the balances at the same time.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts.

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Financial instruments

The Company has elected to adopt Section 11 and Section 12 of FRS 102 to all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and bank overdrafts, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

(iv) Client monies held

The property management services performed by the Company include services provided to residential management companies and which involve arranging and holding cash from levies and charges paid by residents to the residential management companies. The cash held at any point in time is held under Statutory Trust as set out in the Landlord & Tenant Act 1987. Accordingly, the Company does not include these cash balances in its balance sheet.

FREMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. All of the Company's arrangements are operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

1.14 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

1.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Provisions are measured based on the Company's best estimate at the reporting date of the expenditures expected to be required to settle the obligation discounted to the present value, where material.

1.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.17 Related parties

The Company discloses transactions with related parties not wholly owned by Drive Topco Limited. It does not disclose transactions with other group companies wholly owned by Drive Topco Limited.

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

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

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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(a) Critical accounting judgements in applying the company's accounting policies

There are no areas within the financial statements where management has been required to apply a critical judgement.

(b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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.

3 Turnover and other revenue

The Company's turnover is all derived from its principal activity in the UK, that being residential property management services.

4 Exceptional item

	2021 £	2020 £
Expenditure		
Transactional costs	130,504	-

Exceptional items relate primarily to sell side transaction costs incurred by the Company in relation to the acquisition of the Company by FirstPort Limited.

5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	10,886	11,631

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

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

	2021 Number	2020 Number
Office and management	19	24
House staff	73	77
Total	92	101

The house managers oversee the individual developments managed by the Company. The employment cost of house managers are recharged at cost to the developments managed by the Company and therefore are not a cost to the Company on account of the Company being an agent for this transaction.

7 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 January 2021	70,748
Additions	5,032
Disposals	(42,113)
At 31 December 2021	33,667
Depreciation and impairment	
At 1 January 2021	52,954
Depreciation charged in the year	10,886
Eliminated in respect of disposals	(41,560)
At 31 December 2021	22,280
Carrying amount	
At 31 December 2021	11,387
At 31 December 2020	17,794

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,967	3,212
Amounts owed by group undertakings	100,000	-
Other debtors	9,472	39,465
Prepayments and accrued income	16,300	-
	<u>128,739</u>	<u>42,677</u>

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	14,715
Corporation tax	266	-
Other taxation and social security	70,118	97,324
Other creditors	58,071	73,511
Accruals and deferred income	51,513	-
	<u>179,968</u>	<u>185,550</u>

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021	Liabilities 2020
	£	£
Balances:		
Fixed asset timing differences	<u>1,380</u>	<u>3,378</u>
Movements in the year:		2021
		£
Liability at 1 January 2021		3,378
Credit to profit or loss		(1,998)
Liability at 31 December 2021		<u>1,380</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Retirement benefit schemes

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

12 Share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
80,000 Ordinary Shares of £1 each	80,000	80,000
	<u> </u>	<u> </u>

13 Client monies

Residents' net cash balances held in client bank accounts at 31 December 2021 were £8,170,862 (2020: £5,779,216). The client bank accounts are held by way of Statutory Trust on behalf of the properties managed and are not available to the Company.

14 Financial commitments, guarantees and contingent liabilities

The Company is party to a Group Debenture secured over all of its assets in favour of Lucid Trustee Services Limited as a Security Agent acting on behalf of NatWest and Pembertons. The Borrower is FirstPort Limited, a subsidiary company. The loan balance, excluding deferred financing cost, and accrued interest payable outstanding at the balance sheet date were £100,700k and £1,285k respectively (2020: £97,700k and £1,205k).

15 Events after the reporting date

On 25th March 2021, the board of directors of the Group executed a sale and purchase agreement for the sale of 100% of the issued share capital of Drive Topco Limited to Emeria Res UK Newco Limited. Completion of this transaction remains subject to approval by the Financial Conduct Authority.

16 Related party transactions

There are no transactions with related parties not wholly owned by the group headed by Drive Topco Limited.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group headed by Drive Topco Limited.

FREEMONT PROPERTY MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Ultimate controlling party

The immediate parent undertaking is FirstPort Limited.

In the opinion of the directors, the ultimate controlling party is funds managed by Equistone Partners Europe Limited. Equistone Partners Europe Limited is registered in England and Wales.

Drive Topco Limited, a company registered in the United Kingdom under registration number 12043031, is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are prepared.

The consolidated financial statements of Drive Topco Limited are available from Companies House, Crown Way, Cardiff, CF4 3UZ or from the Company's registered office at Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.