

WHITEGATES ESTATE AGENCY LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



WHITEGATES ESTATE AGENCY LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2021

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WHITEGATES ESTATE AGENCY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:

R W Martin
D A Raggett
G M Samples

REGISTERED OFFICE:

2 St Stephen's Court
St Stephen's Road
Bournemouth
Dorset
BH2 6LA

REGISTERED NUMBER:

00757788 (England and Wales)

WHITEGATES ESTATE AGENCY LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

R W Martin
D A Raggett
G M Samples

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the annual 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 the 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
D A Raggett - Director

Date: 27/09/22.....

WHITEGATES ESTATE AGENCY LIMITED
STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
REVENUE		921,402	791,641
Administrative expenses		(491,017)	(423,630)
OPERATING PROFIT	5	430,385	368,011
Interest receivable and similar income		<u>7</u>	<u>43</u>
PROFIT BEFORE TAXATION		430,392	368,054
Tax on profit	6	<u>(91,780)</u>	<u>(61,008)</u>
PROFIT FOR THE FINANCIAL YEAR		338,612	307,046
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>338,612</u>	<u>307,046</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	8		40,630		86,066
Property, plant and equipment	9		<u>327</u>		<u>-</u>
			40,957		86,066
CURRENT ASSETS					
Debtors	10	85,260		147,262	
Cash at bank		<u>535,776</u>		<u>599,350</u>	
		621,036		746,612	
CREDITORS					
Amounts falling due within one year	11	<u>(416,910)</u>		<u>(476,736)</u>	
NET CURRENT ASSETS			204,126		269,876
TOTAL ASSETS LESS CURRENT LIABILITIES			245,083		355,942
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Capital contribution reserve	13		10,990		10,461
Retained earnings	13		<u>233,993</u>		<u>345,381</u>
SHAREHOLDERS' FUNDS	15		245,083		355,942

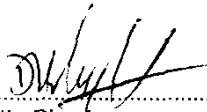
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 27/09/22 and were signed on its behalf by:


D A Raggett - Director

The notes form part of these financial statements

WHITEGATES ESTATE AGENCY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Capital contribution reserve £	Total equity £
Balance at 1 January 2020	100	353,335	11,912	365,347
Changes in equity				
Dividends	-	(315,000)	-	(315,000)
Total comprehensive income	-	307,046	-	307,046
Capital contribution	-	-	(1,451)	(1,451)
Balance at 31 December 2020	<u>100</u>	<u>345,381</u>	<u>10,461</u>	<u>355,942</u>
Changes in equity				
Dividends	-	(450,000)	-	(450,000)
Total comprehensive income	-	338,612	-	338,612
Capital contribution	-	-	529	529
Balance at 31 December 2021	<u>100</u>	<u>233,993</u>	<u>10,990</u>	<u>245,083</u>

The notes form part of these financial statements

WHITEGATES ESTATE AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. COMPANY INFORMATION

Whitegates Estate Agency Limited, registered in England and Wales, is incorporated as a private limited company. The principal activity of Whitegates Estate Agency Limited is that of a UK residential property lettings and estate agency franchise business. The address of its head office and registered office is 2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset, UK.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency is £ sterling.

Going concern

The parent company has produced detailed budgets, projections and cash flow forecasts. These have been stress tested to understand the impacts of reductions in revenue and costs. The Directors have concluded after reviewing these budgets, projections and forecasts, making appropriate enquiries of the business, that there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as reported at the balance sheet date and the amounts reported for revenues and expenses in the year. The following judgements have had the most significant effect on amounts recognised on the financial statements.

1. Useful life of intangible assets

A reliable estimate is made of the useful life of intangible assets acquired not on a business combination. This estimate is based on a variety of factors such as the expected use of the acquired asset, the expected useful life of the cash generating units to which the intangible asset is attributed and assumptions that market participants would consider in respect of similar businesses. An annual review is carried out to assess if the useful life should be amended.

Turnover

Revenue represents income, net of VAT, from management service fees, levied to franchisees monthly based on their turnover, and the provision of training and ongoing support to franchisees.

Management service fees are recognised on a monthly basis, with other fees recognised when the training and support is provided to the franchisee.

Investment Income

Investment income includes interest. Interest is recognised on an accruals basis.

WHITEGATES ESTATE AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation.

Depreciation

Straight line annual rates of depreciation most widely used are:

Fixtures, fittings and office equipment 3 - 5 years

Intangible assets

Intangible assets with a finite life are carried at cost less amortisation and any impairment losses.

Amortisation begins when the intangible asset is first available for use and is provided at rates calculated to write off the cost of each intangible asset over its expected useful life, as follows:

Customer lists including cashback 5 years
Websites 3 years

Acquired customer lists are identified as a separate intangible asset as they are separable and can be reliably measured by the valuation of future cash flows. This valuation also assesses the life of the particular relationship. The life of the relationship is assessed annually. Cashback given to franchisees who have made an eligible acquisition is capitalised as an intangible asset and amortised over 5 years, being the typical length of a franchise agreement.

Current tax

Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous periods.

Deferred tax

Deferred tax is provided in full on all timing differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	254,374	236,598
Social security costs	34,856	30,012
Other pension costs	11,802	7,271
	<u>301,032</u>	<u>273,881</u>

Staff costs are recharged from a group company therefore no employees are directly employed by the company.

4. DIRECTORS' EMOLUMENTS

	2021	2020
	£	£
Directors' remuneration	<u>71,005</u>	<u>96,996</u>

These figures represent that portion of directors' emoluments that are estimates to relate to their services to the Company.

Emoluments relate to salaries, performance bonuses receivable and amounts (excluding shares) receivable under long term incentive schemes.

The directors are paid by a fellow group company with cost recharges made to the company.

WHITEGATES ESTATE AGENCY LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	79	-
Customer lists amortisation	50,086	52,622
Websites amortisation	2,257	10,008
Auditors' remuneration - audit of company financial statements	<u>9,070</u>	<u>10,000</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	82,438	36,964
Over/under provision in prior year	9,342	(176)
Group relief	<u>-</u>	<u>24,220</u>
 Tax on profit	 <u>91,780</u>	 <u>61,008</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>430,392</u>	<u>368,054</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	81,774	69,930
Effects of:		
Expenses not deductible for tax purposes	(267)	(275)
Adjustments to tax charge in respect of previous periods prior year	9,342	(176)
Timing differences	<u>931</u>	<u>(8,471)</u>
Total tax charge	<u>91,780</u>	<u>61,008</u>

7. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	<u>450,000</u>	<u>315,000</u>

WHITEGATES ESTATE AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. INTANGIBLE FIXED ASSETS

	Customer lists £	Websites £	Totals £
COST			
At 1 January 2021	319,447	69,726	389,173
Additions	<u>6,907</u>	<u>-</u>	<u>6,907</u>
At 31 December 2021	<u>326,354</u>	<u>69,726</u>	<u>396,080</u>
AMORTISATION			
At 1 January 2021	235,638	67,469	303,107
Amortisation for year	<u>50,086</u>	<u>2,257</u>	<u>52,343</u>
At 31 December 2021	<u>285,724</u>	<u>69,726</u>	<u>355,450</u>
NET BOOK VALUE			
At 31 December 2021	<u>40,630</u>	<u>-</u>	<u>40,630</u>
At 31 December 2020	<u>83,809</u>	<u>2,257</u>	<u>86,066</u>

Amortisation charge is included within administrative expenses in the statement of comprehensive income.

9. PROPERTY, PLANT AND EQUIPMENT

	Fixtures, Fittings & Office Equipment £
COST	
At 1 January 2021	1,257
Additions	<u>406</u>
At 31 December 2021	<u>1,663</u>
DEPRECIATION	
At 1 January 2021	1,257
Charge for year	<u>79</u>
At 31 December 2021	<u>1,336</u>
NET BOOK VALUE	
At 31 December 2021	<u>327</u>
At 31 December 2020	<u>-</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	9,026	7,537
Amounts owed by group undertakings	2,054	2,848
Other debtors	72,267	134,622
Prepayments and accrued income	<u>1,913</u>	<u>2,255</u>
	<u>85,260</u>	<u>147,262</u>

WHITEGATES ESTATE AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	-	1,877
Amounts owed to group undertakings	39,955	128,902
Corporation tax	105,289	61,183
Social security and other taxes	47,012	95,752
Other creditors	49,853	50,336
Accruals and deferred income	<u>174,801</u>	<u>138,686</u>
	<u>416,910</u>	<u>476,736</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
			2021
			2020
			£
			£
100	Ordinary	£1	<u>100</u>
			<u>100</u>

Each share is entitled to one vote in any circumstances.

13. RESERVES

	Retained earnings	Capital contribution reserve	Totals
	£	£	£
At 1 January 2021	345,381	10,461	355,842
Profit for the year	338,612	-	338,612
Dividends	(450,000)	-	(450,000)
Capital contribution	<u>-</u>	<u>529</u>	<u>529</u>
At 31 December 2021	<u>233,993</u>	<u>10,990</u>	<u>244,983</u>

Retained earnings are the accumulated profits and losses to date.

The capital contribution reserve represents funds injected to the capital of the business by shareholders.

14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Since 31 October 2014 the parent undertaking and controlling party of both the smallest and largest group of which the company is a member and for which group accounts are prepared, is The Property Franchise Group plc, a company incorporated in England and Wales. Copies of this company's accounts can be obtained from The Property Franchise Group plc, 2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset, BH2 6LA.

WHITEGATES ESTATE AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2021	2020
	£	£
Profit for the financial year	338,612	307,046
Dividends	(450,000)	(315,000)
	(111,388)	(7,954)
Capital contribution	529	(1,451)
Net reduction of shareholders' funds	(110,859)	(9,405)
Opening shareholders' funds	355,942	365,347
Closing shareholders' funds	245,083	355,942

16. CONTINGENT LIABILITY

Effective 27 January 2021 the company has entered into a bank cross guarantee with its parent company and fellow subsidiaries. The total guarantee amounted to £12.5m when the loan was drawn down on 30 March 2021.

The assets of the company are pledged as security for the bank borrowings of the parent company, by way of a fixed and floating charge.