

ResiManagement Limited

Directors' Report and Financial Statements

Year Ended

31 December 2020

Company Number 08155459

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ResiManagement Limited

Company Information

Directors	G P C Mackay G Turner N Jopling
Company secretary	Gravitas Company Secretarial Services Limited
Registered number	08155459
Registered office	6 Wellington Place Fourth Floor [Ref: Csu] Leeds England LS1 4AP
Independent auditor	Ernst & Young LLP 400 Capability Green Luton LU1 3LU

ResiManagement Limited

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ResiManagement Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The Company provides management and administration services to companies and investors active in the affordable housing sector.

Business review

During the year, the Company entered into management agreements with a number of new investment companies, broadening its client base and sources of revenue. The Company now manages over 4,700 properties.

Directors

The directors who served during the year were:

G P C Mackay
C A Hewitt (resigned 25 February 2021)
G Turner
N Jopling
B G Lochhead (resigned 23 June 2020)

Future developments

Significant demand for shared ownership properties and government's commitment to extending home ownership via the Shared Ownership and Affordable Homes Programme 2016 to 2021 (SOAHP) creates significant opportunity for private investment in affordable housing.

As the number of properties managed by the Company continues to grow, the recurring management fees under long term management agreements also continue to grow.

ResiManagement Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Going concern

The Directors are required to state whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements, and to identify any material uncertainties to the Company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements. In adopting the going concern basis for preparing these financial statements, the Board has considered the Group's business activities, together with factors likely to affect its future development, its performance and principal risks and uncertainties for the period to 31 May 2023.

During the year and subsequently the COVID-19 pandemic has impacted the UK economy in which the company operates. However, company revenues arise from property rental and related services that generally provide a range of protection against adverse scenarios which covers the administrative expenses necessarily incurred thus COVID-19 has not significantly impacted the Company to date. The Directors will continue to monitor and take action to avoid or mitigate the impact of COVID-19 on its business, which could include cost deferral or reduction.

The Board considered the liquidity, net debt and forecast cash generation in the Group's financial forecasts under a base case and a severe but plausible downside case. These scenarios have considered the principal risks, notably the extent to which tenants' default on rental payments leading to a reduction in revenue. The severe but plausible case reflects a pessimistic downside adjustment, which is below that experienced throughout the pandemic.

The company advanced loans to other entities under common control during the year to 31 December 2020, amounting to £5,382,341 and has continued since year end. The controlling shareholder has provided a letter of support committing to provide sufficient funds to the company to meet its liabilities as and when they fall due, throughout the going concern period.

The directors have considered the principal risks and uncertainties facing the business together with forecast cashflows for the going concern period, availability of financing and the ability of the shareholder to provide the required level of financial support.

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation and meet liabilities as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

Qualifying third party indemnity provisions

The Company has provided an indemnity for its directors throughout the year, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Events after the reporting period

Subsequent to the year end, the company entered into various binding agreements to purchase and cancel 'A' Ordinary shares which resulted in total number of 'A' Ordinary shares being reduced from 9,850 to 8,500.

On 28 April 2022, a group reorganisation took place and Manifesto Technologies Limited became the immediate and ultimate parent undertaking of ResiManagement Limited.

ResiManagement Limited

Directors' Report (continued)
For the Year Ended 31 December 2020

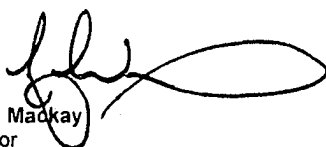
Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23rd May 2021 and signed on its behalf.


G P C Mackay
Director

ResiManagement Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 to 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

ResiManagement Limited

Independent Auditor's Report to the Members of ResiManagement Limited

Opinion

We have audited the financial statements of ResiManagement 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 the related notes 1 to 12, 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 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; 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 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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

ResiManagement Limited

Independent Auditor's Report to the Members of ResiManagement Limited (continued)

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 this 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 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; 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 4, 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.

ResiManagement Limited

Independent Auditor's Report to the Members of ResiManagement Limited (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant to be those relating to the United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, anti-money laundering and GDPR.
- We understood how ResiManagement Limited is complying with those frameworks by making enquiries of senior finance personnel and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management, and those charged with governance to understand where it considered there was susceptibility to fraud. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We determined there to be a risk of management override in relation to the posting of non-standard manual journals in respect of revenue. To address the risk of management override, we have obtained the entire population of journals for the year, and identified specific transactions for further investigation based on certain criteria. We understood the transactions identified for testing and agreed them to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included obtaining and reading board and management meeting minutes, enquiries of senior finance personnel and those charged with governance and agreement of samples of transactions throughout the audit to supporting source documentation.

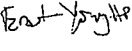
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ResiManagement Limited

Independent Auditor's Report to the Members of ResiManagement Limited (continued)

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.

DS


Andrew Clewer (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

May 24, 2022

ResiManagement Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	2020 £	2019 £
Turnover	10,394,416	5,724,355
Administrative expenses	(12,166,746)	(5,068,031)
Operating (loss)/profit	(1,772,330)	656,324
Interest receivable and similar income	31	74
Interest payable and similar expenses	-	(838)
(Loss)/profit before tax	(1,772,299)	655,560
Tax on (loss)/profit	-	(230,089)
(Loss)/profit for the financial year	(1,772,299)	425,471

There was no other comprehensive income for 2020 (2019 - £NIL).

The notes on pages 12 to 19 form part of these financial statements.

ResiManagement Limited

Registered number:08155459

**Statement of Financial Position
As at 31 December 2020**

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	6	3,874,717	1,639,227
Cash at bank and in hand		44,843	269,988
		<u>3,919,560</u>	<u>1,909,215</u>
Creditors: amounts falling due within one year	7	(4,460,725)	(678,080)
Net current (liabilities)/assets		<u>(541,165)</u>	<u>1,231,135</u>
Net (liabilities)/assets		<u>(541,165)</u>	<u>1,231,135</u>
Capital and reserves			
Called up share capital	9	299	300
Capital redemption reserve		1	-
Profit and loss account		(541,465)	1,230,835
Total equity		<u>(541,165)</u>	<u>1,231,135</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

G P C Mackay
Director



23 May 2022

The notes on pages 12 to 19 form part of these financial statements.

ResiManagement Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2019	300	-	1,405,364	1,405,664
Comprehensive income for the year				
Profit for the year	-	-	425,471	425,471
Total comprehensive income for the year	-	-	425,471	425,471
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(600,000)	(600,000)
Total transactions with owners	-	-	(600,000)	(600,000)
At 1 January 2020	300	-	1,230,835	1,231,135
Comprehensive income for the year				
Loss for the year	-	-	(1,772,299)	(1,772,299)
Total comprehensive income for the year	-	-	(1,772,299)	(1,772,299)
Contributions by and distributions to owners				
Shares cancelled during the year	(1)	1	(1)	(1)
Total transactions with owners	(1)	1	(1)	(1)
At 31 December 2020	299	1	(541,465)	(541,165)

The notes on pages 12 to 19 form part of these financial statements.

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

ResiManagement Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentation and functional currency is GBP. All amounts are rounded to the nearest £1.

The following principal accounting policies have been applied:

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.2 Going concern

The Directors are required to state whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements, and to identify any material uncertainties to the Company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements. In adopting the going concern basis for preparing these financial statements, the Board has considered the Group's business activities, together with factors likely to affect its future development, its performance and principal risks and uncertainties for the period to 31 May 2023.

During the year and subsequently the COVID-19 pandemic has impacted the UK economy in which the company operates. However, company revenues arise from property rental and related services that generally provide a range of protection against adverse scenarios which covers the administrative expenses necessarily incurred thus COVID-19 has not significantly impacted the Company to date. The Directors will continue to monitor and take action to avoid or mitigate the impact of COVID-19 on its business, which could include cost deferral or reduction.

The Board considered the liquidity, net debt and forecast cash generation in the Group's financial forecasts under a base case and a severe but plausible downside case. These scenarios have considered the principal risks, notably the extent to which tenants' default on rental payments leading to a reduction in revenue. The severe but plausible case reflects a pessimistic downside adjustment, which is below that experienced throughout the pandemic.

The company advanced loans to other entities under common control during the year to 31 December 2020, amounting to £5,382,341 and has continued since year end. The controlling shareholder has provided a letter of support committing to provide sufficient funds to the company to meet its liabilities as and when they fall due, throughout the going concern period.

The directors have considered the principal risks and uncertainties facing the business together with forecast cashflows for the going concern period, availability of financing and the ability of the shareholder to provide the required level of financial support.

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation and meet liabilities as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of transactional and management fees due under the agreements it has in place to provide property and administrative services.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

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 in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.11 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method.

2.12 Classification of shares as equity or debt

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the company exchanging a fixed amount of cash or other assets for a fixed number of the company's own equity instruments.

When shares are issued, any component that creates a financial liability of the Company is presented as a liability in the Statement of Financial Position; measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the Statement of Comprehensive Income.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Capital expenditure

Costs in relation to the acquisition of computer equipment for individual use are expensed as incurred on the basis of their short economic useful lives and insignificant value.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors have made no significant judgements in preparing these financial statements.

4. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £26,500 (2019 - £26,000).

5. Employees

The average monthly number of employees, including directors, during the year was 53 (2019 - 45).

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Debtors

	2020 £	2019 £
Trade debtors	719,017	478,224
Other debtors	2,204,861	87,200
Prepayments and accrued income	78,591	201,555
Deferred taxation (note 8)	872,248	872,248
	<u>3,874,717</u>	<u>1,639,227</u>

Included within other debtors due within one year are loans to directors, details of these transactions are given in note 10.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	149,176	-
Other taxation and social security	556,897	359,445
Other creditors	2,108,942	10,623
Accruals and deferred income	1,645,710	308,012
	<u>4,460,725</u>	<u>678,080</u>

The company has an overdraft facility of £750,000 which is secured by a charge over the company assets. At 31 December 2020 the facility had not been utilised.

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

8. Deferred taxation

	2020 £
At beginning of year	872,248
Debited to profit or loss	-
At end of year	<u>872,248</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	8,195	8,195
Tax losses carried forward	864,053	864,053
	<u>872,248</u>	<u>872,248</u>

The tax losses are expected to be recoverable against future taxable profits.

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
9,850 (2019 - 10,000) 'A' Ordinary shares of £0.01 each	99	100
10,000 (2019 - 10,000) Convertible shares of £0.01 each	100	100
10,000 (2019 - 10,000) Preference shares of £0.01 each	100	100
	<u>299</u>	<u>300</u>

On 9 September 2020, 150 'A' Ordinary shares were purchased at nominal value of £1.50 and cancelled by the company.

Subsequent to the year end, the company entered into various binding agreements to purchase and cancel 'A' Ordinary shares which resulted in total number of 'A' Ordinary shares being reduced from 9,850 to 8,500.

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Share capital (continued)

The 3 classes of shares derive their names from the way in which they participate in any dividends or capital distribution.

The company dividend policy is to distribute all distributable profits to shareholders, subject to retaining sufficient cash to meet the operational needs of the business.

The Preference Shares have preferential rights to dividends and on capital distribution. They carry no voting or redemption rights and are non-cumulative. Preference share dividends are calculated by reference to a formula, linked to the company turnover in the relevant period and prevailing tax rates, up to a cap. Once the sum of all Preference Share dividends paid have reached the cap, no further Preference Share dividends will be payable.

The 'A' Ordinary Shares carry voting and capital distribution rights. There are no redemption rights.

The Convertible Shares carry no voting or redemption rights. Each Convertible Share will convert to one Deferred Share on the conversion date of 17 December 2034. The Deferred Shares may then be redeemed by the company at any time for £0.01 for all the Deferred Shares registered in the name of each holder.

Following calculation of any Preference Share dividend, dividends on the 'A' Ordinary Shares and the Convertible Shares will be paid using all remaining distributable profits and must be paid 93% to 'A' Ordinary Shareholders and 7% to Convertible Shareholders. If there are no Convertible Shares in issue 100% is paid to the 'A' Ordinary Shareholders.

Decisions are taken at meetings of the Board by a simple majority of the votes of the directors. Where there is equality of votes the Chairman of the Board has the casting vote. Certain strategic and operational Board and Shareholder matters require approval by the 'A' Ordinary Shareholders holding at least 72% of the 'A' Ordinary Shares in issue. These include changes to dividend policy, lending arrangements and share issue.

ResiManagement Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Transactions with directors

	2020 £	2019 £
Management/consultancy fees		
C A Hewitt	20,833	167,767
N A McAlpine-Lee	-	134,000
G Turner	-	10,000
N Jopling	-	8,510

Included in other debtors (note 6) is £500,000 in respect of a loan advance to GPC Mackay. The loan is interest free and repayable on demand. The loan was fully repaid subsequent to the year end.

Recharges from G P C Mackay & Co, an entity related to G P C Mackay, in the year amounted to £101,418 (2019 - £157,785), £7,728 was payable at 31 December 2020 (2019 - £9,872).

No dividends were declared or paid in the year (2019 - £600,000 preference share dividend paid to GPC Mackay).

Key management personnel are considered to be the company directors who have authority and responsibility for planning, directing and controlling the activities of the company.

Total Directors remuneration for the year was £312,564 (2019 - £128,300).

11. Post balance sheet events

Subsequent to the year end, the company entered into various binding agreements to purchase and cancel 'A' Ordinary shares which resulted in total number of 'A' Ordinary shares being reduced from 9,850 to 8,500.

On 28 April 2022, a group reorganisation took place and Manifesto Technologies Limited became the immediate and ultimate parent undertaking of ResiManagement Limited.

12. Controlling party

GPC Mackay is the ultimate controlling party.