

Company registration number 08155459 (England and Wales)

RESIMANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

RESIMANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Mr N Jopling Mr G P C Mackay
Secretary	Squire Patton Boggs Secretarial Services Limited
Company number	08155459
Registered office	6 Wellington Place Fourth Floor (Ref: CSU) Leeds West Yorkshire United Kingdom LS1 4AP
Auditor	Azets Audit Services Alpha House 4 Greek Street Stockport United Kingdom SK3 8AB

RESIMANAGEMENT LIMITED

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RESIMANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report of ResiManagement Limited ("the Company" or "ResiM") for the year ended 31 December 2022.

Business Review

The Company was established in 2012 and provides management and administration services to companies ("the Pods") within Heylo Housing Group ("The Group"). The three core revenue streams that make up the Company's turnover are management fee income, asset sourcing fee income and disposal fee income in line with the management fee agreements. As demand for shared ownership properties has remained strong in the year, the number of properties managed by the Company in the year has increased to 7,470 (2021: 6,601).

Key performance indicator

	2022	2021
	%	%
Management fee income	23	23
Asset sourcing fee income	2	2
Asset disposal fee income	1	1

The above rates are consistent with the management agreements entered into between ResiM and the Pods and have been applied to all invoices raised in the year by the Company.

Principal risks and uncertainties

The management of the business and the nature of the Company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

The directors are of the opinion that the risk management processes adopted, which involve review, monitoring, and where possible, the mitigation of the risks identified below, are appropriate to the business.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Management fee income is dependent on rent collection in the Pods. This is monitored on a monthly basis to ensure collection rates remain at an acceptable level. Creditworthiness checks are also performed on potential tenants prior to entering into contractual arrangements. Every occupier is assessed for affordability in accordance with the guidance from Homes England before entering into a lease.

(b) Capital risk management

The Company manages share capital, consisting of ordinary shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The capital structure will continue to be determined by ongoing funding requirements.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company mitigates this risk by regularly monitoring cashflow to ensure there is sufficient cash to meet any upcoming obligations. The Company does not have any borrowings other than the use of an overdraft facility which further reduces the liquidity risk.

RESIMANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

(d) Contract risks

The Company's income is dependent upon the Pods meeting their contractual obligation to pay ResiM a fee depending on the service provided. There is also a risk that tenants in the Pods do not comply with the terms of their contract which would then affect the management fee earned by ResiM. This risk is mitigated by the fact that the Company manages over 7,400 units and therefore no one property is material to the overall profitability or liquidity of the Company.

(e) Climate change

We have identified the potential physical and transitional risks and opportunities presented by rising temperatures and climate change for our business and have also considered the scale of this risk to the Company. Climate change is not a principal risk for the Company for the year ended 31 December 2022, but we have identified the climate transition as an emerging risk due to its intensifying importance to all stakeholders. The Company believes that its liquidity position, its business model and its focus on risk mitigation combined with operational cash and funding reserves offer a significant degree of protection to the business.

(f) Regulatory compliance

Non-compliance results in measures of intervention, loss of status and ultimately prohibits the Company from growing further. The Board and governance structure is in place and continuously being reviewed and improved so it is effective to managing this risk.

Future developments

Based on September 2022 audited financial statements, each of the Pods are financially strong, with a quality asset base. The revenue ResiM generates from management, asset sourcing and disposal will be growing each year on fixed rent increases charged to the tenant that is adjusted by RPI, expected contracts following strong relationships being built with many small to large housebuilders and staircasing percentages increasing as property portfolios mature and the Pods use sales proceeds for reinvestment. The Pods also have funding capacity in place to enable them to continue to acquire further properties which will therefore increase the expected future management fee and asset sourcing fee earned by ResiM.

On behalf of the board

Mr G P C Mackay
Director

22 September 2023

RESIMANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

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

Results and dividends

The results for the year are set out on page 8.

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

Directors

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

Mr N Jopling

Mr G P C Mackay

Mr G Turner

(Resigned 18 July 2023)

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr G P C Mackay

Director

22 September 2023

RESIMANAGEMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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.

RESIMANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF RESIMANAGEMENT LIMITED

Opinion

We have audited the financial statements of Resimanagement Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

RESIMANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF RESIMANAGEMENT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available 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 (CONTINUED) TO THE MEMBER OF RESIMANAGEMENT LIMITED

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Lewis Cross (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

25 September 2023

Chartered Accountants
Statutory Auditor

Alpha House
4 Greek Street
Stockport
United Kingdom
SK3 8AB

RESIMANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Turnover		14,811,074	14,035,026
Administrative expenses		(12,392,215)	(5,095,125)
Operating profit	3	2,418,859	8,939,901
Interest payable and similar expenses	5	(6,406)	(3,406)
Profit before taxation		2,412,453	8,936,495
Tax on profit	6	(446,824)	(1,293,783)
Profit for the financial year		1,965,629	7,642,712

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

RESIMANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Profit for the year	1,965,629	7,642,712
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,965,629</u>	<u>7,642,712</u>

RESIMANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	as restated £	£
Current assets					
Debtors	7	36,409,183		20,228,058	
Cash at bank and in hand		1,740,418		623,863	
		<u>38,149,601</u>		<u>20,851,921</u>	
Creditors: amounts falling due within one year	8	(31,373,801)		(16,041,750)	
Net current assets			6,775,800		4,810,171
			<u><u>6,775,800</u></u>		<u><u>4,810,171</u></u>
Capital and reserves					
Called up share capital	13		285		287
Capital redemption reserve			15		13
Profit and loss reserves			6,775,500		4,809,871
			<u>6,775,500</u>		<u>4,809,871</u>
Total equity			<u><u>6,775,800</u></u>		<u><u>4,810,171</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22 September 2023 and are signed on its behalf by:

Mr G P C Mackay
Director

Company Registration No. 08155459

RESIMANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2021:					
Balance at 1 January 2021		299	1	(541,465)	(541,165)
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	7,642,712	7,642,712
Redemption of shares	13	(12)	12	(2,291,376)	(2,291,376)
Balance at 31 December 2021		287	13	4,809,871	4,810,171
Year ended 31 December 2022:					
Profit and total comprehensive income for the year		-	-	1,965,629	1,965,629
Redemption of shares	13	(2)	2	-	-
Balance at 31 December 2022		285	15	6,775,500	6,775,800

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Resimanagement Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6 Wellington Place, Fourth Floor (Ref: CSU), Leeds, West Yorkshire, United Kingdom, LS1 4AP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Manifesto Technologies Limited. These consolidated financial statements are available from its registered office, Squire Patton Boggs (Uk) LLP (Ref: CSU) Rutland House, 148 Edmund Street, Birmingham, England, B3 2JR.

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.2 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, 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 30 September 2024.

The Company advanced loans to other group entities as at 31 December 2022, and has continued since the year end. The Parent entity has provided a letter of support committing to provide sufficient funds to the company if required to enable it 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 Group 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 and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

The directors consider there to be no key sources of estimation uncertainty.

3 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	24,300	23,000
Operating lease charges	536,169	467,997

Operating profit of £8,940k in 2021 includes the reversal of related party provision of £4,461k within the administrative expenses of £5,095k.

4 Employees

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

2022	2021
Number	Number
81	64

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	6,487,392	5,251,378
Social security costs	832,856	631,266
Pension costs	56,995	51,842
	7,377,243	5,934,486

5 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	6,406	3,406

6 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	459,370	421,535

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Taxation (Continued)

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	(12,546)	872,248
	<u> </u>	<u> </u>
Total tax charge	446,824	1,293,783
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	2,412,453	8,936,495
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	458,366	1,697,934
Tax effect of expenses that are not deductible in determining taxable profit	17,635	7,402
Change in unrecognised deferred tax assets	(12,546)	(429,811)
Permanent capital allowances in excess of depreciation	(16,631)	(3,952)
Other non-reversing timing differences	-	(2,372)
Deferred tax adjustments in respect of prior years	-	24,582
	<u> </u>	<u> </u>
Taxation charge for the year	446,824	1,293,783
	<u> </u>	<u> </u>

7 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	3,053,415	946,090
Amounts owed by group undertakings	18,318,095	15,910,382
Other debtors	14,096,072	2,442,143
Prepayments and accrued income	929,055	929,443
	<u> </u>	<u> </u>
	36,396,637	20,228,058
	<u> </u>	<u> </u>
Amounts falling due after more than one year:		
Deferred tax asset (note 11)	12,546	-
	<u> </u>	<u> </u>
Total debtors	36,409,183	20,228,058
	<u> </u>	<u> </u>

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	9	-	745,601
Obligations under finance leases	10	245,500	289,581
Trade creditors		668,300	91,706
Amounts owed to group undertakings		23,260,318	10,514,109
Corporation tax		880,905	421,535
Other taxation and social security		511,009	249,054
Other creditors		540,284	562,726
Accruals and deferred income		5,267,485	3,167,438
		<u>31,373,801</u>	<u>16,041,750</u>

9 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	-	745,601
	<u>-</u>	<u>745,601</u>
Payable within one year	-	745,601
	<u>-</u>	<u>745,601</u>

The long-term loans are secured by fixed charges over the company assets.

10 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	245,500	44,081
In two to five years	-	245,500
	<u>245,500</u>	<u>289,581</u>

Finance lease payments represent rentals payable by the company. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Deferred taxation

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

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	12,546	-
	<u> </u>	<u> </u>
Movements in the year:		2022 £
Liability at 1 January 2022		-
Credit to profit or loss		(12,546)
		<u> </u>
Asset at 31 December 2022		(12,546)
		<u> </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.

12 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	56,995	51,842
	<u> </u>	<u> </u>

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.

13 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Preference shares of 1p each	10,000	10,000	100	100
Convertible shares of 1p each	10,000	10,000	100	100
'A' Ordinary shares of 1p each	8,500	8,700	85	87
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	28,500	28,700	285	287
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 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.

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	480,285	453,556
Between two and five years	281,160	792,212
	<u>761,445</u>	<u>1,245,768</u>

RESIMANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Directors' transactions

Recharges from G P C Mackay & Co, an entity related to G P C Mackay, in the year amounted to £244,913 (2021 - £128,963), £Nil was payable at 31 December 2022 (2021 - £6,987).

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 £60,000 (2021 - £60,000).

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Director's loan account	-	348,177	11,017,567	11,365,744
		<u>348,177</u>	<u>11,017,567</u>	<u>11,365,744</u>

Subsequent to the year end, on 22 September 2023, the director's loan amounting to £11,365,744 was satisfied by a loan reorganisation to another corporate entity under the control of G P C Mackay. The assignment of this loan is part of a wider loan and corporate rationalisation project designed to simplify the operation of entities controlled by G P C Mackay providing benefits to reporting and control operating procedures.

16 Ultimate controlling party

The company is a subsidiary of Manifesto Technologies Limited. GPC Mackay is the ultimate controlling party. The company is consolidated into the group accounts of its parent company, Manifesto Technologies Limited.

17 Prior period adjustment

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

Reconciliation of changes in profit for the previous financial period

	2021 £
Total adjustments	-
Profit as previously reported	7,642,712
Profit as adjusted	<u>7,642,712</u>

Notes to reconciliation

A prior period adjustment has been made to account for finance leases entered into in the year ended 31 December 2021.

An adjustment has been made of £289,581 between 'Obligations under finance leases' in creditors, and 'Other debtors' in debtors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.