

REGISTERED NUMBER: 00202450 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
ESTATEWAYS PLC

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FOR THE YEAR ENDED 31 DECEMBER 2022

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ESTATEWAYS PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:	D R Beechey F.C.A. R G O Watkins S L Chilman B.Sc.(Hons)
SECRETARY:	R O Walters AssocRICS, FNAEA
REGISTERED OFFICE:	Dynevor House 5-6 De La Beche Street Swansea SA1 3HA
REGISTERED NUMBER:	00202450 (England and Wales)
AUDITORS:	John F Harvey Ltd, Statutory Auditor Dynevor House 5 - 6 De La Beche Street Swansea SA1 3HA
PROPERTY VALUERS:	Dawsons 11 Walter Road Swansea, SA1 5NF

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

REVIEW OF BUSINESS

DEVELOPMENT, FINANCIAL PERFORMANCE AND FINANCIAL POSITION:

The company has had another satisfactory year.

There was an increase in turnover and large fall in profitability during the year. The principal reason for this was there was a large gain in the revaluation of the portfolio last year and this year their values remained similar, although several other minor factors also contributed.

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Turnover	<u>2,323,817</u>	<u>2,146,943</u>
Profit before taxation	268,198	1,473,956
Taxation	<u>(59,415)</u>	<u>(279,248)</u>
Profit after taxation	<u>208,783</u>	<u>1,194,708</u>
Net assets / Shareholders funds	<u>22,344,138</u>	<u>22,565,279</u>

**FINANCIAL KEY PERFORMANCE
INDICATORS:**

	<u>2022</u>	<u>2021</u>
Net profit margin (before tax)	11.5%	68.7%
Return on capital employed (after tax)	0.9%	5.3%
Earnings per share (per 10p ordinary share)	7.4p	43.0p

The company believes that adequate funds are being generated by the company's operations to meet its ongoing obligations.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments including bank loans and overdrafts, cash, equity investments, and trade debtors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations, to provide earnings for the company's shareholders and to ensure adequate funds are held to enable the company to meet its obligations. This is achieved by regularly monitoring the bank facilities available and regular cashflow forecasts and comparisons with actual performance.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more detail below. The main risks arising from the company's financial instruments are cash flow interest rate risk, credit risk, and liquidity risk. The directors review and agree policies for managing each of these risks and these policies are summarised below.

INTEREST RATE RISK

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

CREDIT RISK

The company's principal financial assets are trade debtors from which the principal credit risk arises.

In order to manage credit risk the company's managing agents have been instructed by the directors to only accept tenants based upon a combination of payment history and third party references. The debt age and collection history is reviewed by the directors regularly.

LIQUIDITY RISK

The company seeks to manage this financial risk by ensuring sufficient liquidity is available to meet the company's obligations as they fall due, and to invest any surplus cash both safely and profitably. Short term flexibility is achieved by overdraft facilities, longer term borrowing by utilising bank loans.

SECTION 172(1) STATEMENT

The board of directors of Estateways PLC consider that they, both individually and together, have acted in the way they would consider would be most likely to promote the success of the company for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2022, at their regular board meetings.

FUTURE DEVELOPMENTS

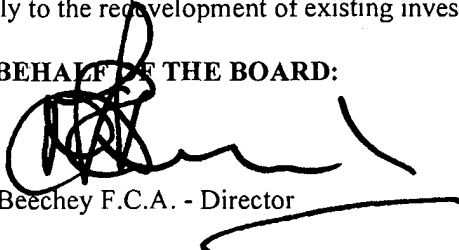
The directors do not anticipate any significant changes in the company's operations during the coming year.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

FIXED ASSETS

The company's fixed asset properties and investment properties were revalued on 31 December 2022. During the year, there have been no acquisitions or disposals of properties. Capital expenditure in the year related mainly to the redevelopment of existing investment properties.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'D R Beechey', with a long horizontal flourish extending to the right.

D R Beechey F.C.A. - Director

19 April 2023

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of property development and investment. There has been no significant change in these activities during the year.

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary 10p shares	15.4p	- 30 June 2022
4% Cumulative Preference £1 shares	2.0p	- 30 June 2022
5% Cumulative Preference £1 shares	2.5p	- 30 June 2022

The directors recommend final dividends per share as follows:

Ordinary 10p shares	NIL
4% Cumulative Preference £1 shares	2.0p
5% Cumulative Preference £1 shares	2.5p

The total distribution of dividends for the year ended 31 December 2022 will be £429,924.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

D R Beechey F.C.A.
R G O Watkins
S L Chilman B.Sc.(Hons)

Other changes in directors holding office are as follows:

J G Watkins C.M.L.I. P.P.L.I. - deceased 11 December 2022

COVID-19

The directors have considered the effects of COVID-19 and believe there has been no material impact on the business.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, John F Harvey Ltd, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'D R Beechey', written over a horizontal line.

D R Beechey F.C.A. - Director

19 April 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ESTATEWAYS PLC

Opinion

We have audited the financial statements of Estateways Plc (the 'company') for the year ended 31 December 2022 which comprise the Statement of Profit, Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ESTATEWAYS PLC

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ESTATEWAYS PLC

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company.
- We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework, the Companies Act 2006 and relevant tax compliance legislation.
- We understood how they are complying with those legal and regulatory frameworks by making enquiries through our review of board minutes and discussion with management.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud.
- Our audit planning identified fraud risks in relation to management override. We obtained an understanding of the processes and controls that the company has established to address the risks identified, or otherwise prevent, deter and detect fraud; and how management monitors those processes and controls.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures include journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. Our audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ESTATEWAYS PLC

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 a Report of the Auditors 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.

A handwritten signature in black ink, appearing to read 'JH Husband', is positioned above the printed name and address of the auditor.

John Husband FCA (Senior Statutory Auditor)
for and on behalf of John F Harvey Ltd, Statutory Auditor
Dynevor House
5 - 6 De La Beche Street
Swansea
SA1 3HA

Date: 05 May 2023

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

**STATEMENT OF PROFIT, LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022	2021
		£	£
TURNOVER	4	2,323,817	2,146,943
Cost of sales		<u>1,558,025</u>	<u>1,278,755</u>
GROSS PROFIT		765,792	868,188
Administrative expenses		<u>363,676</u>	<u>278,999</u>
		402,116	589,189
Other operating income		<u>1,408</u>	<u>1,007</u>
OPERATING PROFIT		403,524	590,196
Income from fixed asset investments		2,657	40,924
Interest receivable and similar income	6	<u>9</u>	<u>2</u>
		<u>2,666</u>	<u>40,926</u>
		406,190	631,122
Gain/(loss) on revaluation of investment property		<u>70,084</u>	<u>1,020,714</u>
		476,274	1,651,836
Interest payable and similar expenses	7	38,652	34,023
Other finance costs	22	<u>169,424</u>	<u>143,857</u>
		<u>208,076</u>	<u>177,880</u>
PROFIT BEFORE TAXATION	8	268,198	1,473,956
Tax on profit	9	<u>59,415</u>	<u>279,248</u>
PROFIT FOR THE FINANCIAL YEAR		208,783	1,194,708
OTHER COMPREHENSIVE INCOME			
Income tax relating to other comprehensive income		-	117,507
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>117,507</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>208,783</u>	<u>1,312,215</u>

The notes form part of these financial statements

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)**BALANCE SHEET**
31 DECEMBER 2022

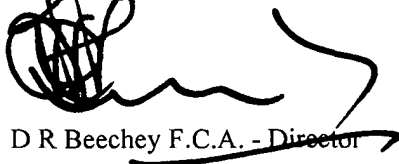
	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	546,374	550,975
Investments	13	<u>25,343,000</u>	<u>25,248,000</u>
		25,889,374	25,798,975
CURRENT ASSETS			
Stocks	14	20,109	20,884
Debtors	15	342,491	418,907
Cash at bank and in hand		<u>15,033</u>	<u>11,831</u>
		377,633	451,622
CREDITORS			
Amounts falling due within one year	16	<u>2,203,050</u>	<u>1,973,510</u>
NET CURRENT LIABILITIES		<u>(1,825,417)</u>	<u>(1,521,888)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,063,957	24,277,087
PROVISIONS FOR LIABILITIES	19	<u>1,719,819</u>	<u>1,711,808</u>
NET ASSETS		<u><u>22,344,138</u></u>	<u><u>22,565,279</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	358,371	358,371
Revaluation reserve	21	416,524	416,524
Capital redemption reserve	21	31,102	31,102
Fair value reserve	21	14,015,839	13,955,123
Retained earnings	21	<u>7,522,302</u>	<u>7,804,159</u>
SHAREHOLDERS' FUNDS		<u><u>22,344,138</u></u>	<u><u>22,565,279</u></u>

The notes form part of these financial statements

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

BALANCE SHEET - continued
31 DECEMBER 2022

The financial statements were approved by the Board of Directors and authorised for issue on 19 April 2023 and were signed on its behalf by:

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D R Beechey F.C.A. - Director

A handwritten signature in black ink, appearing to be 'R G O Watkins', with a long horizontal stroke extending to the right.

R G O Watkins - Director

The notes form part of these financial statements

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

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

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 January 2021	358,371	7,285,539	1,001,445
Changes in equity			
Dividends	-	(429,924)	-
Total comprehensive income	-	948,544	(584,921)
Balance at 31 December 2021	<u>358,371</u>	<u>7,804,159</u>	<u>416,524</u>
Changes in equity			
Dividends	-	(429,924)	-
Total comprehensive income	-	148,067	-
Balance at 31 December 2022	<u>358,371</u>	<u>7,522,302</u>	<u>416,524</u>

	Capital redemption reserve £	Fair value reserve £	Total equity £
Balance at 1 January 2021	31,102	13,006,531	21,682,988
Changes in equity			
Dividends	-	-	(429,924)
Total comprehensive income	-	948,592	1,312,215
Balance at 31 December 2021	<u>31,102</u>	<u>13,955,123</u>	<u>22,565,279</u>
Changes in equity			
Dividends	-	-	(429,924)
Total comprehensive income	-	60,716	208,783
Balance at 31 December 2022	<u>31,102</u>	<u>14,015,839</u>	<u>22,344,138</u>

The notes form part of these financial statements

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	529,035	390,928
Interest paid		(38,652)	(34,023)
Tax paid		<u>(194,849)</u>	<u>(85,454)</u>
Net cash from operating activities		<u>295,534</u>	<u>271,451</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(845)	(21,669)
Purchase of fixed asset investments		(24,916)	(9,286)
Sale of tangible fixed assets		-	739,815
Interest received		9	2
Dividends received		<u>2,657</u>	<u>40,924</u>
Net cash from investing activities		<u>(23,095)</u>	<u>749,786</u>
 Cash flows from financing activities			
Equity dividends paid		<u>(429,924)</u>	<u>(429,924)</u>
Net cash from financing activities		<u>(429,924)</u>	<u>(429,924)</u>
 (Decrease)/increase in cash and cash equivalents		<u>(157,485)</u>	<u>591,313</u>
Cash and cash equivalents at beginning of year	2	<u>(613,145)</u>	<u>(1,204,458)</u>
 Cash and cash equivalents at end of year	2	<u><u>(770,630)</u></u>	<u><u>(613,145)</u></u>

The notes form part of these financial statements

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	268,198	1,473,956
Depreciation charges	5,446	5,320
Loss on disposal of fixed assets	-	10,580
Gain on revaluation of fixed assets	(70,084)	(1,020,714)
Retired directors pensions paid	(171,490)	(163,324)
Increase/(decrease) in provisions	-	28,531
Finance costs	208,076	177,880
Finance income	(2,666)	(40,926)
	<u>237,480</u>	<u>471,303</u>
Decrease in stocks	775	2,131
Decrease/(increase) in trade and other debtors	76,416	(69,032)
Increase/(decrease) in trade and other creditors	<u>214,364</u>	<u>(13,474)</u>
Cash generated from operations	<u><u>529,035</u></u>	<u><u>390,928</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	15,033	11,831
Bank overdrafts	<u>(785,663)</u>	<u>(624,976)</u>
	<u><u>(770,630)</u></u>	<u><u>(613,145)</u></u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	11,831	11,629
Bank overdrafts	<u>(624,976)</u>	<u>(1,216,087)</u>
	<u><u>(613,145)</u></u>	<u><u>(1,204,458)</u></u>

The notes form part of these financial statements

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank and in hand	11,831	3,202	15,033
Bank overdrafts	<u>(624,976)</u>	<u>(160,687)</u>	<u>(785,663)</u>
	<u>(613,145)</u>	<u>(157,485)</u>	<u>(770,630)</u>
Debt			
Debts falling due within 1 year	<u>(700,000)</u>	-	<u>(700,000)</u>
	<u>(700,000)</u>	-	<u>(700,000)</u>
Total	<u>(1,313,145)</u>	<u>(157,485)</u>	<u>(1,470,630)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. STATUTORY INFORMATION

Estateways Plc is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents repairs and maintenance work, car park income and income from rents, ground rents and service charges. This excludes VAT where applicable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant, Machinery and Vehicles - 25% on cost and 15% on cost

Land and buildings, excluding investment properties, are revalued annually and the aggregate surplus or deficit is transferred to the Revaluation Reserve.

As these non investment properties are revalued annually, they are not depreciated but are instead carried in the balance sheet at their year end valuation. The directors consider that this policy results in the accounts giving a true and fair view.

This is a departure from the requirements of the Companies Act 2006 which requires all properties to be depreciated. The directors consider that to depreciate them would not give a true and fair view.

On disposal of a non investment property, any revaluation adjustment previously taken to the Revaluation Reserve for the property is transferred to Retained Earnings. The gain or loss reported in the Profit and Loss Account for the year is the difference between the disposed properties' net proceeds and their carrying values.

Stocks

Stocks consist of ground rents held for resale and are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Profit, Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing differences. In the absence of anticipated sale dates this is calculated using tax rates expected to apply in the year following these financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Rental deposits and bonds

With the exception of one tenant, all rental deposits and bonds are collected and held in trust by the company's managing agents on behalf of the company. In respect of the one tenant the deposit is held by the company in a separate interest bearing account. The deposits and bonds held by both the company and its managing agents are not recognised as income of the company. The deposits and bonds held by the managing agents are not recognised as assets or liabilities in the Balance Sheet, whilst the deposit held by Estateways Plc is recognised as both an asset and a liability.

Pension costs and other post-retirement benefits

The company's policy is to make full provision for this liability each year.

The required provision is calculated annually using an external actuarial valuation at the year end and the company's average internal rate of return for the previous three years.

The directors believe that FRS 102 s.34 does not apply directly to the company's pension liability as the pensions are being funded from the existing retained profits of the company and no separate assets of the pension fund exist.

The movement in the provision for future pensions is recognised in the Profit and Loss account for the year as other finance costs.

Details of the underlying assumptions and further information are included in notes 19 and 22 to the accounts.

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ACCOUNTING POLICIES - continued

Fixed asset investments

It is considered that all the land and buildings under this heading are "investment properties" within the terms of Financial Reporting Standard 102 section 16 ('Accounting for Investment Properties').

In accordance with FRS 102 s.16, investment properties are revalued annually and the aggregate surplus or deficit is transferred to the Fair Value Reserve.

As investment properties are revalued annually, they are not depreciated and are included in the balance sheet at their year end valuation. The directors consider that this policy results in the accounts giving a true and fair view.

This is a departure from the requirements of the Companies Act 2006 which requires all properties to be depreciated. Such properties are not held for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view.

On disposal of an investment property, any revaluation adjustment previously taken to the Fair Value Reserve for the property is transferred to Retained Earnings. The gain or loss reported in the Statement of Profit, Loss and Other Comprehensive Income for the year is the difference between the disposed properties' net proceeds and their carrying values.

Exemption from preparing group accounts

The company is exempt from preparing group accounts under S.399(2) and S.402 of the Companies Act 2006 as the group is a small group and also the subsidiary is immaterial (note 26).

4. TURNOVER

	Turnover		Profit before Taxation	
	2022	2021	2022	2021
	£	£	£	£
Services rendered	147,737	63,045	17,051	43,283
Rents receivable	<u>2,176,080</u>	<u>2,083,898</u>	<u>251,147</u>	<u>1,430,673</u>
	<u>2,323,817</u>	<u>2,146,943</u>	<u>268,198</u>	<u>1,473,956</u>

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	241,068	224,501
Social security costs	14,477	12,835
Other pension costs	<u>5,415</u>	<u>5,011</u>
	<u>260,960</u>	<u>242,347</u>

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2022	2021
Management and Administration	9	9
Repairs and Maintenance	<u>4</u>	<u>5</u>
	<u>13</u>	<u>14</u>

	2022	2021
	£	£
Directors' remuneration	<u>58,840</u>	<u>56,713</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Interest received on corporation tax paid early	<u>9</u>	<u>2</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Overdraft interest	16,598	12,320
Bank loan interest	<u>22,054</u>	<u>21,703</u>
	<u>38,652</u>	<u>34,023</u>

8. PROFIT BEFORE TAXATION

The profit is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	5,446	5,320
Loss on disposal of fixed assets	-	10,580
Auditor's remuneration	24,300	24,000
Non audit services (note 11)	<u>2,574</u>	<u>1,140</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. TAXATION

Analysis of the tax charge

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

	2022 £	2021 £
Current tax:		
UK corporation tax	49,338	201,086
Deferred tax:		
Origination and reversal of timing differences	<u>10,077</u>	<u>78,162</u>
Tax on profit	<u>59,415</u>	<u>279,248</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:

	2022 £	2021 £
Profit before tax	<u>268,198</u>	<u>1,473,956</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	50,958	280,052
Effects of:		
Depreciation	1,035	1,011
Capital allowances claimed	(1,758)	(4,216)
Pensions paid in year	(32,583)	(31,032)
(Decrease)/ Increase in provision for retired directors pensions	32,191	27,333
Revaluations in year	(13,316)	(193,936)
Movement in deferred tax	10,077	78,162
Non allowable expenses	19,057	-
Loss on disposal of property	-	2,010
Chargeable Gain	-	119,864
Over provision last year	<u>(6,246)</u>	<u>-</u>
Total tax charge	<u>59,415</u>	<u>279,248</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2022.

	Gross £	2021 Tax £	Net £
Revaluation of trading properties	<u>-</u>	<u>117,507</u>	<u>117,507</u>

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

10. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of 10p each		
Interim	426,446	426,446
4% Cumulative Preference shares of £1 each		
Final	1,189	1,189
Interim	1,189	1,189
5% Cumulative Preference shares of £1 each		
Final	550	550
Interim	550	550
	<u>429,924</u>	<u>429,924</u>

11. AUDITOR'S REMUNERATION

	2022	2021
	£	£
Fees payable to the company's auditor for the audit of the annual accounts	<u>24,300</u>	<u>24,000</u>
Fees payable to the company's auditor for other services:		
Tax services	2,574	1,140
All other services	-	-
	<u>2,574</u>	<u>1,140</u>

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant, Machinery and Vehicles £	Totals £
COST OR VALUATION			
At 1 January 2022	535,000	46,787	581,787
Additions	-	845	845
At 31 December 2022	<u>535,000</u>	<u>47,632</u>	<u>582,632</u>
DEPRECIATION			
At 1 January 2022	-	30,812	30,812
Charge for year	-	5,446	5,446
At 31 December 2022	<u>-</u>	<u>36,258</u>	<u>36,258</u>
NET BOOK VALUE			
At 31 December 2022	<u>535,000</u>	<u>11,374</u>	<u>546,374</u>
At 31 December 2021	<u>535,000</u>	<u>15,975</u>	<u>550,975</u>

Land and buildings comprises Freehold Property valued on 31 December 2022 on an open market basis. The properties were valued by Dawsons, Chartered Surveyors at £535,000 on the basis recorded in Note 13. The figures reported represent the aggregate value of the properties valued on an individual basis.

Cost or valuation at 31 December 2022 is represented by:

	Land and Buildings £	Plant, Machinery and Vehicles £	Totals £
Valuation in 2022	535,000	-	535,000
Cost	-	47,632	47,632
	<u>535,000</u>	<u>47,632</u>	<u>582,632</u>

If Freehold Land and Buildings had not been revalued they would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>48,415</u>	<u>48,415</u>

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

13. FIXED ASSET INVESTMENTS

	Investment properties £
COST OR VALUATION	
At 1 January 2022	25,248,000
Additions	24,916
Revaluations	<u>70,084</u>
At 31 December 2022	<u>25,343,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>25,343,000</u>
At 31 December 2021	<u>25,248,000</u>

Cost or valuation at 31 December 2022 is represented by:

	Investment properties £
Valuation in 2022	<u>25,343,000</u>

If the Investment Properties had not been revalued they would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>10,555,295</u>	<u>10,530,379</u>

The portfolio of UK freehold and leasehold interests categorised as "Investment Properties" were valued by external valuers, Dawsons, Chartered Surveyors, as at 31 December 2022, on the basis of market value and in accordance with the RICS Appraisal and Valuation Standards and the instructions of the directors. The London property was valued on a market value basis on 31 December 2022 by the directors based on a valuation completed by a London property valuation company in December 2022.

The figures reported represent the aggregate value of the properties valued on an individual basis.

The external valuers have undertaken this valuation for inclusion in the company's balance sheet. The directors have considered whether a conflict of interest arises, with Dawsons, since the company also acts as managing agent for the company's portfolio of residential and commercial properties.

For the purposes of the valuation, Dawsons have relied upon information available to them by virtue of its management of the properties in accordance with the terms of the management agreement. The directors of Estateways Plc have been requested to disclose to Dawsons any material matters of which the external valuers may be unaware.

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

14. STOCKS

	2022	2021
	£	£
Ground rents	<u>20,109</u>	<u>20,884</u>

The replacement value of the ground rents is considered by the directors to be in the order of £350,000.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	291,122	301,436
Other debtors	28,560	89,140
Prepayments	<u>22,809</u>	<u>28,331</u>
	<u>342,491</u>	<u>418,907</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 17)	1,485,663	1,324,976
Taxation	55,495	201,006
Social security and other taxes	14,743	11,170
VAT	5,164	5,323
Other creditors	87,856	48,817
Accrued expenses	41,393	41,175
Deferred income	512,736	291,043
Property deposits	<u>-</u>	<u>50,000</u>
	<u>2,203,050</u>	<u>1,973,510</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	785,663	624,976
Bank loans	<u>700,000</u>	<u>700,000</u>
	<u>1,485,663</u>	<u>1,324,976</u>

The bank loan is an interest only loan. The capital repayment is due in January 2023.

Interest on the loan is charged at a rate of 3% over the Bank of England's base rate rate.

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

18. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	785,663	624,976
Bank loans	<u>700,000</u>	<u>700,000</u>
	<u>1,485,663</u>	<u>1,324,976</u>

The bank loans and overdrafts are secured on four of the company's properties.

19. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Deferred tax on accelerated capital allowances	1,041,681	1,031,962
Deferred tax on future pension obligations	<u>(152,419)</u>	<u>(152,778)</u>
	<u>889,262</u>	<u>879,184</u>
Other provisions		
Future pension obligations	802,026	804,093
VAT Provision	<u>28,531</u>	<u>28,531</u>
	<u>830,557</u>	<u>832,624</u>
Aggregate amounts	<u>1,719,819</u>	<u>1,711,808</u>

	Deferred tax	Future Pensions
	£	£
Balance at 1 January 2022	879,184	804,093
Accelerated capital allowances	9,686	-
Pensions paid in year	32,583	(171,491)
Annual revaluation of pension liabilities	<u>(32,191)</u>	<u>169,424</u>
Balance at 31 December 2022	<u>889,262</u>	<u>802,026</u>

ESTATEWAYS PLC (REGISTERED NUMBER: 00202450)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

19. PROVISIONS FOR LIABILITIES - continued

Future Pension Obligations

The main assumptions underlying the calculation of the provision for pensions are:

- Annual pension increases will be 5% (5% in 2021)
- Investment performance will be 3.22% (4.35% in 2021) based upon the return on equity capital employed in the previous three years.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
2,769,130	Ordinary	10p	276,913	276,913
59,460	4% Cumulative Preference	£1	59,460	59,460
21,998	5% Cumulative Preference	£1	<u>21,998</u>	<u>21,998</u>
			<u>358,371</u>	<u>358,371</u>

The two classes of preference shares carry dividends of 4% and 5% respectively, payable half yearly in arrears on 30 June and 31 December. The dividend rights are cumulative.

The preference shares carry no votes at meetings unless the dividends thereon are twelve months or more in arrears or the business of the meeting shall include the passing of an Extraordinary Resolution, or a Special Resolution the provisions of which are such as to vary the preferential right of the registered holders of the preference shares.

On a winding up of the company the preference shareholders have a right to receive, in preference to ordinary shareholders, £1 per share plus any accrued dividends.

21. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Fair value reserve £	Totals £
At 1 January 2022	7,804,159	416,524	31,102	13,955,123	22,206,908
Profit for the year	208,783				208,783
Dividends	(429,924)				(429,924)
Deferred tax movement	9,368	-	-	(9,368)	-
Revaluations in year	<u>(70,084)</u>	<u>-</u>	<u>-</u>	<u>70,084</u>	<u>-</u>
At 31 December 2022	<u>7,522,302</u>	<u>416,524</u>	<u>31,102</u>	<u>14,015,839</u>	<u>21,985,767</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

22. PENSION COMMITMENTS

During the year the company paid defined benefit pensions to one former director and one surviving spouse of a deceased retired director. There are no further commitments accruing to the existing directors.

Provision has been made in the Balance Sheet for the remaining commitment, based upon actuarial calculations. As at 31 December 2022 the provision required was £802,026 (£804,093 as at 31 December 2021).

After allowing for the pensions paid by the company during the year an increase in the provision of £169,424 was required for 2022, (£143,857 increase in 2021). These adjustments are reflected in other finance costs in the Statement of Profit, Loss and Other Comprehensive Income. The provision movements and their tax effect are detailed further in Note 19 to the accounts.

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

There were no transactions with directors that required disclosure during the period.

24. RELATED PARTY DISCLOSURES

During the year the company paid total dividends of £144,266 (2021: £181,614) to its directors.

There were no outstanding amounts due in respect of these dividends at either 31 December 2022 or at 31 December 2021.

Mr P J Watkins

During the year, £96,311 (£43,735 in 2021) was paid to Mr P J Watkins, brother of Mr J G Watkins, for property maintenance services . Nothing was owed to or from him at 31 December 2022 or 31 December 2021.

25. ULTIMATE CONTROLLING PARTY

There is no single controlling party.

26. OVERSEAS SUBSIDIARY

The company has a French subsidiary, Estateways-Houlgate, which is a non trading nominee company.

This was used solely as an administrative device for the holding of a French property sold during 2002. The company holds 98% of the share capital of Estateways-Houlgate with the other 2% held by a nominee on behalf of the company.