

Company Registration No. 02573376

Yates Estate Limited

Annual Report and Financial Statements

For the year ended 31 March 2017



Yates Estate Limited

Report and financial statements for the year ended 31 March 2017

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Yates Estate Limited

Report and financial statements for the year ended 31 March 2017

Officers and professional advisers

Directors

Mrs F A Yates-Johnson (Chairman)
Miss A J Yates
Mr W H Yates-Johnson

Company Secretary

J Gilson

Registered Office

205 Walworth Road
London
SE17 1RL

Bankers

Barclays Bank Plc
Walworth Branch
260 Walworth Road
London
SE17 1JF

Solicitors

Gordon Dadds
6-11 Agar Street
London
WC2N 4HN

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Yates Estate Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 March 2017.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption. This also allows the Company to claim exemption from preparing the Strategic Report.

Principal activities

The principal activity of the Company during the year was the business of estate management in London. The Company, which is a private company limited by shares only, handles all administrative activities for the Yates Property Holdings group and recharges fellow subsidiaries based on annual rental income.

Business review

The company has performed satisfactorily given the economic climate. The company's results are shown on page 7. The company's profit before taxation was £219,198 (2016: profit before tax £134,977).

The directors are not aware, at the date of this report, of any other likely major changes in the Company's activities in the next year. There have been no significant events since the balance sheet date which require disclosure.

Going concern

The directors have reviewed the current and projected financial position of the company, making reasonable assumptions about future trading. The Company is in a net asset position of £350,944 at 31 March 2017 (2016: £176,191).

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Dividends

The directors do not recommend the payment of a dividend for the year (2016: £nil).

Directors

The names of the present directors are set out on page 1. The present directors served throughout the year except as otherwise indicated. None of the directors held shares in the company during the year.

All directors are directors of the ultimate parent company, Yates Property Holdings Limited. Their beneficial interests in the shares of that company are shown in the group annual financial statements.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Yates Estate Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J Gilson FCMA CGMA
Company Secretary

1 November 2017

205 Walworth Road
London
SE17 1RL

Yates Estate Limited

Directors' responsibilities statement

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) including FRS 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Yates Estate Limited

We have audited the financial statements of Yates Estate Limited for the year ended 31st March 2017 which comprise the Statement of comprehensive income, the Statement of financial position and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2017 and of its profit for the year then ended 31st March 2017;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

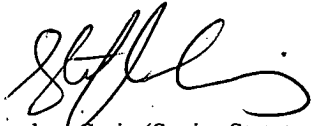
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Independent auditor's report to the members of Yates Estate Limited (continued)

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Stephen Craig (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
1 November 2017

Yates Estate Limited

Statement of comprehensive income Year ended 31 March 2017

	Notes	2017 £	2016 £
Turnover	2	782,877	815,557
Administrative expenses		(620,615)	(679,077)
Operating profit		162,262	136,480
Profit on disposal of fixed assets		58,896	-
Profit on ordinary activities before finance charges		221,158	136,480
Interest receivable and similar income		-	-
Interest payable and similar charges	4	(1,960)	(1,503)
Profit on ordinary activities before taxation	5	219,198	134,977
Tax charge on profit on ordinary activities	6	(44,445)	(37,610)
Profit for the financial year	12	174,753	97,367

All results derive from continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

A reconciliation of movements in shareholders' funds is given in note 13.

There were no gains or losses in the year recorded as other comprehensive income.

Yates Estate Limited

Balance sheet As at 31 March 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	7	163,438	49,784
Current assets			
Debtors: due within one year	8	1,500,969	1,340,573
Cash at bank and in hand (including tenants deposits of £11,250 (2016: £8500))		75,675	77,877
		<u>1,576,644</u>	<u>1,418,450</u>
Creditors: amounts falling due within one year	9	<u>(1,389,138)</u>	<u>(1,292,043)</u>
Net current assets		<u>187,506</u>	<u>126,407</u>
Total assets less current liabilities		<u>350,944</u>	<u>176,191</u>
Creditors: amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net liabilities		<u>350,944</u>	<u>176,191</u>
Capital and reserves			
Called up share capital	11	10,000	10,000
Profit and loss account	12	<u>340,944</u>	<u>166,191</u>
Shareholders' funds	13	<u>350,944</u>	<u>176,191</u>

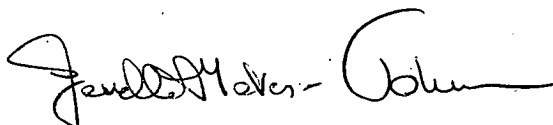
The notes on pages 9 to 16 form part of these financial statements.

The financial statements of Yates Estate Limited registered number 2573376 were approved by the Board of Directors on 1 November 2017.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been prepared in accordance with the provisions of Section 1A of FRS 102.

Signed on behalf of the Board of Directors



Mrs F A Yates-Johnson
Director

Yates Estate Limited

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Yates Estate Limited is a company incorporated in the United Kingdom under the Companies Act with the Pound Sterling as the functional currency.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

Going concern

The financial statements are prepared on the going concern basis as discussed in the Directors' Report on page 2.

As highlighted in note 9 to the financial statements, the company meets its day-to-day working capital requirements through a bank overdraft facility.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility. However it is reliant on the loans from the parent company not being called in. The company has received a letter from Yates Property Holding Limited stating that it will continue to provide financial support.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on fixed assets other than investment properties on a straight-line basis over their anticipated useful lives. The rates of depreciation are as follows:

Office machinery	25%
Furniture, fixtures and fittings	25%
Motor vehicles	25%

Taxation

UK corporation tax is provided at amounts to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The Autumn Statement in 2012 (delivered on 5 December 2012) announced a reduction of the UK corporation tax rate from 23 to 21% effective from 1 April 2014 and accordingly the rate reduction is reflected in these financial statements. The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date. The closing deferred tax liability at 31 March 2017 has been calculated at 17% reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods.

Yates Estate Limited

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies (continued)

Taxation (continued)

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

Turnover represents management charges (commissions and fees) receivable from related parties, net of VAT. Management charges are calculated as 20% of total rents received and 15% of all refurbishment costs by related parties in the year. Revenue is recorded as it accrues, wholly arising in the United Kingdom.

Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Operating lease payments are written off to the profit and loss account in the period during which they are incurred.

Yates Estate Limited

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies (continued)

Pension costs

The company operates a defined contribution scheme. The pension cost charged in the year represents contributions payable by the company to the pension scheme. The assets of the scheme are held in an independently administered fund.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no such revisions during the accounting period.

2. Turnover

	2017 £	2016 £
Commissions	777,845	811,260
Other fees	5,032	4,297
	<u>782,877</u>	<u>815,557</u>

All turnover arises from the principal activity, which is carried out within the United Kingdom.

3. Staff costs

None of the directors received any emoluments in respect of their services to the company including pension contributions in either the current or prior year.

Three directors were members of the group's defined contribution pension scheme (2016: two).

	2017 No.	2016 No.
Average number of persons employed		
Administration	7	7
Maintenance	1	1
	<u>8</u>	<u>8</u>
	2017 £	2016 £
Staff costs during the year		
Wages and salaries	310,715	377,542
Social security costs	41,650	45,790
Pension costs	53,290	60,687
	<u>405,655</u>	<u>484,019</u>

Yates Estate Limited

Notes to the financial statements For the year ended 31 March 2017

4. Interest payable and similar charges

	2017 £	2016 £
Hire purchase interest	1,960	1,503

5. Profit/ on ordinary activities before taxation

	2017 £	2016 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation - owned assets	24,443	59,702
- leased assets	63,571	15,131
Fees payable to the company's auditor for the audit of the company's annual financial statements	15,000	9,000
Fees payable to the company's auditor for tax services	12,000	5,000
Rentals under operating leases – hire of plant and machinery	1,279	1,279

6. Tax on profit on ordinary activities

i) Analysis of tax charge on ordinary activities

	2017 £	2016 £
UK corporation tax	(44,203)	(38,055)
Adjustment in respect of prior years	(242)	445
	(44,445)	(37,610)

ii) Factors affecting the tax charge for the current year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before taxation	219,198	134,977
Tax at 20% thereon (2016: 20/21%)	(43,840)	(26,995)
Effects of:		
Expenses not deductible for tax purposes	(153)	(1)
Movement in deferred tax asset not provided	(210)	(11,059)
Marginal rate relief	-	-
Adjustment in respect of prior years	(242)	445
Current tax charge for year	(44,445)	(37,610)

Yates Estate Limited

Notes to the financial statements For the year ended 31 March 2017

7. Tangible fixed assets

	Office machinery £	Furniture, fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 May 2016	64,792	91,102	248,731	404,625
Additions	811	1,216	209,494	211,521
Disposals	-	-	(193,180)	(193,180)
At 31 March 2017	65,603	92,318	265,045	422,966
Accumulated depreciation				
At 1 May 2016	54,762	72,398	227,681	354,841
Charge for the year	7,731	16,712	63,571	88,014
Disposals	-	-	(183,327)	(183,327)
At 31 March 2017	62,493	89,110	107,925	259,528
Net book value				
At 31 March 2017	3,110	3,208	157,120	163,438
At 31 March 2016	10,030	18,704	21,050	49,784

The net book value of motor vehicles held under finance leases is £157,120 (2016: £15,131). The total amount of depreciation charged in the year in respect of these assets was £52,373 (2016: £15,131), and accumulated depreciation is £52,373 (2016: £45,393). The parent company holds no tangible fixed assets.

8. Debtors: due within one year

	2017 £	2016 £
Amounts owed by group undertakings	1,474,640	1,334,157
Prepayments and accrued income	14,329	6,416
Sundry debtors	12,000	-
	<u>1,500,969</u>	<u>1,340,573</u>

All amounts owed by group undertakings are interest free and payable on demand.

Yates Estate Limited

Notes to the financial statements For the year ended 31 March 2017

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank overdraft	-	14,127
Obligations under hire purchase contracts	42,678	5,323
Trade creditors	80,728	43,750
Amounts owed to fellow group undertakings	1,134,033	1,053,659
Corporation tax	44,205	38,044
Other taxation and social security	40,455	40,871
Other creditors	27,151	70,091
Accruals and deferred income	19,888	26,178
	<u>1,389,138</u>	<u>1,292,043</u>

Bank overdraft is secured by charges on certain freehold and leasehold properties owned by group companies.

10. Unrecognised deferred tax asset

There is an unrecognised deferred tax asset in relation to depreciation suffered in excess of capital allowances. This asset has not been recognised on the basis that there is insufficient evidence regarding its recoverability. The asset would be recovered if the company made appropriate taxable profits in the future. The amount of the unrecognised asset at 17% is £28,151 (2016 at 18%: £25,147).

11. Called up share capital

	2017 £	2016 £
Authorised, called up, allotted and fully paid: 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

12. Profit and loss account

	2017 £	2016 £
At 1 April	166,191	68,824
Profit for the year	<u>174,753</u>	<u>97,367</u>
At 31 March	<u>340,944</u>	<u>166,191</u>

13. Reconciliation of movement in shareholders' funds

Opening shareholders' funds	176,191	78,824
Profit for the year	<u>174,753</u>	<u>97,367</u>
Closing shareholders' funds	<u>350,944</u>	<u>176,191</u>

14. Contingent liabilities

The company has entered into cross guarantees in respect of borrowings from Barclays Bank PLC by group companies. At 31 March 2017 the potential liability amounted to £2,115,396 (2016: £1,793,693).

Yates Estate Limited

Notes to the financial statements For the year ended 31 March 2017

15. Operating leases

At 31 March 2017 the company was committed to making the following payments during the next year in respect of operating leases, none of which relate to land and buildings:

	2017	2016
	£	£
Expiring between one and two years	1674	1,279

16. Related party transactions

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No.8 "Related Party Disclosures" not to disclose transactions with group companies which are related parties.

17. Ultimate parent company and controlling party

The ultimate parent company is Yates Property Holdings Limited, which is incorporated in the United Kingdom and registered in England and Wales. The financial statements of the consolidated group can be obtained from the registered office, 205 Walworth Road, London SE17 1RL.

The largest and smallest group of which the company is a member and for which consolidated financial statements are drawn up is also Yates Property Holdings Limited.

The ultimate controlling party is the Yates family Trust, which has an interest in 72.8% of the shares of the company.

Yates Estate Limited

Detailed profit and loss account and property management expenses (unaudited)

Year ended 31 March 2017

	2017 £	2016 £
Income		
Commission	777,845	811,260
Fees receivable	5,032	4,297
Interest receivable	-	-
	<u>782,877</u>	<u>815,557</u>
Overhead expenditure		
Establishment expenses	75,696	68,408
Administration expenses	408,845	497,659
Financial expenses	50,021	39,680
Depreciation	88,014	74,833
Profit on sale of fixed assets	(58,896)	-
	<u>563,680</u>	<u>680,580</u>
Profit for the year before taxation	<u>219,197</u>	<u>134,977</u>
Establishment expenses		
Rent and rates	19,218	19,129
Insurance	21,078	16,684
Repairs and maintenance	27,011	22,814
Light, heat and cleaning	8,389	9,781
	<u>75,696</u>	<u>68,408</u>
Administration expenses		
Management fee receivable	(121,744)	(108,323)
Salaries and superannuation	405,655	484,019
Travelling and entertaining	41,042	34,531
Postage and stationery	6,595	5,942
Telephone	6,496	7,452
Sundry expenses	67,971	67,917
Advertising	2,830	6,121
	<u>408,845</u>	<u>497,659</u>
Financial expenses		
VAT unrecoverable	20,122	15,249
Professional charges	26,412	21,740
Bank and short-term interest	1,960	1,503
Leasing costs	1,527	1,188
	<u>50,021</u>	<u>39,680</u>
Depreciation		
Office machinery	7,731	7,528
Furniture, fixtures and fittings	16,712	16,408
Motor vehicles	63,571	50,897
	<u>88,014</u>	<u>74,833</u>