

EMERIA RES UK LIMITED

Annual Report and Financial Statements

Year Ended

31 December 2023

Company Number 13718546

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EMERIA RES UK LIMITED

Company Information

Directors	Hodlon Limited Philippe Salle
Registered number	13718546
Registered office	C/O BDO LLP 2 Snowhill 7th Floor Birmingham United Kingdom B4 6GA
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London United Kingdom WC2N 6RH
Bankers	NatWest Group Hampshire House Templars Way Chandlers Ford Hampshire SO53 3RY

EMERIA RES UK LIMITED

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EMERIA RES UK LIMITED

Strategic Report For the Year Ended 31 December 2023

Introduction

The directors present the Group Strategic Report together with the audited consolidated financial statements for the year ended 31 December 2023. The comparative period relates to the 13 month period from incorporation on 2 November 2021 to 31 December 2022.

Principal activities

Emeria RES UK Limited ("the Company") acts as a holding and investment management company for its French parent, known as Emeria Group ("Emeria"). The Company and its UK trading subsidiaries (together "the Group") represent Emeria's UK Division, which is in the business of providing residential property management and related services in the UK. Emeria is a leading provider of real estate services and technologies, providing services to both individuals and businesses. Emeria operates mainly in Europe and provides competitive and comprehensive services in the residential sector.

Review of business

The Group is one of the UK's largest residential property service businesses with over 40 years' experience and a large, well-served customer base. The Group's principal activities are segmented into three key divisions:

- FirstPort – Residential offering that encompasses procuring and delivering services to residential customers in communal developments – from blocks of apartments to estates of houses.
- Innovus – Client-based offering that encompasses the management and professional services of residential and commercial assets for investor client base. These services include but are not limited to asset management, insurance brokerage, ground rent collection, consulting, and surveying.
- Champions – Estate agency offering that encompasses the management of landlord's property, along with residential sales.

All divisions are supported by a centralised professional team that provides expertise across a wide range of areas to ensure customers receive the exceptional service required.

Sector Update

Trading conditions in 2023 were heavily impacted by double digit inflation and the Bank of England responding with a number of interest rates increases, which put pressure on prices and constrained transaction levels. The ending of the Government's 'Help to Buy' scheme (October 2022 - March 2023), decline in mortgage approvals, and a greater level of planning uncertainties for housebuilders, which also fed through to a softer land development market, all contributed to a weaker housing market in 2023. This was exacerbated by uncertainty in the global economy and financial markets, as well as the ongoing conflicts in Eastern Europe and the Middle East.

Despite these challenges, the Group has continued to focus on its strategic development, acquisitive and organic growth, and improving its service offering to customers. Looking forward to 2024 and beyond, management are confident that the Group's current operating model provides a resilient and diversified structure to deal with current economic challenges and is well positioned to respond to macro changes in the UK market.

Technology continues to be an important focus for the Group and, during 2023, management commenced a review of its IT systems, implementing a simpler and reduced IT system stack to better meet the needs of the business growth and to increase its agility integrating new acquisitions onto the Group's systems. As a result, management decided to write off the full amount of its internally generated software asset as some of the systems that formed part of this asset will no longer be used. The net book value of this asset was written off in 2023 for a total amount of £15,632k (the carrying value of the asset as at 31 December 2022 amounted to £16,428k).

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Strategic Report (continued) For the Year Ended 31 December 2023

Acquisitions

The Group's strategy to grow acquisitively continued in 2023 with some key and defining acquisitions. In total, the Group made 15 acquisitions in 2023 in the form of share and asset purchases, which contributed to bolster its FirstPort, Campions and Innovus divisions.

The largest acquisition in 2023 was the 100% share purchase of Chesterton UK Services Limited on 23 October 2023, which is an established premium Sales and Letting Estate Agency brand in London.

Other acquisitions included:

Entity acquired	Acquisition date
Kingstons Lettings Limited	2 February 2023
Alexander Faulkner Partnership Limited	6 March 2023
HAWK Block Management Limited	31 March 2023
Stuart MacKenzie Residential Limited	31 March 2023
MP Sales and Lettings Ltd	15 May 2023
MP Estate Agents Limited	15 May 2023
Matthews Block Management Ltd	23 May 2023
Featherstone Leigh Limited	16 October 2023
Stewart Hunter Ltd	31 October 2023
Now Survey (Southern) Ltd	6 November 2023
HOWSY Limited	21 November 2023
Burlington Estates (London) Limited	8 December 2023
Whitton & Lairy (South West) LLP	11 December 2023
SG Property Management Limited	12 December 2023
Beal Block & Management Limited	19 December 2023
Jones Robinson Estate Agents Limited	21 December 2023

These combined acquisitions further strengthened our estate agency offering and reinforced our leading property management position in the UK.

In a fragmented market needing investment to support increasing safety and regulatory standards, along with consumers requiring 24x7 and on-line service, further industry consolidation to secure access to key skills is a logical way forward. Our strategy combines local talent and knowledge across our business with the scale benefits and expertise of a nation-wide organisation able to invest in the future.

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Strategic Report (continued) For the Year Ended 31 December 2023

Health and Safety

We fully recognise and are acutely aware of the related health and safety risks and our requirements of operating within the residential management sector, and we take these health and safety obligations very seriously whether this is across offices, operational and development sites, along with the risks to staff travelling between locations. These obligations extend to staff, residents, visitors, contractors, and members of the public. Risks are mitigated by our strong policies and health and safety culture, a safety risk register, continuous training and monitoring and reporting of accidents and near misses.

We are committed to investing in processes, training, policy and procedures to have a leading health and safety culture and expertise across all divisions and different aspects of the business. The Group also achieved ISO 45001 certification for the second year in a row, further establishing its commitment to Health and Safety. The awards demonstrate not only that the Group has strong safety management systems and processes in place, but also has a company-wide culture of recognising and responding well to the risks of managing complex home environments along with many users and stakeholders. Everyone in the company is proud of this 'safety first' culture and remains committed to it.

Our People

Our people play a pivotal role in our service delivery and are key to our customers' service experience. During the year we conducted acquisitions across Campions, FirstPort and Innovus, which means that we now have almost 5,000 employees in the Group.

Developing our people remains a priority for us across the Group. We have implemented a new learning platform, which includes compliance modules to ensure that we provide adequate training for our people in areas such as health & safety, anti bribery, modern slavery and data privacy. We continue to develop this learning platform, so that we can focus on increasing our people's capabilities and also ensure that we develop their skills for their next career move within the Group.

We actively encourage and promote the development and skills of our people at all levels. Training programs include apprenticeships for colleagues at an early stage in their career and inhouse training and accredited courses to further advance skills and qualifications. For our senior management, we introduced three levels of leadership and management development programmes that are Chartered Management Institute (CMI) accredited to enhance and develop management and leadership skills.

As the business grows, we have the opportunity to provide more career development and career pathways than ever before and which is something that we will focus on during 2024 and beyond, to grow and retain the best talent in our business.

We strive to ensure that every job applicant or colleague is not discriminated against on grounds of disability. Where an individual becomes disabled whilst in employment and unable to perform their role we will, where possible, make significant efforts to offer suitable alternative employment and retraining assistance.

Group financial performance

	Year ended 31 December 2023 £'000	13 month period ended 31 December 2022 £'000
Turnover	142,028	40,205
Adjusted EBITDA	36,315	11,065

The table above shows the Key Performance Indicators and alternative performance measures used by management to monitor the performance of the Group.

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Strategic Report (continued) For the Year Ended 31 December 2023

Revenue

Group revenues for the year were £142,028k (2022 - 13-month period - £40,205k). This was in line with management expectations across all three divisions and four areas of service.

FirstPort revenues (residential and commercial property management services) were £86,757k in the 12 month trading period. The Business Development function had a positive end to the year with a strong order book for the future.

Professional services revenues were £28,699k (2022 - 13 month period - £8,236k) for the year, as per management expectations. Our two main contracts for our asset management and facilities management clients performed as expected.

The Champions residential sales and lettings division saw substantial growth in 2023, primarily due to the acquisition of Chestertons and other acquisitions during the year.

Loss for the year

After interest, other operating expenses and tax, the Group made a loss of £53,109k (2022 - loss for the period of £22,490k).

Adjusted EBITDA

The Group's adjusted EBITDA* for the year was £36,315k (2022 - 13 month period - £11,065k), a breakdown of which is shown in note 7. The year-over-year improvement in adjusted EBITDA reflects the Group's strong ability to absorb organic and acquisitive growth due to a scalable cost base in the back office. We continue to see that our acquisitive growth is bringing in broader and specialised skillsets providing opportunities for growth in the future.

**Adjusted EBITDA excludes all costs that do not reflect the underlying performance of the business: interest expense, taxation, depreciation, amortisation, bank charges, gain / loss on disposal of assets, exceptional items, group management charges & share based payments. Foreign exchange differences are only adjusted to the extent they relate to loans and financial liabilities.*

Financial Position

The Group carefully monitors cashflow and has robust cash forecasting processes in place and maintains a strong focus on cash generation. At 31 December 2023, the Group had cash balances of £10,601k (2022 - £10,132k). Borrowings (excluding preference shares) totaled £422,074k (2022 - £299,376k). These loans are intercompany debt owed to parent Emeria companies and are made up of:

a) €337,406k (2022 - €337,500k) bullet loan, denominated in euros (translated at the end of 2023 to £293,341k (2022 - £299,400k)) and due for repayment on 28 November 2028, subject to interest of EURIBOR plus a margin that varies from 3.75% - 5.25% based on the Emeria Group's net leverage ratio; and

b) £110,000k (2022 - £7,200k) revolving credit facility, denominated in pound sterling and due for repayment on 18 January 2024.

A number of regulatory changes impacting the residential property sector gained greater momentum in 2023 and 2024. In particular: The Leasehold and Freehold Reform Act 2024, that received Royal Assent in May 2024, aims to improve fairness and consumer choice in leasehold agreements, covering areas such as leasehold tenure, lease extension terms and ground rents. However, the provisions of this New Act are not yet in effect and unlikely to come into force until later in 2025 or 2026. The Renters Rights Bill, that was included in the 2024 King Speech is expected to be launched into Parliament in Autumn 2024 and this legislation is expected to give greater rights and protection to people renting their homes.

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Strategic Report (continued) For the Year Ended 31 December 2023

Principal Risks and Uncertainties

The Group's principal risks and uncertainties are set out in the table below, together with their potential impact on the business and the measures the Group takes to manage and mitigate them.

Risk	Risk Description	Mitigation
Health and safety ("H&S")	The risk of breaches of H&S standards resulting in injuries, environmental damage or physical damage to property leading to financial penalties, reputational damage and delays to site related activities	<ul style="list-style-type: none"> • Dedicated H&S team under the guidance of skilled H&S Director • Robust H&S culture with safety risk register • Health & Safety on line and on-site training, supported by health & safety policy and guidance
Customer / client retention	The risk associated to operating within a consumer-led sector	<ul style="list-style-type: none"> • Delivery of high-quality customer service on a consistent basis support by systems that allows us to monitor performance • Maintaining a regular dialogue with all our business stakeholders • Commitment to a sustainable model for the business and all our stakeholders
Reputation	The risk of damage to brand name or reputation either through our people, our behaviours, or third parties acting on our behalf	<ul style="list-style-type: none"> • Improvement in customer service and clear complaints processes reduce the risk of issues escalating • Monitoring and responding to customer feedback on employees and third party supplier services • Policies and whistle-blower hotline • Programs and on-line training to promote compliance with our code of conduct. We promote a zero-tolerance approach to breaches of our code of conduct
Economic risks and changes in market dynamics	Failure to respond effectively to developments in the broader economy, competition and other market or fiscal dynamics, changes to macro-market conditions such as inflation and interest rate changes and sector-related legislation changes	<ul style="list-style-type: none"> • Resilient and flexible UK based business model • Significant experience and expertise in chosen markets • Market insight and intelligence through various means • Board monitoring of market conditions, changes and other events compared to our Group operations and strategy, supported by regular business and financial reviews are key to our ability to respond in a timely manner to changes in the market and operating environment

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Strategic Report (continued) For the Year Ended 31 December 2023

Risk	Risk Description	Mitigation
Financial management	Failure to maintain appropriate financial controls throughout the business, including the management of working capital, cash and cashflows, our exposure to interest rate increases (most of our indebtedness bears a floating rate of interest), credit risk, fraud risk and taxation.	<ul style="list-style-type: none"> • Experienced finance team and increasing the skill-set needed to meet the demands of the business growth • Financial control environment • Close monitoring of financial performance, cash, cash flow and credit risk by senior management • Board oversight of financial performance
Systems dependence and business continuity	The risk associated with the non- delivery and future-proofing of our technology, including the potential impact of business interruption through systems and facilities	<ul style="list-style-type: none"> • Investment in appropriate technology and staff • IT governance structure • IT resilience and disaster recovery plans designed to restore service • Business continuity plan for each business operational office • Cyber security accreditation
Legal and regulatory compliance	The risk of failing to comply with relevant laws, regulations and Standards including Anti-Money Laundering, Corporate Criminal Offences, Gender Pay Reporting and Modern Slavery	<ul style="list-style-type: none"> • Employment of qualified advisors both internally and externally who report regularly to the Board on all the significant legislative changes in the UK, and increasing the skill-set needed to meet the demands of the business growth • Development of internal policies and procedures to ensure adequate capture of legal and regulatory compliance issues • Maintenance of risk register for all current regulatory issues • Training programmes for staff
People Risk	The risk that we fail to attract and retain high caliber employees in order to deliver on all aspects of our strategy	<ul style="list-style-type: none"> • HR strategy encompassing recruitment, reward, retention, talent development and performance management • Succession planning for middle and senior management • Regular review of top talent in the organisation regardless of level by all executive members
Data protection and privacy risk	The risk of the loss or misuse of customer or employee data	<ul style="list-style-type: none"> • Information security policies encompassing data protection • Investment in appropriate technology and staff • General data protection regulation (GDPR) steering committee • Breach register and ICO registration

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Strategic Report (continued) For the Year Ended 31 December 2023

Environmental

Environmental and sustainability matters are important for the Group and we are always looking for ways to manage the impact our operations have on our environment and continue to seek methods to neutralise our carbon emissions. Our approach actively manages, and looks to continuously improve, our emissions, energy, waste management, recycling and any other aspect that touches our colleagues, customers, clients and suppliers. We provide our employees training and online courses, tailored to our business and the sector to enhance awareness and help increase knowledge regarding sustainability. We take time to identify practical ways the business may reduce its environmental impact, for example, we will use video and telephone conferencing facilities rather than travel to meetings and utilise digital communications where this is possible.

For a second year in succession, in 2023, we obtained ISO 14001, the international standard for the environment, which is an important standard to help us increase environmental awareness and minimise our impact on the environment. Being certified to ISO 14001 illustrates to our customers, suppliers and external stakeholders that the Group is committed to being an environmentally sustainable organisation, which can inspire both increased sales, as well as overcoming regulatory barriers. Regulators and customers alike are increasingly demanding environmental impacts be taken into account by the organisation they are purchasing from or working with.

Streamlined Energy and Carbon Reporting

Environmental, Social and Governance ("ESG") policy continues to be at the forefront of the Group's decision-making. As a result of the internal and external growth of the business, the Group's emissions have increased during 2023. However we will continue to work tirelessly in the pursuit of reducing our carbon footprint to support the delivery of a sustainable, low carbon economy. In line with this, the Group has an ESG committee to support its environmental objectives, social awareness and overall good governance. The ESG committee analyses solutions to reduce emissions and one of the key actions has been to promote flexible working to reduce travel and related carbon emissions.

We measured our total greenhouse gas emissions across our offices, directly and indirectly, to cover a 12-month period between 1 January 2023 to 31 December 2023. This ensured compliance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) regime.

The Group's energy use and associated GHG emissions from electricity and fuel across our UK offices can be found in the table below, along with scope calculations aligned to the Greenhouse Gas Protocol. Within this protocol, we have chosen an operational control approach and have used the UK government emission factors for 2023 for all our emission sources.

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Strategic Report (continued) For the Year Ended 31 December 2023

Streamlined Energy and Carbon Reporting (continued)

	2023 Energy Usage (kWh)	2022 Energy Usage (kWh)	2023 Emissions (tCO ₂ e)	2022 Emissions (tCO ₂ e)
Natural Gas (scope 1)	99,835	14,272	18.5	4.4
Electricity (scope 2)	924,089	264,621	190.3	49.6
Transport fuels Company vehicles (scope 1)	13,826	4,602	8.6	1.2
Transport fuels Grey fleet (scope 3)	2,579,029	559,425	630.1	248.4
	3,616,779	842,920	847.5	303.6

Carbon emission intensity

	Number of employees 2023	Number of employees 2022	Emissions intensity 2023	Emissions intensity 2022
Intensity benchmark				
Carbon emissions intensity per employee	3,926	3,621	0.22	0.08

Financial risk management

The Group's operations expose us to a variety of financial risks that include the effects of credit, liquidity, cashflow, foreign exchange and interest rate changes. There are robust controls in place to limit any adverse impact on our Group's performance by monitoring potential financial risks.

The Group's interest rate risk exposure arises mainly on intercompany loan between the Company's subsidiary Emerica RES UK Newco Limited (as borrower) and Emerica (as Lender) set up for the purpose of financing the acquisition of Drive Topco Limited, and which is indexed to three-month EURIBOR (see notes 21 and 22). To the extent that interest rates were to increase significantly, as a result of changing macro-economic conditions, the interest expense could correspondingly increase, thereby reducing cash flows. As this intercompany loan is designated in Euro, the Group also has exposure to foreign exchange volatility, that we closely monitor and report.

The majority of our customer base is UK residential and commercial, which reduces the concentration of credit risk. Where we transact with corporate customers, our credit control teams follow strict processes for managing and mitigating the risk of non-payment of charges. The Group has policies and procedures that require credit checks on potential customers before engaging with them, taking into account their financial position and other factors. The Group has cash management and forecasting processes in place to manage cashflow and liquidity within our existing financing.

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Strategic Report (continued) For the Year Ended 31 December 2023

Corporate governance and reputation of high standards of business conduct

The Wates Corporate Governance Principles (the “Wates Principles”) for large private companies have been used to benchmark the Group’s governance structure. The Group will continue to work towards improving its corporate governance practices in line with the Wates Principles and drive to meet these standards.

For a second year in succession, the Group received ISO 9001 certification. ISO 9001 is the international standard for quality. It gives our customers confidence that we are working to systems and procedures that will provide them with a high standard of customer service. Implementing an effective and robust ISO 9001 Quality Management System (QMS) will help the Group to focus on the important areas of our business and improve efficiency. The 9001 quality management processes that are established throughout the Group will provide a sound foundation, leading to increased productivity and profit.

Statement on the Directors’ performance of their statutory duties in accordance with s172 (1) Companies Act 2006

The Directors of the Company act in accordance with a set of general duties, which are detailed in the UK Companies Act 2006. These include a duty to promote the success of the Group for the benefit of its members as a whole and to consider (amongst other matters):

- The likely consequences of any decision in the long term;
- The interests of the Group’s employees;
- The need to foster the Group’s business relationships with suppliers, customers and others;
- The impact of the Group’s operations on the community and the environment;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Group.

The following paragraphs summarise how the Directors fulfil their duties:

Decision-making

Decision making for the Group is delegated to the Emerica UK Chief Executive Officer, Emerica UK Chief Financial Officer and the UK senior executive management team. The UK CEO and UK CFO have monthly meetings with Emerica’s Group Chief Executive Officer and Chief Financial Officer to ensure that strategic plans are followed and to review UK financial performance. The plan and strategy form the basis for financial budgets, resource plans and investment and acquisition decisions. When making decisions relating to the business plan and future strategy, various stakeholders are considered along with the consequences of decisions to the Group’s reputation.

Each month Executive meetings are held by the UK CEO, together with the UK CFO and UK senior executive management team to review the financial and operational performance of the business. Key actions taken are communicated to the senior management team regularly, along with the wider business to ensure transparency and to maintain focus on the business’ key strategic goals. Communication emails are sent by the UK CEO and the group intranet is used to provide company updates, news and other media to keep our people engaged.

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Strategic Report (continued) For the Year Ended 31 December 2023

Employees

Employees are the Group's most valuable asset and are central to the success of the Group, and pivotal to our customer services. For the business to succeed, it needs to manage employees' careers, offer opportunities for learning and development and ensure success is recognised and that our people are fully engaged and motivated.

As the business grows and expands across the Group, we have a greater opportunity to provide more career development and career pathways than ever before, which will be a focus during 2024, to continue to grow and retain the best talent in our business.

In 2023, we implemented a new learning platform, which includes compliance modules to ensure that we provide adequate training for our people in areas such as health & safety, sustainability, anti bribery, modern slavery and data privacy. We will continue to develop this learning platform, so that we can focus on increasing capabilities for our people in their roles, so that may develop their skills for their next career move across the Group.

With regard to career progression, comprehensive leadership development programs for every level of our managers and leaders have been implemented. These are twelve month structured programs which are designed to enhance management and leadership skills, improve communication, and foster a culture of collaboration.

The wellbeing of our employees continues to be a focus of the Group, placing emphasis on employee communications. We recognise the need for communication at all levels so that our colleagues know the part that they play in the wider business operations and decision making process, and that they feel aligned with the values of the Group. Initiatives include: a monthly communication round up, a number of roadshows scheduled across the three divisions, and regular updates to the Group's intranet site.

Our Workstars platform is a Group initiative, where employees can be recognised for their success. It provides a real-time recognition platform, which is central to the way we work. In addition, in October 2023, the Group held its first annual Emerica UK awards ceremony, which gave the opportunity for employees to nominate and award their colleagues recognising their contribution to the Group across specific categories. This will be subsequently repeated in October 2024.

From the surveys undertaken we are aware that our people want flexibility in how and where they work. The Group offers a hybrid working practice across the business to give our people that flexibility. With a new Central London Head Office that opened in June 2024, we offer our people a range of office locations and enhanced facilities.

With a growing and dispersed employee population, we recognise that our management and leadership capability is paramount to our employee engagement, which our last engagement survey reinforced and this continues to be a significant focus for us.

Company acquisitions are confidential in nature, however through a senior due diligence team that are close to the operations, an assessment is made on the culture and long term fit of any potential transaction to gain assurance that no major conflicts will arise. A due diligence report is submitted to the UK CEO and senior executive management team outlining the findings so that an informed decision can be made based on what is best for both the Group and its employees.

The Group aims to ensure everyone is treated fairly and equitably and there are arrangements in place to prevent discrimination in the workplace with dedicated support to employees from the HR team, including an anonymous dedicated whistleblowing hotline. Any matters arising from any whistleblowing is recorded in our whistleblowing register and reviewed by the Risk & Governance Committee, a sub-committee of the Executive Management Board.

Our employees have access to our Employee Assistance Programme, which is managed by an independent third party, as well as internal colleagues trained as Mental Health First Aiders.

EMERIA RES UK LIMITED

Strategic Report (continued) For the Year Ended 31 December 2023

Corporate Social Responsibility, Community and Environment

We are strongly aware of our social responsibility and the impact we have on the environment and the communities we serve. The Group partnered with a number of charities in 2023, including Great Ormond Street Hospital for Children (GOSH), MDNA (Motor Neurone Disease) and Macmillan Cancer Support with employees from across the business gaining sponsorship for activities like the London Marathon, walking challenges, bike rides and by simply making donations to the charities via our JustGiving page. In 2024, we continue our support for charities and are proud to have embarked on a new charity partnership with Tommy Club, a division of Royal British Legion Industries (RBLI), in their mission to support society's most vulnerable military veterans. Founded in the aftermath of World War I, the charity places significant emphasis on providing homes, work and support for veterans, including emergency accommodation for veterans who are homeless.

For further details on our environmental responsibility, please see page 8 and 9.

Stakeholder Engagement

As the business continues to grow, Management recognise the broad and diverse community of stakeholders, each with their own interests expectations of the Group, that includes customers, clients, suppliers, employees, and society more widely, and for our decisions to consider these audiences.

The development and maintenance of strong and positive relationships between the Group and its external stakeholders is a key part of our purpose, values and culture.

The Group strives to ensure that positive stakeholder engagement exists at all levels across the business, and that decisions put customers first. However, with a wide stakeholder base that includes customers, clients, suppliers, employees, and society more widely, and as the size and distribution of our stakeholders continues to grow, it means that that stakeholder engagement often takes place at an operational level.

Senior management hold regular meetings and forums with key clients to review our services in their respective portfolios. This enables us to address any issues raised by our clients and act transparently.

Due to the nature of the services we offer, we have a diverse mix of large national and local suppliers. Whilst engagement with our suppliers mainly takes place at an operational level through local and centralised procurement team, any developments which could materially impact the organisation are reported back to the UK CEO and senior executive management team. Management will also review and approve key material contracts with its supply chain.

Customer research is conducted with residential customers, resident management company directors, letting agents and landlords to help enable the business better understand what's important to these stakeholders.

EMERIA RES UK LIMITED

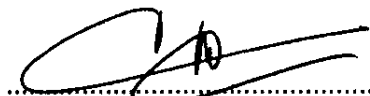
Strategic Report (continued) For the Year Ended 31 December 2023

Engagement in Action

Throughout 2023, we held:

- Internal staff committee meetings, led by our health and safety leaders, to discuss health and safety matters and areas of improvement across our business divisions and for the developments in our care. Findings are presented back to the UK CEO and divisional managing directors who discuss the requirements to attain ISO 45001 certification
- ESG meetings and had a close liaison with Emerica Group ESG management, reviewing related ESG matters and reporting requirements
- Monthly Executive meetings to review operational and financial performance that also includes updates on health and safety by our Health & Safety director and employee updates and developments from around the business
- Regular engagement between our senior executive members and all employees through monthly emails and internal social media system intranet accessible for all employees to view and provide feedback on
- Introduced a new comprehensive on line training platform for all levels in the business to develop and enhance their skills and capabilities
- Leadership development programmes for all managers and leaders continued in 2023 which has been well received and viewed as a means to help improve career pathways for the Group's employees
- Regular meetings with key clients, with progress reported back to senior executive management team to help enhance our service offering, improve our service model proposition that needs to evolve with our customers' needs and requirements.
- Regular contact meetings with key suppliers to assess and review service levels to ensure quality, cost effective and timely delivery. With a growing business, this has helped to enhance a better understanding for suppliers of our business goals, enabling a more mutually beneficial sustainable relationship. They also gave suppliers the opportunity to showcase where else they may be able to support us

This report was approved by the board and signed on its behalf by:



Hodlon Limited
Director

Date: 09 October 2024

EMERIA RES UK LIMITED

Directors' Report For the Year Ended 31 December 2023

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2023. The comparative period relates to the 13 month period from incorporation on 2 November 2021 to 31 December 2022.

Principal activities and business review

A review of the Company and Group's business and principal risks and uncertainties is set out in the Strategic Report on pages 1 - 12 of these financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £53,109k (2022 - loss for the period £22,490k).

The directors do not recommend payment of a dividend in the current year (2022 - £Nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Hodlon Limited
Philippe Salle

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and parent company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- *select suitable accounting policies and then apply them consistently;*
- *state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;*
- *make judgements and accounting estimates that are reasonable and prudent; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.*

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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Directors' Report (continued) For the Year Ended 31 December 2023

Going Concern

The Group is the UK division of the Emerica Group ("Emerica") and manages its day-to-day working capital requirements through Emerica. The Group has long term loans due to Emerica that are not due for repayment until December 2027 at the earliest, however these are partially offset by receivables due from Emerica.

The Group has considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect the Group's ability to meet its liabilities. The Group concludes that given the available resources, the budgeted forecasts, and the economic environment, there is a reasonable expectation that the Group will continue to operate as a going concern for the foreseeable future.

As part of this, the Group assessed that they have a considerable number of on-going management contracts across FirstPort, Innovus and Campions, making them resilient to adverse trading conditions. In addition, the Group's forecasts and projections, taking account of the possibility of changes in trading performance, show that the Group should be able to operate within its own means for a period of at least 12 months from the signing date of these accounts.

The Group has performed stress scenario analysis on the Group's future performance to consider any potential downturn on its business. During this assessment, the Group conducted an alternative forecast considering a severe but plausible change in trading performance to the end of December 2025. The model assumed a significant reduction in its transactional revenue lines with no cost reduction projected to offset the impact. In addition, given the cash generating nature of the business, working capital payments have been added back to the model as they are non-recurring in nature and would only be paid to Emerica if there is excess working capital. In this "severe" scenario, sufficient liquidity and cash generation was demonstrated, and as a result, it can be concluded that the Group operates a resilient business and has the capabilities to continue to operate for the foreseeable future and for at least a period of twelve months following the date of approval of these financial statements.

Financial risk management

Information on financial risk management is included in the Strategic Report on page 5.

Employees

Information on employees is included in the Strategic Report on page 3. Further information on employee engagement is included in the s172 (1) statement in the Strategic Report on pages 9 - 12.

Stakeholder engagement and principal decisions

Information on stakeholder engagement and principal decisions is included in the s172 (1) statement in the Strategic Report on pages 9 - 12.

Disabled employees

Information on disabled persons is included in the Strategic Report on page 3.

Qualifying third party indemnity provisions

The Group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group. This is a qualifying third party indemnity provision made for the benefit of its directors during the period. These provisions remain in force at the date of approval of the financial statements.

Statement of corporate governance arrangements

Please refer to 'Corporate governance and reputation of high standards of business conduct' within the Group Strategic Report.

EMERIA RES UK LIMITED

Directors' Report (continued) For the Year Ended 31 December 2023

Post balance sheet events


On the 16 May 2024, the Group acquired 100% of the issued share capital of Owen Commercial Limited for an initial consideration of £6,500k.

On the 27 August 2024, the Group acquired 100% of the issued share capital of Landseen Limited for an initial consideration of £1,800k.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:


.....
Hodlon Limited
Director

Date: 09 October 2024

Independent auditors' report to the members of Emeria Res UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Emeria Res UK Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet and the Company Balance Sheet as at 31 December 2023; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the process by which the forecasts were prepared and confirmed that they had been approved by appropriate individuals within the finance function;
- Evaluating the key assumptions in the forecasts by performing sensitivities and looking at the trends and relationships;
- Testing the forecast revenue and EBITDA figures with reference to the assumptions made in relation to price and churn;

- Comparing the prior year forecasts against current year actual performance to assess management's ability to forecast accurately;
- Considering the impact of key changes in the business during the Going Concern period of assessment and evaluating the financial impact of these; and
- Assessing the disclosures provided relating to the going concern basis of preparation. We found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.

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 group's and the parent 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 an auditors' 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of employment laws, health and safety regulations and data protection, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in relation to areas of judgement and significant accounting estimates; including the classification of costs as exceptional, and the valuation of identified intangibles arising from the acquisition accounting for the acquisitions made within the year;

- Testing journal entries meeting set risk criteria, in particular any journal entries posted with unexpected account combinations resulting in a credit to revenue or cost, or journal entries containing unusual words;
- Incorporating elements of unpredictability into the audit procedures performed; and
- Review of board minutes throughout the period and legal costs incurred to understand if these are indicative of any wider non-compliance or fraud matters.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Diane Walmsley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 October 2024

EMERIA RES UK LIMITED

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2023

			For the period from 2 November 2021 to 31 December 2022
	Note	2023 £000	2022 £000
Turnover	4	142,028	40,205
Cost of sales		-	(2,078)
Gross profit		142,028	38,127
Administrative expenses		(163,203)	(51,743)
Other operating income	5	432	-
Fair value movements	6	(7,818)	-
Operating loss	6	(28,561)	(13,616)
Interest receivable and similar income	11	514	14
Interest payable and similar expenses	12	(28,923)	(9,269)
Loss before taxation		(56,970)	(22,871)
Tax on loss	13	3,861	381
Loss for the financial year/period		(53,109)	(22,490)
Loss for the year/period attributable to:			
Owners of the parent company		(53,109)	(22,490)
		(53,109)	(22,490)

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 28 to 109 form part of these financial statements.

EMERIA RES UK LIMITED

Registered number:13718546

Consolidated Balance Sheet As at 31 December 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	14	547,310	449,204
Tangible assets	15	5,544	2,249
Investments	16	103	-
		<u>552,957</u>	<u>451,453</u>
Current assets			
Debtors: amounts falling due after more than one year	19	117	-
Debtors: amounts falling due within one year	19	40,386	16,279
Cash at bank and in hand	20	10,601	10,132
		<u>51,104</u>	<u>26,411</u>
Current liabilities			
Creditors: amounts falling due within one year	21	(169,070)	(46,796)
Net current liabilities		<u>(117,966)</u>	<u>(20,385)</u>
Non-current liabilities			
Creditors: amounts falling due after more than one year	22	(351,346)	(304,021)
Provisions for liabilities			
Deferred taxation	24	(59,219)	(49,355)
Provisions	25	(415)	(611)
		<u>(59,634)</u>	<u>(49,966)</u>
Net assets		<u>24,011</u>	<u>77,081</u>
Capital and reserves			
Called up share capital	26	100,408	100,408
Profit and loss account	27	(76,397)	(23,327)
Total equity		<u>24,011</u>	<u>77,081</u>

EMERIA RES UK LIMITED

Registered number:13718546

Consolidated Balance Sheet (continued)
As at 31 December 2023

The financial statements on pages 20 to 109 were approved and authorised for issue by the board and were signed on its behalf by:



Hodlon Limited
Director

Date: 09 October 2024

The notes on pages 28 to 109 form part of these financial statements.

EMERIA RES UK LIMITED

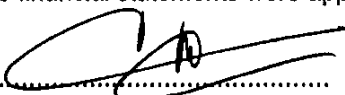
Registered number:13718546

**Company Balance Sheet
As at 31 December 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Investments	16	1,734	1,734
Current assets			
Debtors: amounts falling due after more than one year	19	112,057	100,444
Debtors: amounts falling due within one year	19	121,481	6,269
Cash at bank and in hand	20	430	88
		<u>233,968</u>	<u>106,801</u>
Current liabilities			
Creditors: amounts falling due within one year	21	(119,575)	(4,921)
Net current assets		<u>114,393</u>	<u>101,880</u>
Creditors: amounts falling due after more than one year	22	(10,167)	(832)
Net assets		<u><u>105,960</u></u>	<u><u>102,782</u></u>
Capital and reserves			
Called up share capital	26	100,408	100,408
Profit and loss account	27	5,552	2,374
Total equity		<u><u>105,960</u></u>	<u><u>102,782</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £3,178k (2022 - profit for the period - £2,374k).

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



Hodlon Limited
 Director

Date: 09 October 2024

The notes on pages 28 to 109 form part of these financial statements.

EMERIA RES UK LIMITED

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2023

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2023	100,408	(23,327)	77,081
Comprehensive loss for the financial year			
Total comprehensive loss for the financial year	-	(53,109)	(53,109)
Assumption of minority interest	-	39	39
At 31 December 2023	100,408	(76,397)	24,011

The notes on pages 28 to 109 form part of these financial statements.

Consolidated Statement of Changes in Equity For the Period Ended 31 December 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 2 November 2021	-	-	-
Comprehensive loss for the period			
Total comprehensive loss for the period	-	(22,490)	(22,490)
Contributions by and distributions to owners			
Shares issued during the period	100,408	-	100,408
Assumption of minority interest	-	(837)	(837)
At 31 December 2022	100,408	(23,327)	77,081

The notes on pages 28 to 109 form part of these financial statements.

EMERIA RES UK LIMITED

Company Statement of Changes in Equity For the Year Ended 31 December 2023

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2023	100,408	2,374	102,782
Comprehensive income for the financial year			
Total comprehensive income for the financial year	-	3,178	3,178
At 31 December 2023	100,408	5,552	105,960

The notes on pages 28 to 109 form part of these financial statements.

Company Statement of Changes in Equity For the Period Ended 31 December 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 2 November 2021	-	-	-
Comprehensive income for the period			
Total comprehensive income for the period	-	2,374	2,374
Contributions by and distributions to owners			
Shares issued during the period	100,408	-	100,408
At 31 December 2022	100,408	2,374	102,782

The notes on pages 28 to 109 form part of these financial statements.

EMERIA RES UK LIMITED

Consolidated Statement of Cash Flows For the Year Ended 31 December 2023

		For the period from 2 November 2021 to 31 December
	2023 £000	2022 £000
Cash flows from operating activities		
Loss for the financial year/period	(53,109)	(22,490)
Adjustments for:		
Amortisation of intangible assets	27,577	9,124
Depreciation of tangible assets	1,281	391
Impairments of intangible assets	15,632	-
Profit on disposal of tangible assets	13	-
Interest paid	28,923	9,269
Interest received	(514)	(14)
Taxation credit	(3,861)	(381)
(Increase)/decrease in debtors	(15,634)	3,865
(Decrease)/increase in creditors	(6,428)	3,232
(Decrease)/increase in provisions	(376)	217
Fair value adjustment on put and call option	7,818	-
Corporation tax paid	(188)	(33)
Foreign exchange on loans	(6,035)	-
Net cash (used in)/generated from operating activities	(4,901)	3,180
Cash flows from investing activities		
Purchase of intangible fixed assets	(4,220)	(602)
Sale of intangible assets	17	-
Purchase of tangible fixed assets	(2,345)	(586)
Sale of tangible fixed assets	343	-
Interest received	1	14
Purchase of subsidiary undertaking, net of cash acquired	(110,537)	(192,742)
Acquisition related costs paid	(1,835)	(2,409)
Cash received from third party shareholders	39	16
Net cash used in investing activities	(118,537)	(196,309)

EMERIA RES UK LIMITED

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2023

	2023 £000	2022 £000
Cash flows from financing activities		
Issue of ordinary shares	-	100,408
Repayment of bank loan	-	(191,845)
New group loan	123,683	299,376
Interest paid	(179)	(2,761)
Purchase of preference shares	-	(1,917)
Net cash generated from financing activities	123,504	203,261
Net increase in cash and cash equivalents	66	10,132
Cash and cash equivalents at beginning of year/ period	10,132	-
Cash and cash equivalents at the end of year/ period	10,198	10,132
Cash and cash equivalents at the end of year/period comprise:		
Cash at bank and in hand	10,601	10,132
Bank overdrafts	(403)	-
	10,198	10,132

The notes on pages 28 to 109 form part of these financial statements.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

1. General information

Emeria RES UK Limited is a private company limited by shares, incorporated and registered in England and Wales, under the Companies Act 2006. The registered office address is 2 Snowhill 7th Floor, Birmingham, England, B4 6GA.

The principal activity of the Company is that of a holding company and investment management. The activities of the Group are the provision of residential property management and related services within the UK.

These financial statements comprise the results for the year ended 31 December 2023 and are presented in Pound Sterling (GBP) and to the nearest £'000. The comparative results are for the 13 months from incorporation on 2 November 2021 to 31 December 2022.

2. Accounting policies

2.1 Basis of preparation of financial statements

The Group and individual financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions:

- i. from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows, included in these financial statements, includes any cash flows of the Company;
- ii. from the financial instrument disclosures required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), 12.29A and 12.30, as the information is provided in the consolidated financial statements;
- iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statements; and
- iv. the Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

2.4 Going concern

The Group is the UK division of the Emeria Group ("Emeria") and manages its day-to-day working capital requirements through Emeria. The Group has long term loans due to Emeria that are not due for repayment until December 2027 at the earliest, however these are partially offset by receivables due from Emeria.

The Group has considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect the Group's ability to meet its liabilities. The Group concludes that given the available resources, the budgeted forecasts, and the economic environment, there is a reasonable expectation that the Group will continue to operate as a going concern for the foreseeable future.

As part of this, the Group assessed that they have a considerable number of on-going management contracts across FirstPort, Innovus and Campions, making them resilient to adverse trading conditions. In addition, the Group's forecasts and projections, taking account of the possibility of changes in trading performance, show that the Group should be able to operate within its own means for a period of at least 12 months from the signing date of these accounts.

The Group has performed stress scenario analysis on the Group's future performance to consider any potential downturn on its business. During this assessment, the Group conducted an alternative forecast considering a severe but plausible change in trading performance to the end of December 2025. The model assumed a significant reduction in its transactional revenue lines with no cost reduction projected to offset the impact. In addition, given the cash generating nature of the business, working capital payments have been added back to the model as they are non-recurring in nature and would only be paid to Emeria if there is excess working capital. In this "severe" scenario, sufficient liquidity and cash generation was demonstrated, and as a result, it can be concluded that the Group operates a resilient business and has the capabilities to continue to operate for the foreseeable future and for at least a period of twelve months following the date of approval of these financial statements.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the business operates (the functional currency). The consolidated financial statements are presented in GBP, which is the Group's presentational currency and the Parent company's functional and presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within interest payable or interest receivable. All other foreign exchange gains and losses are presented in profit or loss within administrative expenses.

2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the Group and value added taxes.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the amount of revenue can be measured reliably; (c) it is probable that future economic benefits will flow to the entity and (d) when the specific criteria relating to each of the Group's sales channels have been met as described below.

Revenue for the key services provided by the Group is recognised as follows:

(i) Residential and commercial property management services

Fees for residential and commercial property management services, including maintenance, are recognised as the Group's obligations under the applicable contracts are delivered to the customer, which is typically on a straight-line basis over the period of the contract. The deferred element of the services is included in creditors as deferred income.

Residential and commercial property management services provided to customers, which at the balance sheet date have not been billed, are recognised as revenue and are included in debtors as accrued income.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.6 Revenue (continued)

(ii) Professional services

Turnover from contracts for the provision of professional services provided by the company 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 determined by reference to milestones in the contract being achieved and the revenue earned.

iii) Insurance sales

Commissions earned on the placing of insurance products on behalf of third parties are recognised when the Group has completed its services under the arrangements, which is the inception date of the underlying insurance policy. Any commission adjustments for additional and return premiums are recognised as they occur.

iv) Residential sales and lettings

Fees for real estate agency and property transfer services are recognised on completion of the related property sale. Fees for residential lettings arranged by the Group are recognised on execution of binding rental contracts between landlord and tenant.

v) Other revenue

Recharge of house managers' employment cost amounts collected from customers in relation to the employment of house managers and deputies to oversee individual developments managed by the Group are recognised as net of cost where recharges equal costs incurred. The Group is considered to be an agent as it does not have exposure to significant risks and rewards associated with the rendering of these services.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Interest receivable

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.9 Finance costs

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

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.12 Current and deferred taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.13 Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the balance sheet date for any material remaining obligations to employees.

(ii) Annual bonus plan

The Group operates annual bonus plans for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

2.14 Exceptional items

Exceptional items are transactions that do not fall within the ordinary activities of the Group and are non-recurring and are analysed separately in calculating Adjusted EBITDA due to their size or incidence.

2.15 Intangible assets

Goodwill

Goodwill, being the difference between the fair value of consideration paid and the net assets acquired in a business combination is being amortised evenly over its estimated useful life of 20 years. Goodwill is reviewed for impairment at the end of the financial period if events or changes in circumstances indicate that the carrying value may not be recoverable. Subsequent to the initial recognition, goodwill is adjusted for any the additional consideration paid or where estimates have been revised as a result of changes in future events.

Other intangible assets

Intangible assets acquired in a business combination include computer software, customer relationships and brands.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight line basis over their estimated useful lives at the following rates:

Customer relationships	-	3 - 20 years
Goodwill	-	20 years
Brand name	-	5 - 16 years
Computer software	-	10 years

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.16 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Property, plant and equipment - over 3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.17 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.18 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.19 Debtors

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

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.20 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.21 Creditors

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

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured based on the Group's best estimate at the reporting date of the expenditures expected to be required to settle the obligation discounted to the present value, where material.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.23 Financial instruments

As an FRS 102 reporter, the Group and Company apply FRS 102 s11 and 12.

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is an 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.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.24 Put and call options on non-controlling interests

Third party shareholders hold shares in the Company's subsidiary that are subject to put and call options. Analysing these options contracts is often complex and requires an understanding of the economics of the underlying transaction and of the substance of the commitments binding the different categories of shareholder concerned. Options are therefore accounted for on a case-by-case basis in light of all known facts and circumstances.

Granting a put option to non-controlling interests, enables those non-controlling interests to sell their shares back to the Group. Non-controlling interests can exercise their put option, thereby requiring the Group to purchase the underlying shares at a specified exercise price and future date or specified event. The call option enables the Group to require non-controlling interests to sell the underlying shares back to the Group at a specified exercise price and future date or specified event.

In the absence of specific guidance under FRS 102, these options are accounted for by the Group as follows:

- The present value of the Group's commitment to repurchase the shares at the reporting date is included within long-term liabilities; and
- The corresponding non-controlling interests are not recognised within equity.

For the Company, the initial present value of expected future payments to settle the put/call options is recognised as a cost to its investment in subsidiary companies.

2.25 Dividends on preference shares recognised as liabilities

Dividends on preference shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.26 Capital commitments

The Group discloses particulars and the total amount of any financial commitments, guarantees and contingencies not included in the balance sheet.

If in any financial year the Group is or has been party to arrangements that are not reflected in its balance sheet, and at the balance sheet date the risks or benefits arising from those arrangements are material, a note states the nature and business purpose of the arrangements, and the financial impact of these on the Group.

The Group discloses the amount of contractual commitments for the acquisition of property, plant and equipment.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

3. Significant judgements and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Incentive schemes

The Group runs a number of performance based bonuses and incentive schemes for management. performance objectives are based on internal and external factors. At the period end management review those internal and external factors to assess whether they have been met. At the period end a number of internal factors were met which led to the recognition of accruals for management incentives. For incentive plans that are impacted by external factors, these were judged not to have been met in the period and therefore no accrual for these amounts was made.

Fair value of acquisitions

The fair value of tangible and intangible assets acquired on the acquisitions (see note 28 and 29) involve the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimation of the fair values requires the combination of assumptions including revenue growth, sales mix and volumes, rental values and increases and customer attrition rates. In addition, the use of discount rates requires judgement.

Impairment of intangible assets and goodwill

The Group considers annually whether an indicator of goodwill and intangible assets impairment exists. Where an indication of impairment exists, management are required to estimate the recoverable value of the cash-generating units (CGUs) or assets. This requires estimation of the future cash flows from the CGUs or assets and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

3. Significant judgements and estimates (continued)

Useful life of intangible assets and goodwill

Determining whether goodwill arising on the acquisition of a subsidiary requires an impairment requires an estimation of future discounted cash flows of the Cash Generated Unit (CGU). The directors have assessed if there are any indicators of impairment to the goodwill held and none have been noted, therefore no impairment test has been completed in relation to these.

Impairment of debtors

The Group makes an estimate of the recoverable value of trade, amounts due from group companies and other debtors. When assessing impairment of their debtors, management consider factors including the ageing profile of the debtors and historical experience.

Accrued income

The directors have carefully considered the fee payable on completion of residential developments. Given the contractual nature of this fee, they have elected to recognise this revenue at the time contracts are exchanged.

Put and call options on non-controlling interests

The Group considers that the exercise price of the put and call options over third party share ownership does not deprive it from the returns associated with owning the underlying shares and, therefore, that a "present ownership interest" exists. Accordingly, the subsidiaries are consolidated into the Group financial statements with no corresponding non-controlling interest being recognised in the Statement of Financial Position (the liability for the repurchase of these shares is shown within creditors due after more than one year).

Calculation of the put and call option liability

The expected cash flows to re-purchase Ordinary shares held by management under the put and call options have been calculated using a Monte-Carlo Simulation ("MSC") Methodology, which uses management's forecasts in respect of expected future cash payouts and simulates multiple outcomes to identify an average value for the cash payouts, subject to inputs such as earnings volatility rates. The average, expected future cash payouts have then been discounted to present value, using a rate that management have deemed to be most appropriate, given the nature of the transaction and the business.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

4. Turnover

An analysis of turnover by class of business is as follows:

		For the period from 2 November 2021 to 31 December
	2023 £000	2022 £000
Residential and commercial property management services	86,943	29,761
Professional services	28,699	8,236
Insurance sales	4,370	925
Residential sales and lettings	22,016	1,283
	<u>142,028</u>	<u>40,205</u>

Analysis of turnover by country of destination:

		For the period from 2 November 2021 to 31 December
	2023 £000	2022 £000
United Kingdom	142,028	40,205

5. Other operating income

		For the period from 2 November 2021 to 31 December
	2023 £000	2022 £000
Company management fees receivable	432	-

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

6. Operating loss

The operating loss is stated after (crediting)/charging:

		For the period from 2 November 2021 to 31 December
	2023	2022
	£000	£000
Exchange differences	(6,204)	6,154
Operating lease expense	5,800	1,604
Exceptional items	16,652	8,385
Depreciation	1,281	391
Amortisation	27,577	9,124
Impairment of intangible assets (see note 14)	15,632	-
Fair value adjustment on put and call option (see note 22)	7,818	-

Exceptional items of £16,652k (2022 - 13-month period - £8,385k) relate to M&A costs, restructure costs and transformation costs.

M&A costs of £8,083k (2022 - 13-month period - £6,232k) relate to costs incurred on acquisitions and their integration and are non-underlying and one-off in nature, please see note 28 for further details of acquisitions made in the year.

Further M&A costs of £Nil (2022 - 13-month period - £1,673k) relate to an aborted acquisition during the period.

Restructure costs of £2,204k (2022 - 13-month period - £337k) incurred as a result of the acquisitions and are non-underlying in nature.

Transformation costs of £6,365k (2022 - 13-month period - £143k) are costs relating to the roll out of software and other technologies and are one-off in nature.

During the year the Group initiated a review of its IT systems in view of the volume of acquisitions and the need to integrate these efficiently. Management decided to achieve a simpler and reduced stack of IT systems to enable, improve and increase the agility of integrating acquisitions at pace onto the Group's systems. As a result, the Group decided to write off the full amount of its internally generated software asset as the systems that form part of this asset will no longer be used. As those systems are integrated with one another and the asset recognised was related to time spent and third-party costs in relation to coding and enabling the integration of those systems, reducing the number of systems being used results in the asset having no further value to the Group.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

7. Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure and represents the basis on which the management review the performance of the Group.

Adjusted EBITDA is a measure of the underlying profit. The measure excludes all costs that do not reflect the underlying performance of the business, that is, interest expense, taxation, depreciation and amortisation, and is further adjusted for exceptional costs, bank charges, management charges and put/call fair value movements. Foreign exchange differences are only adjusted to the extent they relate to loans and financial liabilities. This measure is in line with management reporting and is consistent with the reporting made to shareholders and lenders.

Adjusted EBITDA may be reconciled as follows:

		For the period from 2 November 2021 to 31 December
	2023 £000	2022 £000
Operating loss	(28,561)	(13,616)
Depreciation of owned tangible assets	1,281	391
Amortisation of intangible assets	27,577	9,124
Impairment of intangible assets	15,632	-
Profit on disposal of fixed assets	(13)	-
Exceptional costs	16,652	8,385
Foreign exchange	(6,204)	6,154
Bank charges	1,068	327
Fair value adjustment	7,818	-
Management charges	1,065	300
Adjusted EBITDA	36,315	11,065

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

8. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

		For the period from 2 November 2021 to 31 December
	2023 £000	2022 £000
Fees for audit of parent and consolidated financial statements	677	461
Fees payable to the Company's auditors and their associates in respect of:		
Taxation advisory services	287	72
Other non-audit services	646	761
	1,610	1,294

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £000	Group For the period from 2 November 2021 to 31 December 2022 £000	Company 2023 £000	Company For the period from 2 November 2021 to 31 December 2022 £000
Wages and salaries	70,200	16,008	292	169
Social security costs	5,278	2,068	63	33
Other pension costs	2,050	659	12	3
	77,528	18,735	367	205

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

9. Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

		For the period from 2 November 2021 to 31 December 2022
	2023 No.	2022 No.
Office staff	1,585	1,223
Site staff	2,391	2,398
	<u>3,976</u>	<u>3,621</u>

The Company has 1 employee in the addition to the director (2022 - 1).

10. Directors' remuneration

		For the period from 2 November 2021 to 31 December 2022
	2023 £000	2022 £000
Directors' emoluments	48	52
Amounts paid to related parties in respect of directors' services	969	1,050
	<u>1,017</u>	<u>1,102</u>

The total amount payable to the highest paid director in respect of emoluments was £1,017k (2022 - 13 month period - £1,102k).

The value of the Group's contributions paid to a pension scheme in respect of the highest paid director amounted to £Nil (2022 - 13 month period - £Nil).

Key management personnel remuneration is disclosed within the related party transactions note.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

11. Interest receivable and similar income

	2023 £000	For the period from 2 November 2021 to 31 December 2022 £000
Interest receivable from parent company	513	-
Bank interest receivable	1	14
	<u>514</u>	<u>14</u>

12. Interest payable and similar expenses

	2023 £000	For the period from 2 November 2021 to 31 December 2022 £000
Other loan interest payable	323	5
Loan fee amortisation	-	2,889
Group interest payable	28,140	6,159
Preference share dividends	460	216
	<u>28,923</u>	<u>9,269</u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

13. Tax on loss

	For the period from 2 November 2021 to 31 December	
	2023 £000	2022 £000
Corporation tax		
Current tax on loss for the year/period	711	192
Adjustments in respect of previous periods	(152)	(73)
Total current tax	559	119
Deferred tax		
Origination and reversal of timing differences	(4,307)	(427)
Changes to tax rates	(283)	(73)
Adjustments in respect of previous periods	170	-
Total deferred tax	(4,420)	(500)
Taxation on loss	(3,861)	(381)

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

13. Tax on loss (continued)

Factors affecting tax credit for the year/period

The tax assessed for the year/period is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	For the period from 2 November 2021 to 31 December	
	2023 £000	2022 £000
Loss before tax	(56,970)	(22,871)
Loss before tax multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	(13,399)	(4,345)
Effects of:		
Fixed asset differences	(1)	1,327
Expenses not deductible for tax purposes	10,513	2,828
Adjustments in respect of previous periods	18	(73)
Remeasurement of deferred tax for changes in tax rates	(274)	(118)
Non-taxable income	(2,904)	-
Corporate interest restriction	2,185	-
Chargeable gains/(losses)	1	-
Total tax credit for the year/period	(3,861)	(381)

Factors that may affect future tax charges

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

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. Therefore, a blended rate of 23.52% has been used for the year ended 31 December 2023, calculated on a day's basis. Deferred tax balances recognised in the accounts as at the year-end have been calculated using the 25% rate.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

14. Intangible assets

Group

	Customer relationships £000	Brand name £000	Computer software £000	Goodwill £000	Total £000
Cost					
At 1 January 2023	176,600	18,800	17,422	245,506	458,328
Additions	-	-	670	-	670
Asset purchases (see note 29)	3,550	-	-	-	3,550
Disposals	-	-	(16)	-	(16)
Acquisition of subsidiaries (see note 28)	35,059	14,132	-	87,816	137,007
Prospective adjustment to historical acquisitions to reflect change in contingent consideration and purchase price allocation (see note 30)	6,622	1,285	-	(7,804)	103
At 31 December 2023	221,831	34,217	18,076	325,518	599,642
Accumulated amortisation					
At 1 January 2023	3,407	441	873	4,403	9,124
Charge for the year	10,449	1,499	1,342	14,287	27,577
On disposals	-	-	(1)	-	(1)
Impairment charge	-	-	15,632	-	15,632
At 31 December 2023	13,856	1,940	17,846	18,690	52,332
Net book value					
At 31 December 2023	207,975	32,277	230	306,828	547,310
At 31 December 2022	173,193	18,359	16,549	241,103	449,204

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

14. Intangible assets (continued)

The Company has no intangible fixed assets as at 31 December 2023.

Intangible assets arising on asset purchases of £3,550k relate to customer contracts as follows:

- Kingstons Lettings Limited: £290k
- HAWK Block Management Limited: £800k
- HOWSY Limited: 750k
- Whitton & Laing (South West) LLP: £1,140k
- Beal Block & Management Limited: £300k
- Jones Robinson Estate Agents Limited: £270k

Intangible assets arising on acquisition of subsidiaries of £49,191k relate to customer contracts and brand names as follows:

- Alexander Faulkner Partnership Limited: £4,235k
- Chesterton UK Services Limited: £39,336k
- Featherstone Leigh Limited: £3,753k
- SG Property Management Limited: £1,867k

Goodwill arising on consolidation is being amortised over the Director's estimate of its useful life of 20 years. This estimate is based on a variety of factors such as the expected use of the acquired businesses.

Goodwill arising on business combinations of £87,816k relates to the acquisition of:

- Alexander Faulkner Partnership Limited: £3,787k
- Stuart MacKenzie Residential Limited: £373k
- MP Sales and Lettings Ltd: £1,538k
- MP Estate Agents Limited: £487k
- Matthews Block Management Ltd: £538k
- Stewart Hunter Ltd: £446k
- Featherstone Leigh Limited: £5,609k
- Chesterton UK Services Limited: £71,976k
- Now Survey (Southern) Ltd: £930k
- SG Property Management Limited: £1,300k
- Burlington Estates (London) Limited: £832k

During the year, the Group prospectively adjusted the goodwill to reflect the completion of the Purchase Price Allocation ("PPA"), which resulted in a reduction of £7,804k, as follows:

- DJC Property Management Limited: (£3,903k) adjustment
- Chase Buchanan Limited: (£3,868k) adjustment
- Kavanaghs (Residential and Commercial Agents) Limited: (£33k) adjustment

As part of the PPAs in relation to DJC Property Management Limited and Chase Buchanan Limited, the Group recognised £6,629k of customer contracts and £1,285k of intangibles related to brand name, both reallocated from goodwill. Please see note 28 for further details.

During the year the Group initiated a review of its IT systems in view of the volume of acquisitions and the need to integrate these efficiently. Management decided to achieve a simpler and reduced stack of IT systems to enable, improve and increase the agility of integrating acquisitions at pace onto the Group's systems. As a result, the Group decided to write off the full amount of its internally generated software asset as the systems that form part of this asset will no longer be used. As those systems are integrated with one another and the asset recognised was related to time spent and third-party costs in relation to coding and enabling the integration of those systems, reducing the number of systems being used results in the asset having no further value to the Group.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

15. Tangible assets

Group

	Property, plant and equipment £000
Cost	
At 1 January 2023	2,640
Additions	2,345
Acquisition of subsidiaries (see note 28)	2,586
Disposals	(365)
At 31 December 2023	<u>7,206</u>
Accumulated depreciation	
At 1 January 2023	391
Charge for the year	1,281
Disposals	(10)
At 31 December 2023	<u>1,662</u>
Net book value	
At 31 December 2023	<u><u>5,544</u></u>
At 31 December 2022	<u><u>2,249</u></u>

The Company has no tangible fixed assets as at 31 December 2023.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

16. Investments

The Group investment of £103k (2022 - £Nil) relates to a non-controlling interest held by a subsidiary of the company.

Company

	Investments in subsidiary companies £000
Cost and net book value	
At 1 January 2023	1,734
At 31 December 2023	1,734

Investment in subsidiary companies relate to Emeria RES UK Newco Limited and its subsidiaries.

Third party holders of the Company's direct subsidiary's (Emeria RES UK Newco Limited) share capital are subject to a put and call option whereby the shares will be re-purchased by the Company on the occurrence of a specified event for a price that is not linked to the market value of the shares. As such, management consider that the Company holds full, present ownership interests over Emeria RES UK Newco Limited which, in turn, holds 100% of all of its subsidiaries and therefore no non-controlling interest is presented in these financial statements. Through the put and call option, the Group has assumed all risks and rewards in connection with the ownership of these shares held by third parties.

17. Subsidiaries

Company Name	Company No.	Nature of Business	Registered Address	Holding
FirstPort Property Services No14 Limited (formerly Alexander Faulkner Partnership Limited)	No. 05574453	Property Management	*1	100%
Amenity Property (Avon Meadows Bidford) Limited	No. 08641151	Dormant	*1	100%
Amenity Property (Britannia Mews Telford) Limited	No. 09361899	Dormant	*1	100%
Amenity Property (Cally Blue Fields Stockton) Limited	No. 10461397	Dormant	*1	100%
Amenity Property (Entech House Woolmer Green) Limited	No. 12063981	Dormant	*1	100%
Amenity Property (Himley View Dudley) Limited	No. 08368398	Dormant	*1	100%
Amenity Property (Hugesleah Place Highley) Limited	No. 09792989	Dormant	*1	100%
Amenity Property (Levett Grange Rugeley) Limited	No. 07639525	Dormant	*1	100%
Amenity Property (Lockside Walk Brierley Hill) Limited	No. 09043198	Dormant	*1	100%

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

17. Subsidiaries (continued)

Company Name	Company No.	Nature of Business	Registered Address	Holding
Amenity Property (Mellent Gardens Bedworth) Limited	No. 12695871	Dormant	*1	100%
Amenity Property (Millbrook Park London Phase 4A) Limited	No. 10385756	Dormant	*1	100%
Amenity Property (Millbrook Park London Phase 4C) Limited	No. 11824467	Dormant	*1	100%
Amenity Property (Millers Reach Stone) Limited	No. 09245116	Dormant	*1	100%
Amenity Property (Oakleigh Grove Whetstone) Limited	No. 10704287	Dormant	*1	100%
Amenity Property (Pennywell Walk Upton Upon Severn) Limited	No. 10030643	Dormant	*1	100%
Amenity Property (Postmark London) Limited	No. 12002086	Dormant	*1	100%
Amenity Property (Preedy Place Badsey) Limited	No. 09155288	Dormant	*1	100%
Amenity Property (Priory Gardens Market Drayton) Limited	No. 07639333	Dormant	*1	100%
Amenity Property (Saddlers Brook Walsall) Limited	No. 07639422	Dormant	*1	100%
Amenity Property (Scarlett Oaks Shifnal) Limited	No. 10900315	Dormant	*1	100%
Amenity Property (Sherford Plymouth Parcel B) Limited	No. 10839931	Dormant	*1	100%
Amenity Property (Sherford Plymouth Parcel F) Limited	No. 10839976	Dormant	*1	100%
Amenity Property (Sherford Plymouth Parcel G) Limited	No. 10535172	Dormant	*1	100%
Amenity Property (Sherford Plymouth Parcel J) Limited	No. 11454909	Dormant	*1	100%
Amenity Property (Sherford Plymouth Parcel L) Limited	No. 11454877	Dormant	*1	100%
Amenity Property (Sherford Plymouth Parcel M) Limited	No. 11923138	Dormant	*1	100%
Amenity Property (Sherford Plymouth Parcel S) Limited	No. 10535353	Dormant	*1	100%
Amenity Property (The Hathaways Stratford) Limited	No. 09361834	Dormant	*1	100%
Amenity Property (Thomas Beddoes Court Shifnal) Limited	No. 07639356	Dormant	*1	100%
Amenity Property (Walmley Croft Sutton Coldfield) Limited	No. 10147213	Dormant	*1	100%
Amenity Property (Woodland View Coventry) Limited	No. 07639369	Dormant	*1	100%
Amenity Property Holdings Limited	No. 07635509	Dormant	*1	100%

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

17. Subsidiaries (continued)

Company Name	Company No.	Nature of Business	Registered Address	Holding
Arcturus Corporation Limited	No. 05503540	Property Management	*1	100%
Arcturus Group Limited	No. 10773717	Dormant	*1	100%
Atlantis Estates Limited (formerly FirstPort Property Services No 8 Limited & also AG (AEL) Limited)	No. 09586423	Property Management	*1	100%
Atlantis Secretaries Limited	No. 06410737	Dormant	*1	100%
Baker Sinclair Limited	No. 10306297	Dormant	*1	100%
Balfour Homes Management Limited	No. 01986825	Dormant	*1	100%
Beresford Ward Limited	No. 05298531	Property Management	*1	100%
Blenheims Estate and Asset Management Group Limited	No. 05391407	Dormant	*1	100%
Blenheims Payroll Services Limited	No. 08892118	Dormant	*1	100%
Brook Farm Court Management Limited	No. 02368738	Dormant	*1	100%
FirstPort Property Services No15 Limited (formerly Burlington Estates (London) Limited)	No. 07854696	Property Management	*1	100%
Campions Group Limited	No. 14763280	Holding company	*1	100%
Campions Portfolio Limited	No. 14764895	Property Management	*1	100%
Campions Property Letting and Management Limited (formerly Peverel Property Management Limited)	No. 09146176	Dormant	*1	100%
Cavendish Management (Norwich) Limited	No. 01831847	Dormant	*1	100%
CE Anthony Nolan (Fairstead) Limited	No. 06354199	Dormant	*1	100%
CE Blenheim Grange Watton Limited	No. 06067570	Dormant	*1	100%
CE Churchill Gardens Cambourne Limited	No. 06453105	Dormant	*1	100%
CE Cobbler's Mews Romany Road Limited	No. 06022591	Dormant	*1	100%
CE Lock Mill Blackburn Limited	No. 06346923	Dormant	*1	100%
CE Oakfield Gardens Hyde Limited	No. 06406964	Dormant	*1	100%
CE Poppy Fields (Benwick) Limited	No. 06353915	Dormant	*1	100%
CE The Hawthorns Blackley Limited	No. 06443043	Dormant	*1	100%
CE Willow Grange Ely Limited	No. 06067392	Dormant	*1	100%
Chamonix Estates Developments Limited	No. 10821470	Dormant	*1	100%
Chamonix Group Limited	No. 05856372	Property Management	*1	100%
Chamonix Holdings Limited	No. 12500321	Property Management	*1	100%

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

17. Subsidiaries (continued)

Company Name	Company No.	Nature of Business	Registered Address	Holding
Chase Buchanan Group Limited (formerly Campions Property Letting and Management Limited)	No. 05393722	Property Management	*1	100%
Chase Buchanan Limited	No. 03672060	Property Management	*1	100%
Chesterton Limited	No. 05391455	Dormant	*2	100%
Chesterton UK Services Limited	No. 05334580	Letting agents	*1	100%
Consort Property Management Limited	No. 03479620	Dormant	*1	100%
Copping Joyce Limited	No. 03502707	Dormant	*1	100%
DJC Secretarial and Maintenance Limited	No. 06574082	Company Secretarial	*1	100%
Drive Topco Limited	No. 12043031	Holding company	*1	100%
Drive Midco Limited	No. 12043082	Holding company	*1	100%
Edgewood Management Services Limited	No. 02948602	Dormant	*1	100%
Edgewood Retirement Developments Limited	No. 02086525	Property Management	*1	100%
Emeria RES UK Newco Limited	No. 13778359	Holding Company	*1	100%
Emeria UK Dormants Limited	No. 14758404	Holding Company	*1	100%
Estate & Asset Management Limited	No. 08294501	Dormant	*1	100%
Featherstone Leigh Limited	No. 02780193	Property Management	*1	100%
Ferndale Retirement Management Limited	No. 01709679	Dormant	*1	100%
FirstPort Bespoke Property Services Limited	No. 01623496	Property Management	*1	100%
FirstPort HMF Limited	No. 06776392	Investment Property	*1	100%
FirstPort Investment Properties Limited	No. 04352393	Investment Property	*1	100%
FirstPort Group Limited (formerly FirstPort Limited)	No. 04352396	Provision of shared services	*1	100%
FirstPort Operations PD Limited	No. 06277828	Investment Property	*1	100%
FirstPort Property Services Limited	No. 02061041	Property Management	*1	100%
FirstPort Property Services No 2 Limited	No. 02231168	Property Management	*1	100%
FirstPort Property Services No 3 Limited	No. 04352415	Dormant	*1	100%
FirstPort Property Services No 4 Limited	No. 07299764	Property Management	*1	100%

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

17. Subsidiaries (continued)

Company Name	Company No.	Nature of Business	Registered Address	Holding
FirstPort Property Services No 5 Limited	No. 05876680	Property Management	*1	100%
FirstPort Property Services No 6 Limited	No. 05851267	Property Management	*1	100%
FirstPort Property Services No 7 Limited (formerly Mainstay Residential Limited)	No. 04052477	Property Management	*1	100%
FirstPort Property Services No 8 Limited (formerly Atlantis Estates Limited)	No. 06805193	Property Management	*1	100%
FirstPort Property Services No 9 Limited (formerly Freemont Property Managers Limited)	No. 08918100	Property Management	*1	100%
FirstPort Property Services No.10 Limited (formerly DJC Property Management Limited)	No. 06243275	Property Management	*1	100%
FirstPort Property Services No.11 Limited (formerly Blenheims Estate & Asset Management (SW) Limited)	No. 03837047	Property Management	*1	100%
FirstPort Property Services No.12 Limited (formerly Blenheims Estate and Asset Management Limited)	No. 05398647	Property Management	*1	100%
FirstPort Property Services No 13 Limited (formerly Matthews Block Management Ltd)	No. 10958569	Property Management	*1	100%
FirstPort Property Services Scotland Limited	No. 03829468	Property Management	*1	100%
FirstPort Retirement Limited	No. 03479623	Dormant	*1	100%
FirstPort Retirement Property Services Limited	No. 01614866	Property Management	*1	100%
FirstPort Secretarial Limited	No. 05806647	Dormant	*1	100%
FirstPort Services Limited	No. 09142979	Dormant	*1	100%
Ground Rent Services Limited	No. 09804654	Dormant	*1	100%
Innovus Asset Management Limited (formerly Mainstay Asset Management Limited)	No. 04002715	Property Management	*1	100%
Innovus Building Solutions Limited (formerly Mainstay Building Services Limited)	No. 14769226	Holding Company	*1	100%
Innovus Business Services Limited (formerly Mainstay Business Services Limited)	No. 14769299	Holding Company	*1	100%
Innovus Company Secretaries Limited (formerly Fairfield Company Secretaries Limited)	No. 05988785	Property Management	*1	100%
Innovus Facilities Management Limited (formerly Mainstay Facilities Management Limited)	No. 03340310	Property Management	*1	100%
Innovus Group Limited (formerly Mainstay Group Limited)	No. 14766019	Holding Company	*1	100%

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

17. Subsidiaries (continued)

Company Name	Company No.	Nature of Business	Registered Address	Holding
Innovus Payments Limited (formerly Mainstay Payments Limited)	No. 04771082	Dormant	*1	100%
Intire Limited	No. 06395985	Letting Agents	*1	100%
JAL Estates Limited	No. 04590981	Dormant	*1	100%
Kavanaghs (Residential and Commercial Agents) Limited	No. 05316910	Letting Agents	*1	100%
King George Court Management Limited	No. 03175135	Dormant	*1	100%
Knight Square Insurance Brokers Limited (formerly FirstPort Insurance Services Limited)	No. 03479579	Insurance Services	*1	100%
		Provision of Shared Services		
Knight Square Limited	No. 07925019	Letting Agents	*1	100%
Lets Move (UK) Limited	No. 07672066	Dormant	*1	100%
Longhurst Drive Management Company Limited	No. 11416290	Dormant	*1	100%
LRSL AST LIMITED	No. 13244237	Dormant	*1	100%
Maclaren Management Services Limited	No. 02142118	Property Management	*1	100%
Mainstay (Secretaries) Limited	No. 04458913	Dormant	*1	100%
Mainstay Asset Management Limited (formerly Innovus Asset Management Limited)	No. 15048596	Dormant	*1	100%
Mainstay Building Services Limited (formerly Innovus Building Solutions Limited)	No. 14048597	Dormant	*1	100%
Mainstay Business Services Limited (formerly Innovus Business Services Limited)	No. 15048595	Dormant	*1	100%
Mainstay Facilities Management Limited (formerly Innovus Facilities Management Limited)	No. 15048594	Dormant	*1	100%
Mainstay Group Limited (formerly Innovus Group Limited)	No. 15048115	Dormant	*1	100%
Matterdale Gardens Management Limited	No. 02405973	Dormant	*1	100%
		Holding Company		
Matthews of Chester Holdings Ltd	No. 10953077	Dormant	*1	100%
Maybeck Collections Limited	No. 04052424	Dormant	*3	100%
Meridian Homes Limited	No. 01972727	Dormant	*1	100%
Meridian New Homes Limited	No. 02682974	Dormant	*1	100%
Meridian Property Group Limited	No. 02306958	Dormant	*1	100%
Meridian Retirement Homes Limited	No. 01885186	Dormant	*1	100%
Meridian Retirement Housing Services Limited	No. 01833177	Dormant	*1	100%

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

17. Subsidiaries (continued)

Company Name	Company No.	Nature of Business	Registered Address	Holding
Mint Property Management Limited	No. 05643630	Property Management	*1	100%
MP Estate Agents Limited	No. 12576693	Property Management	*1	100%
MP Sales and Lettings Ltd	No. 12035776	Property Management	*1	100%
MRML Limited	No. 03904173	Dormant	*1	100%
NOW Survey (Southern) Ltd	No. 06176555	Property Management	*1	100%
OM Nominee Services Limited	No. 06695871	Dormant	*1	100%
OM Property Management Limited	No. 09143096	Dormant	*1	100%
OM Property Management No.2 Limited	No. 09375984	Dormant	*1	100%
Pegasus Court (Abergavenny) Management Limited	No. 02285749	Dormant	*1	100%
Pegasus Court (Barnwood) Management Limited	No. 02311505	Dormant	*1	100%
Pegasus Court (Bourton-on-the-Water) Management Limited	No. 02285752	Dormant	*1	100%
Pegasus Court (Broadway) Management Limited	No. 02392014	Dormant	*1	100%
Pegasus Court (Fleet) Management Limited	No. 02318677	Dormant	*1	100%
Pegasus Court (Paignton) Management Limited	No. 02392342	Dormant	*1	100%
Pegasus Court Cheltenham (Management) Limited	No. 01867554	Dormant	*1	100%
Pegasus Court Hartley Wintney (Management) Limited	No. 02129138	Dormant	*1	100%
Pegasus Court Management Limited	No. 02516929	Dormant	*1	100%
Pegasus Thamesnorth Management Limited	No. 02636137	Dormant	*1	100%
Pembertons Maintenance Trustees (Aldford House) Limited	No. 05111218	Dormant	*1	100%
Pembertons Residential Limited	No. 09375969	Dormant	*1	100%
Peverel Building Technologies Limited	No. 09221891	Dormant	*1	100%
Peverel Management Services Limited	No. 09142759	Dormant	*1	100%
Peverel Scotland Limited	No. 09145223	Dormant	*1	100%
R.C. (Holdings) Limited	No. 02968054	Holding Company	*1	100%
R.C. Housing Limited	No. 11012025	Dormant	*1	100%
Renaissance Management Services Limited	No. 03404510	Dormant	*1	100%
Retirement Care (Southern) Limited	No. 02486317	Dormant	*1	100%
Retirement Care Group Ltd	No. 02195300	Investment Property	*1	100%

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

17. Subsidiaries (continued)

Company Name	Company No.	Nature of Business	Registered Address	Holding
Retirement Care Limited	No. 01706784	Investment Property	*1	100%
Retirement Homesearch Limited	No. 03829469	Specialist Estate Agent	*1	100%
Retirement Marketing Services Limited	No. 02196442	Dormant	*1	100%
SG Property Management Limited	No. SC336282	Property Management	*4	100%
Sonata Insurance Services Limited	No. 06704179	Insurance Services	*1	100%
Stewart Hunter Ltd	No. 05747860	Property Management	*1	100%
Stonedale (2012) Limited	No. 06544398	Dormant	*1	100%
Stuart Mackenzie Residential Limited	No. 05144275	Letting Agents	*1	100%
TMS Director Services Limited	No. 07329927	Dormant	*1	100%
TMS Group Limited	No. 05239338	Dormant	*1	100%
TMS South Limited	No. 08294547	Dormant	*1	100%
TMS South West Limited	No. 09814083	Dormant	*1	100%
Torbay Management Services Limited	No. 05230621	Dormant	*1	100%
Universal Management Services Limited	No. 01513268	Dormant	*1	100%
WL Estate Management Limited	No. 12673845	Dormant	*1	100%

*1 The registered address for subsidiaries is Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.

*2 The registered address for Chesterton UK Services Limited is 40 Connaught, Hyde Park, London, UK, W2 2AB.

*3 The registered address for Maybeck Collections Limited is Whittington Hall, Whittington, Worcester, Worcestershire, UK, WR5 2ZX.

*4 The registered address for SG Property Management Limited, C/O BDO LLP, 2 Atlantic Square, 31 York Street, Glasgow, Scotland, G2 8NJ.

All dormant companies are exempt from preparing individual financial statements in accordance with s394A of Companies Act 2006.

The following subsidiaries were dissolved during the year:

Drive Bidco Limited
Knight Square Holdings Limited
Knight Midco Limited

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

18. Audit exemption of subsidiaries

Emeria RES UK Limited has provided a legal guarantee under s479A-C of the Companies Act 2006 to the below subsidiaries for audit exemption:

Company Name	Registration No.
Emeria RES UK Newco Limited	13778359
Drive Topco Limited	12043031
Drive Midco Limited	12043082
Knight Square Limited	07925019
FirstPort Group Limited (formerly FirstPort Limited)	04352396
FirstPort Bespoke Property Services Limited	01623496
Knight Square Insurance Brokers Limited (formerly FirstPort Insurance Services Limited)	03479579
FirstPort Property Services Limited	02061041
FirstPort Property Services No 2 Limited	02231168
FirstPort Property Services No 4 Limited	07299764
FirstPort Property Services No 5 Limited	05876680
FirstPort Property Services No 6 Limited	05851267
FirstPort Property Services No 7 Limited (formerly Mainstay Residential Limited)	04052477
FirstPort Property Services No 9 Limited (formerly Freemont Property Managers Limited)	08918100
FirstPort Property Services Scotland Limited	03829468
FirstPort Retirement Property Services Limited	01614866
Retirement Homeseach Limited	03829469
Innovus Asset Management Limited (formerly Mainstay Asset Management Limited)	04002715
Innovus Facilities Management Limited (formerly Mainstay Facilities Management Limited)	03340310
Chamonix Holdings Limited	12500321
Chamonix Group Limited	05856372
Innovus Company Secretaries Limited (formerly Fairfield Company Secretaries Limited)	05988785
Arcturus Corporation Limited	05503540
Emeria UK Dormants Limited	14758404
FirstPort Property Services No.12 Limited (formerly Blenheims Estate and Asset Management Limited)	05398647
FirstPort Property Services No.11 Limited (formerly Blenheims Estate & Asset Management (SW) Limited)	03837047
Chase Buchanan Group Limited (formerly Campions Property Letting and Management Limited)	05393722
Intire Limited	06395985
FirstPort Property Services No.8 Limited (formerly Atlantis Estates Limited)	06805193
Lets Move (UK) Limited	07672066
Beresford Ward Limited	05298531
FirstPort Property Services No.10 Limited (formerly DJC Property Management Limited)	06243275
DJC Secretarial and Maintenance Limited	06574082
Kavanaghs (Residential and Commercial Agents) Limited	05316910
Chase Buchanan Limited	03672060

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

18. Audit exemption of subsidiaries (continued)

Company Name	Registration No.
Sonata Insurance Services Limited	06704179
Firstport HMF Limited	06776392
Firstport Operations PD Limited	06277828
Retirement Care Group Ltd	02195300
Edgewood Retirement Developments Limited	02086525
Mint Property Management Limited	05643630
R.C. (Holdings) Limited	02968054
Retirement Care Limited	01706784
Retirement Marketing Services Limited	02196442
Stonedale (2012) Limited	06544398
Ferndale Retirement Management Limited	01709679
Firstport Investment Properties Limited	04352393
Maclaren Management Services Limited	02142118
Innovus Group Limited (formerly Mainstay Group Limited)	14766019
Innovus Building Solutions Limited (formerly Mainstay Building Services Limited)	14769226
Innovus Business Services Limited (formerly Mainstay Business Services Limited)	14769299
Campions Portfolio Limited	14764895
Campions Group Limited	14763280
Atlantis Estates Limited (formerly FirstPort Property Services No 8 Limited & also AG (AEL) Limited)	09586423
FirstPort Property Services No.14 Limited (formerly Alexander Faulkner Partnership Limited)	05574453
Stuart Mackenzie Residential Limited	05144275
MP Sales and Lettings Ltd	12035776
MP Estate Agents Limited	12576693
Matthews of Chester Holdings Ltd	10953077
FirstPort Property Services No.13 Limited (formerly Matthews Block Management Ltd)	10958569
Featherstone Leigh Limited	02780193
Stewart Hunter Limited	05747860
Chesterton UK Services Limited	05334580
Now Survey (Southern) Ltd	06176555
SG Property Management Limited	SC336282
FirstPort Property Services No.15 Limited (formerly Burlington Estates (London) Limited)	07854696
LRSL AST Limited	13244237
R.C Housing Limited	11012025
Universal Management Services Limited	01513268

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

19. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	111,940	100,444
Other debtors	117	-	117	-
	<u>117</u>	<u>-</u>	<u>112,057</u>	<u>100,444</u>

Amounts owed by group undertakings relates to 98,527,065 Preference A shares and 1,917,334 Preference B Shares of nominal value of £1 each. Details of the preference shares are set out in note 26 and the rights attached to the Preference A and B shares are the same. Also included within this balance is A Preference share dividends of £11,330k (2022 - £Nil) and B Preference share dividends of £165k (2022 - £Nil) compounded against the capital amounts.

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts falling due within one year				
Trade debtors	16,894	7,501	424	-
Amounts owed by group undertakings	-	-	120,770	5,846
Amounts owed by related undertakings	11,013	-	-	-
Other debtors	3,207	1,903	287	196
Deferred taxation	-	-	-	227
Prepayments and accrued income	9,272	6,875	-	-
	<u>40,386</u>	<u>16,279</u>	<u>121,481</u>	<u>6,269</u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

19. Debtors (continued)

Amounts owed by group undertakings to the Company include:

- £4,076k (2022 - £1,581k) due from the Company's subsidiaries which are interest free and repayable on demand.
- £110,000k (2022 - £Nil) due from Campions Group Limited relating to a revolving credit facility denominated in GBP and due for repayment 18 January 2024, the facility itself terminates in 2028. The interest rate for this loan is the 3-month SONIA rate plus 3.02%. Interest on this balance of £1,881k (2022 - £Nil) is also recognised within amounts owed by group undertakings.
- £4,721k (2022 - £4,251k) of accrued preference A share dividends, which capitalise annually in August.
- £92k (2022 - £14k) of accrued preference B share dividends, which capitalise annually in August.

Included in trade debtors is a provision for bad debts of £984k (2022 - £223k). There was no provision for bad debts in the Company (2022 - £Nil).

Amounts owed by related undertakings represent a loan of £10.5m from a subsidiary to Emerica France which is repayable on demand and attracts interest at 6.8%. Within this balance, interest of £513k (2022 - £Nil) due from Emerica Finance is also included.

20. Cash at bank and in hand

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank and in hand	10,601	10,132	430	88
Less: bank overdrafts (note 21)	(403)	-	-	-
	<u>10,198</u>	<u>10,132</u>	<u>430</u>	<u>88</u>

Client monies

Residents' net cash balances held in trust accounts at 31 December 2023 totalled £562,064k (2022 - £426,390k); this amount is not presented on the Consolidated Statement of Financial Position as it does not represent cash of the business. Cash balances held in joint accounts at 31 December 2023 totalled £19,969k (2022 - £13,830k), which are held with the client and the Group's subsidiary entities, are client cash and are also therefore not represented within cash of the business on the Consolidated Statement of Financial Position.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

21. Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Bank loans and overdrafts	403	-	-	-
Trade creditors	9,770	10,207	1,300	1,507
Amounts owed to group undertakings	-	-	183	1,275
Amounts owed to related undertakings	117,939	8,663	115,430	1,480
Corporation tax	984	116	-	116
Other taxation and social security	9,940	6,245	15	93
Other creditors	2,220	2,144	13	8
Deferred consideration	5,903	3,593	-	-
Accruals and deferred income	21,911	15,828	2,634	442
	169,070	46,796	119,575	4,921

Included within accruals at Group level is £3,223k (2022 - £6,290k) of interest in relation to loans due to the Parent Company - see note 22.

Amounts owed to related undertakings include the following balances:

- £110,000k (2022 - £Nil) - Group and Company, relating to a revolving credit facility with the Company's parent, Emeria Europe, denominated in GBP, the facility terminates in 2028. The interest rate for this loan is the 3-month SONIA rate plus 3.02%. Interest on this balance is recognised within accruals.
- £4,700k (2022 - £1,100k) - Group and Company, relating to an amount due to Emeria Europe SAS which attracts interest at 5.21% and is repayable on demand. Interest is recognised within accruals.
- £380k (2022 - £380k) – Group and Company, due to the Company's parent which is interest free and repayable on demand.
- £350k (2022 - £Nil) – Group and Company, due to the Company's parent which is repayable on demand and attracts interest which is recognised within accruals.
- £2,509k (2022 - £7,183k) - Group only, due to Emeria France which is interest free and repayable on demand.

Management identified that elements of other taxation and social security were presented in other creditors in 2022, with a total value of £2,143k. In the current year, the comparative balances have been presented within other taxation and social security as considered most appropriate; there has been no change to the primary statements as a result of this new classification.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

22. Creditors: amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts owed to group undertakings	-	-	1,515	-
Amounts owed to related undertakings	307,025	299,376	-	-
Accruals and deferred income	31,364	-	-	-
Share capital treated as debt	4,307	3,813	-	-
Liability relating to put and call options on non-controlling interests	8,650	832	8,652	832
	351,346	304,021	10,167	832

Amounts owed to the related undertakings include the following balances:

- £293,341k (2022 - £299,376k), due to Emeria, denominated in Euros, which is repayable on 28 November 2028 and attracts interest at EURIBOR + a margin that varies from time to time. During the year, the intercompany loans were restructured and the interest accruing of £31,364k, which is included in accruals, is now due for payment at the maturity of the loan. The prior year accrued interest for this balance in current creditors within accruals was £6,290k.
- £9,183k (2022 - £Nil) due to Emeria Europe, which is repayable on 12 December 2027 and attracts interest at 7.2%.
- £4,500k (2022 - £Nil) due to Emeria Europe, which is repayable on 27 February 2028 and attracts interest at 8.8%.

Amounts owed to group undertakings by the Parent Company relate to a loan from the Company's subsidiary, Emeria RES UK Newco Limited, which attracts interest at 3 month LIBOR + 5.25% and is repayable on the termination of the senior facilities agreement entered into by Emeria, which is 31 March 2028. Accrued interest on this loan is recognised within amounts owed to group companies due within one year.

As at the year end, 3,812,869 (2022 - 3,812,869) B Preference shares with a nominal value of £1, were held by management. Included within this balance is preference share dividends compounded against the capital amount of £494k (2022 - £Nil).

A financial liability has been recognised in respect of Emeria RES UK Limited's obligation to re-purchase ordinary shares of its subsidiary, Emeria RES UK Newco Limited, from third parties under put and call options that are attached to the shares. The liability is calculated as the present value of the future expected cash flows and is re-measured if underlying assumptions change. During 2023 the value of the put and call option increased by £7,818k (2022 - £Nil) which has been recognised within the consolidated statement of comprehensive income.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

23. Financial instruments

	Group 2023 £000	Group 2022 £000
Financial assets		
Financial assets measured at amortised cost	<u>34,676</u>	<u>21,694</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(509,495)</u>	<u>(345,766)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors due within 1 year and due after more than 1 year, and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to related undertakings, deferred consideration, other creditors, accruals and share capital treated as debt.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

24. Deferred taxation

Group

	2023 £000
At 1 January 2023	(49,355)
Credited to profit or loss	4,420
Arising on business combinations 2023	(12,229)
Arising on business combinations 2022	(2,055)
At 31 December 2023	(59,219)

Company

	2023 £000
At 1 January 2023	227
Charged to profit or loss	(227)
At 31 December 2023	-

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Fixed assets timing differences	(59,323)	(49,355)	-	227
Pension	11	-	-	-
Losses	93	-	-	-
	(59,219)	(49,355)	-	227

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

25. Provisions

Group

	Total £000
At 1 January 2023	(611)
Charged to profit or loss	(85)
Arising on business combinations	(180)
Utilised	461
At 31 December 2023	(415)

The Group manages a large number of commercial and residential property developments, which give rise to disputes and claims by customers under the management contracts that govern them. As these claims can take years to emerge, management considers it appropriate to recognise a provision. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cashflows and the discount rates used to measure the net present value of the obligations require management's estimation.

Whilst significant progress has been made in addressing these claims, and management continue to assess them on their merits, a provision of £415k (2022 - £611k) is recognised at the balance sheet date.

The Company has no provisions.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

26. Called up share capital

Company

	2023 £000	2022 £000
Equity shares		
Allotted, called up and fully paid		
100,407,838 (2022 - 100,407,838) Ordinary shares of £1.00 each	<u>100,408</u>	<u>100,408</u>

Ordinary shares have full voting rights and full entitlement to profit and capital distribution.

27. Capital and reserves

Share capital

Share capital represents the nominal value of the shares issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments, including the below.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations

Alexander Faulkner Partnership Limited

On 6 March 2023, the Group acquired 100% of the issued share capital of Alexander Faulkner Partnership Limited ("AFP"), a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £6,339k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value	Fair value adjustment	Fair value 2023
	£000	£000	£000
Fixed assets			
Investments	1	-	1
Intangible	-	4,235	4,235
	<u>1</u>	<u>4,235</u>	<u>4,236</u>
Current assets			
Trade and other receivables	233	-	233
Cash and cash equivalents	271	-	271
Deferred tax asset	5	(5)	-
	<u>510</u>	<u>4,230</u>	<u>4,740</u>
Total assets			
	<u>510</u>	<u>4,230</u>	<u>4,740</u>
Creditors			
Trade and other payables	(1,021)	-	(1,021)
Corporation tax	(113)	-	(113)
Deferred tax liability	-	(1,054)	(1,054)
	<u>(624)</u>	<u>3,176</u>	<u>2,552</u>
Total identifiable net assets			
	<u>(624)</u>	<u>3,176</u>	<u>2,552</u>
Goodwill	6,963	(3,176)	3,787
	<u>6,339</u>	<u>-</u>	<u>6,339</u>
Total purchase consideration			
	<u>6,339</u>	<u>-</u>	<u>6,339</u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Alexander Faulkner Partnership Limited (continued)

Consideration

	2023 £000
Cash consideration	5,672
Non-Cash consideration	581
Directly attributable costs	86
Total purchase consideration	6,339

Cash outflow on acquisition

	2023 £000
Cash consideration	5,672
Directly attributable costs	86
	5,758
Less: Cash and cash equivalents acquired	(271)
Net cash outflow on acquisition	5,487

The results of Alexander Faulkner Partnership Limited since its acquisition are as follows:

	Current period since acquisition £000
Turnover	3,268
Profit for the period	382

The adjustments arising on acquisition were in respect of the following:

- The recognition of brand and trade name intangibles of £329k
- The recognition of customer contract intangibles of £3,906k
- Recognising the above intangibles on acquisition resulted in an additional deferred tax liability arising on acquisition of £1,054k

The changes in fair value are set out above, reduced the goodwill recognised on the acquisition of AFP by £3,176k.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Stuart MacKenzie Residential Limited

On 31 March 2023, the Group acquired 100% of Stuart MacKenzie Residential Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £406k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value 2023 £000
Current assets	
Trade and other receivables	52
Cash and cash equivalents	44
Total assets	<u>96</u>
Creditors	
Trade and other payables	(52)
Corporation tax payable	(10)
Deferred tax liability	(1)
Total identifiable net assets	<u>33</u>
Goodwill	373
Total purchase consideration	<u><u>406</u></u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Stuart MacKenzie Residential Limited (continued)

Consideration

	2023 £000
Cash consideration	379
Non-Cash consideration	9
Directly attributable costs	18
Total purchase consideration	406

Cash outflow on acquisition

	2023 £000
Cash consideration	379
Directly attributable costs	18
	397
Less: Cash and cash equivalents acquired	(44)
Net cash outflow on acquisition	353

The results of Stuart MacKenzie Residential Limited since its acquisition are as follows:

	Current period since acquisition 2023 £000
Turnover	125
Profit for the period	86

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

MP Sales and Lettings Ltd

On 15 May 2023, the Group acquired 100% of MP Sales and Lettings Ltd, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £1,463k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value £000
Current assets	
Trade and other receivables	1
Cash and cash equivalents	103
Total assets	104
Creditors	
Trade and other payables	(127)
Long term debt	(32)
Corporation tax payable	(20)
Total identifiable net assets	(75)
Goodwill	1,538
Total purchase consideration	1,463

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

MP Sales and Lettings Ltd (continued)

Consideration

	£000
Cash consideration	1,318
Non-cash consideration	(2)
Deferred consideration	82
Directly attributable costs	65
Total purchase consideration	1,463

Cash outflow on acquisition

	£000
Cash consideration	1,318
Directly attributable costs	65
	1,383
Less: Cash and cash equivalents acquired	(103)
Net cash outflow on acquisition	1,280

The results of MP Sales and Lettings Ltd since its acquisition are as follows:

	Current period since acquisition £000
Turnover	647
Profit for the period	217

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

MP Estate Agents Limited

On 15 May 2023, the Group acquired 100% of MP Estate Agents Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £424k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value £000
Current assets	
Trade and other receivables	15
Cash and cash equivalents	1
Total assets	<u>16</u>
Creditors	
Trade and other payables	(38)
Corporation tax payable	(23)
Deferred tax liability	(18)
Total identifiable net assets	<u>(63)</u>
Goodwill	<u>487</u>
Total purchase consideration	<u><u>424</u></u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

MP Estate Agents Limited (continued)

Consideration

	£000
Cash consideration	292
Deferred consideration	114
Directly attributable costs	2
Non-cash consideration	16

Total purchase consideration	424
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Cash outflow on acquisition

	£000
Cash consideration	292
Directly attributable costs	2
	294

Less: Cash and cash equivalents acquired	(1)
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Net cash outflow on acquisition	293
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The results of MP Estate Agents Limited since its acquisition are as follows:

	Current period since acquisition £000
Turnover	102
Profit for the period	59

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Matthews Block Management Ltd

On 23 May 2023, the Group acquired 100% of Matthews Block Management Ltd, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £546k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value
	2023 £000
Current assets	
Trade and other receivables	4
Cash and cash equivalents	124
Total assets	<u>128</u>
Creditors	
Trade and other payables	(120)
Total identifiable net assets	<u>8</u>
Goodwill	538
Total purchase consideration	<u><u>546</u></u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Matthews Block Management Ltd (continued)

Consideration

	2023 £000
Cash consideration	510
Directly attributable costs	36

Total purchase consideration	546
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Cash outflow on acquisition

	2023 £000
Cash consideration	510
Directly attributable costs	36

	546
Less: Cash and cash equivalents acquired	(124)

Net cash outflow on acquisition	422
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	Current period since acquisition
	2023 £000
Turnover	252
Profit for the period	54

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Stewart Hunter Ltd

On 31 October 2023, the Group acquired 100% of Stewart Hunter Ltd, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £718k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value
	2023 £000
Current assets	
Trade and other receivables	2
Intercompany loans	199
Cash at bank and in hand	159
Total assets	360
Creditors	
Trade and other payables	(88)
Total identifiable net assets	272
Goodwill	446
Total purchase consideration	718

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Stewart Hunter Ltd (continued)

Consideration

	£000
Cash consideration	616
Deferred consideration	85
Directly attributable costs	17
Total purchase consideration	718
Cash outflow on acquisition	
	£000
Cash consideration	616
Directly attributable costs	17
	633
Less: Cash and cash equivalents acquired	(159)
Net cash outflow on acquisition	474

The results of Stewart Hunter Ltd since its acquisition are as follows:

	Current period since acquisition
	£000
Turnover	40
Profit for the period	25

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Featherstone Leigh Limited

On 16 October 2023, the Group acquired 100% of the issued share capital of Featherstone Leigh Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £8,720k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets			
Intangible	-	3,753	3,753
	<u>-</u>	<u>3,753</u>	<u>3,753</u>
Current assets			
Trade and other receivables	420	-	420
Cash and cash equivalents	528	-	528
	<u>948</u>	<u>3,753</u>	<u>4,701</u>
Total assets			
Creditors			
Trade and other payables	(635)	-	(635)
Deferred tax liability	(17)	(938)	(955)
	<u>296</u>	<u>2,815</u>	<u>3,111</u>
Total identifiable net assets			
Goodwill	8,424	(2,815)	5,609
	<u>8,720</u>	<u>-</u>	<u>8,720</u>
Total purchase consideration			

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Featherstone Leigh Limited (continued)

Consideration

	£000
Cash	7,181
Non-cash consideration	303
Deferred consideration	953
Directly attributable costs	283
Total purchase consideration	8,720

Cash outflow on acquisition

	£000
Cash consideration	7,181
Directly attributable costs	283
	7,464
Less: Cash and cash equivalents acquired	(528)
Net cash outflow on acquisition	6,936

The adjustments arising on acquisition were in respect of the following:

- The recognition of customer contract intangibles of £3,753k
- Recognising the above intangibles on acquisition resulted in an additional deferred tax liability arising on acquisition of £938k

The changes in fair value and set out above, reduced the goodwill recognised on the acquisition of Featherstone Leigh Limited by £2,815k.

The results of Featherstone Leigh Limited since its acquisition are as follows:

	Current period since acquisition
	£000
Turnover	995
Profit for the period	367

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Chesterton UK Services Limited

On 23 October 2023, the Group acquired 100% of the issued share capital of Chesterton UK Services Limited (formerly Chesterton Global Limited), a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £104,013k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Fixed assets			
Investments	103	-	103
Tangible	2,586	-	2,586
Intangible	-	39,336	39,336
	<u>2,689</u>	<u>39,336</u>	<u>42,025</u>
Current assets			
Trade and other receivables	6,645	-	6,645
Deferred tax asset	101	(101)	-
Cash at bank and in hand	6,417	-	6,417
	<u>15,852</u>	<u>39,235</u>	<u>55,087</u>
Total assets			
Creditors			
Trade and other payables	(12,974)	-	(12,974)
Deferred tax liability	-	(9,733)	(9,733)
Corporation tax liability	(343)	-	(343)
	<u>2,535</u>	<u>29,502</u>	<u>32,037</u>
Total identifiable net assets			
Goodwill	101,478	(29,502)	71,976
	<u>104,013</u>	<u>-</u>	<u>104,013</u>
Total purchase consideration			

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Chesterton UK Services Limited (continued)

Consideration

	£000
Cash consideration	99,602
Contingent consideration	3,200
Directly attributable costs	1,211

Total purchase consideration	104,013
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Cash outflow on acquisition

	£000
Cash consideration	99,602
Directly attributable costs	1,211

100,813

Less: Cash and cash equivalents acquired	(6,417)
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Net cash outflow on acquisition	94,396
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The adjustments arising on acquisition were in respect of the following:

- The recognition of brand and trade name intangibles of £13,700k
- The recognition of customer contract intangibles of £25,636k
- Recognising the above intangibles on acquisition resulted in an additional deferred tax liability arising on acquisition of £9,834k

The changes in fair value and set out above, reduced the goodwill recognised on the acquisition of Chesterton UK Services Limited by £29,502k.

The results of Chesterton UK Services Limited since its acquisition are as follows:

	Current period since acquisition
	£000
Turnover	11,978
Loss for the period	(956)

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Now Survey (Southern) Ltd

On 6 November 2023, the Group acquired 100% of the issued share capital of Now Survey (Southern) Ltd, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £1,192k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value 2023 £000
Current assets	
Trade and other receivables	346
Cash at bank and in hand	114
Total assets	<u>460</u>
Creditors	
Trade and other payables	(134)
Long term debt	(27)
Corporation tax	(37)
Total identifiable net assets	<u>262</u>
Goodwill	930
Total purchase consideration	<u>1,192</u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Now Survey (Southern) Ltd (continued)

Consideration

	£000
Cash consideration	571
Non-cash consideration	249
Deferred consideration	350
Directly attributable costs	22
Total purchase consideration	1,192

Cash outflow on acquisition

	£000
Cash consideration	571
Directly attributable costs	22
	593
Less: Cash and cash equivalents acquired	(114)
Net cash outflow on acquisition	479

The results of Now Survey (Southern) Ltd since its acquisition are as follows:

	Current period since acquisition £000
Turnover	65
Loss for the period	(4)

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

SG Property Management Limited

On 12 December 2023, the Group acquired 100% of the issued share capital of SG Property Management Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £4,144k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value	Fair value adjustment	Fair value 2023
	£000	£000	£000
Fixed assets			
Intangible	-	1,867	1,867
	<u>-</u>	<u>1,867</u>	<u>1,867</u>
Current assets			
Trade and other receivables	115	-	115
Cash at bank and in hand	1,598	-	1,598
	<u>1,713</u>	<u>1,867</u>	<u>3,580</u>
Creditors			
Trade and other payables	(240)	-	(240)
Corporation tax	(28)	-	(28)
Deferred tax liability	-	(468)	(468)
	<u>1,445</u>	<u>1,399</u>	<u>2,844</u>
Total identifiable net assets	<u>1,445</u>	<u>1,399</u>	<u>2,844</u>
Goodwill	2,699	(1,399)	1,300
	<u>4,144</u>	<u>-</u>	<u>4,144</u>
Total purchase consideration	<u>4,144</u>	<u>-</u>	<u>4,144</u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

SG Property Management Limited (continued)

Consideration

	£000
Cash consideration	3,522
Deferred consideration	537
Directly attributable costs	85

Total purchase consideration	4,144
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Cash outflow on acquisition

	£000
Cash consideration	3,522
Directly attributable costs	85

	3,607
Less: Cash and cash equivalents acquired	(1,598)

Net cash outflow on acquisition	2,009
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The adjustments arising on acquisition were in respect of the following:

- The recognition of brand and trade name intangibles of £68k
- The recognition of customer contract intangibles of £1,799k
- Recognising the above intangibles on acquisition resulted in an additional deferred tax liability arising on acquisition of £468k

The changes in fair value and set out above, reduced the goodwill recognised on the acquisition of SG Property Management Limited by £1,399k.

The results of SG Property Management Limited since its acquisition are as follows:

	Current period since acquisition £000
Turnover	-
Result for the period	-

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Burlington Estates (London) Limited

On 8 December 2023, the Group acquired 100% of Burlington Estates (London) Ltd, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £710k. The following table summarises the consideration paid, the fair value of assets acquired, liabilities assumed and goodwill arising on acquisition.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value
	2023 £000
Current assets	
Trade and other receivables	33
Cash at bank and in hand	265
Total assets	<u>298</u>
Creditors	
Trade and other payables	(189)
Intercompany loans	(231)
Total identifiable net assets	<u>(122)</u>
Goodwill	832
Total purchase consideration	<u><u>710</u></u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

28. Business combinations (continued)

Burlington Estates (London) Limited (continued)

Consideration

	£000
Cash consideration	500
Deferred consideration	200
<i>Directly attributable costs</i>	10

Total purchase consideration	710
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Cash outflow on acquisition

	£000
Cash consideration	500
Deferred consideration	10

	510
Less: Cash and cash equivalents acquired	(265)

Net cash outflow on acquisition	245
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The results of Burlington Estates (London) Limited since its acquisition are as follows:

	Current period since acquisition £000
Turnover	-
Result for the period	-

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases

Kingstons Letting Limited

On 2 February 2023, the Group acquired 100% of the trade of Kingstons Letting Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £290k. The following table summarises the consideration paid, the fair value of assets acquired and liabilities assumed.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value
	2023 £000
Fixed assets	
Intangible	290
	<hr/> 290
Total assets	<hr/> 290
Total identifiable net assets	<hr/> 290 <hr/>
Total purchase consideration	<hr/> 290 <hr/>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

Kingstons Letting Limited (continued)

Consideration

	£000
Cash consideration	290
Total purchase consideration	290
Cash outflow on acquisition	
	£000
Cash consideration and cash outflow on acquisition	290

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

HAWK Block Management Limited

On 31 March 2023, the Group acquired 100% of the trade of HAWK Block Management Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £800k. The following table summarises the consideration paid, the fair value of assets acquired and liabilities assumed.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value
	2023 £000
Fixed assets	
Intangible	800
	<hr/>
	800
	<hr/>
Total assets	800
	<hr/>
Total identifiable net assets	800
	<hr/>
	<hr/>
Total purchase consideration	800
	<hr/>
	<hr/>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

HAWK Block Management Limited (continued)

Consideration

	£000
Cash consideration	800
Total purchase consideration	800
Cash outflow on acquisition	
	£000
Cash consideration and cash outflow on acquisition	800

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

HOWSY Limited

On 21 November 2023, the Group acquired 100% of the trade of HOWSY Limited, a UK-based company that provides *residential property services and management of residential and commercial assets in the UK*, for total consideration of £750k. The following table summarises the consideration paid, the fair value of assets acquired and liabilities assumed.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value
	2023 £000
Fixed assets	
Intangible	750
	<hr/>
	750
	<hr/>
Total assets	750
	<hr/>
Total identifiable net assets	750
	<hr/>
	<hr/>
Total purchase consideration	750
	<hr/>
	<hr/>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

HOWSY Limited (continued)

Consideration

	£000
Cash consideration	750
Total purchase consideration	750
Cash outflow on acquisition	
	£000
Cash consideration and cash outflow on acquisition	750

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

Whitton & Laing (South West) LLP

On 11 December 2023, the Group acquired 100% of the trade of Whitton & Laing (South West) LLP, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £1,140k. The following table summarises the consideration paid, the fair value of assets acquired and liabilities assumed.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value 2023 £000
Fixed assets	
Intangible	1,140
	<hr/>
	1,140
	<hr/>
Total assets	1,140
	<hr/>
Total identifiable net assets	1,140
	<hr/>
Total purchase consideration	1,140
	<hr/>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

Whitton & Laing (South West) LLP (continued)

Consideration

	£000
Cash consideration	1,140
	<hr/>
Total purchase consideration	1,140
	<hr/>
Cash outflow on acquisition	
	£000
Cash consideration and cash outflow on acquisition	1,140

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

Beal Block & Management Limited

On 19 December 2023, the Group acquired 100% of the trade of Beal Block & Management Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £300k. The following table summarises the consideration paid, the fair value of assets acquired and liabilities assumed.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value 2023 £000
Fixed assets	
Intangible	300
	<hr/>
	300
	<hr/>
Total assets	300
	<hr/>
Total identifiable net assets	300
	<hr/>
	<hr/>
Total purchase consideration	300
	<hr/>
	<hr/>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

Beal Block & Management Limited (continued)

Consideration

	£000
Cash consideration	300
Total purchase consideration	300
Cash outflow on acquisition	
	£000
Cash consideration and cash outflow on acquisition	300

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

Jones Robinson Estate Agents Limited

On 21 December 2023, the Group acquired 100% of the trade of Jones Robinson Estate Agents Limited, a UK-based company that provides residential property services and management of residential and commercial assets in the UK, for total consideration of £270k. The following table summarises the consideration paid, the fair value of assets acquired and liabilities assumed.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book and fair value
	2023 £000
Fixed assets	
Intangible	270
	<hr/>
	270
	<hr/>
Total assets	270
	<hr/>
Total identifiable net assets	270
	<hr/>
	<hr/>
Total purchase consideration	270
	<hr/>
	<hr/>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

29. Asset purchases (continued)

Jones Robinson Estate Agents Limited (continued)

Consideration

	£000
Cash consideration	270
	<hr/>
Total purchase consideration	270
	<hr/>
Cash outflow on acquisition	
	£000
Cash consideration and cash outflow on acquisition	270

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

30. Restated business combinations

DJC Property Management Limited

On 1 November 2022, the Group acquired 100% share of DJC Property Management Limited. During the year ended 2023 the fair value of deferred consideration was reduced by £1,369k to £783k (2022 - £2,152k). The movement in deferred consideration reflects a post-combination movement in consideration based on the trading results and in accordance with the contractual terms. The Directors therefore believe that it is appropriate to recognise the change in deferred consideration as a change in the current financial year rather than as a prior period adjustment in the year of acquisition.

In addition, the purchase price allocation process for the acquisition was finalised more than 12 months post-acquisition and separately identifiable assets of £3,379k were identified (being customer relationships of £3,277k and brand name of £102k). Therefore, intangible assets separate from goodwill of £3,379k and deferred tax arising on the same at £845k have been recognised as an adjustment to the acquisition accounting in the current year. Based on the timing of completion of the purchase price allocation, the adjustment should be corrected in the year of acquisition. However, the Directors believe that the adjustment in the current year is appropriate considering the materiality of this adjustment to the financial statements as a whole.

The combined effect of these adjustments resulted in a total reduction in goodwill of £3,903k to £2,129k (2022 - £6,032k).

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value (as restated) £000
Fixed assets			
Tangible	11	-	11
Intangible	-	3,379	3,379
	11	3,379	3,390
Current assets			
Trade and other receivables	36	-	36
Cash and cash equivalents	586	(125)	461
	633	3,254	3,887
Creditors			
Trade and other payables	(308)	125	(183)
Corporation tax payable	(67)	-	(67)
Deferred tax liability	(3)	(845)	(848)
	255	2,534	2,789
Total identifiable net assets			
Goodwill	6,032	(3,903)	2,129
Total purchase consideration	6,287	(1,369)	4,918

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

30. Restated business combinations (continued)

DJC Property Management Limited (continued)

Consideration

	Book value £000	Fair value adjustment £000	Fair value (as restated) £000
Cash consideration	4,103	-	4,103
Deferred consideration	2,152	(1,369)	783
Directly attributable costs	32	-	32
Total purchase consideration	6,287	(1,369)	4,918

Cash outflow on acquisition

	Book value £000	Fair value adjustment £000	Fair value (as restated) £000
Cash consideration	4,103	-	4,103
Directly attributable costs	32	-	32
Less: Cash and cash equivalents acquired	(586)	125	(461)
Net cash outflow on acquisition	3,549	125	3,674

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

30. Restated business combinations (continued)

Chase Buchanan Limited

On 12 December 2022, the Group acquired 100% share of Chase Buchanan Limited. During the year ended 2023 the fair value of deferred consideration was reduced by £473k to £680k (2022 - £1,153k). The movement in deferred consideration reflects a post-combination movement in consideration based on the trading results and in line with the SPA. The Directors therefore believe that it is appropriate to recognise the change in deferred consideration as a change in the current financial year rather than as a prior period adjustment in the year of acquisition.

In addition, the purchase price allocation process for the acquisition was finalised more than 12 months post-acquisition and separately identifiable assets of £4,527k were identified (being customer relationships of £3,345k and brand name of £1,183k). Therefore, intangible assets separate from goodwill of £4,527k and deferred tax arising on the same at £1,132k have been recognised as an adjustment to acquisition accounting in the current year. Based on the timing of completion of the purchase price allocation, the adjustment should be corrected in the year of acquisition. However, the Directors believe that the adjustment in the current year is appropriate considering the materiality of this adjustment to the financial statements as a whole.

The combined effect of these adjustments resulted in a total reduction in goodwill of £3,868k to £4,010k (2022 - £7,878k).

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value (as restated) £000
Fixed assets			
Tangible	127	-	127
Intangible	-	4,527	4,527
	<u>127</u>	<u>4,527</u>	<u>4,654</u>
Current assets			
Trade and other receivables	2,128	-	2,128
Cash and cash equivalents	2,504	-	2,504
	<u>4,759</u>	<u>4,527</u>	<u>9,286</u>
Total assets			
	<u>4,759</u>	<u>4,527</u>	<u>9,286</u>
Creditors			
Trade and other payables	(774)	-	(774)
Corporation tax payable	(105)	-	(105)
Deferred tax liability	(23)	(1,132)	(1,155)
	<u>3,857</u>	<u>3,395</u>	<u>7,252</u>
Total identifiable net assets			
	<u>3,857</u>	<u>3,395</u>	<u>7,252</u>
Goodwill	7,878	(3,868)	4,010
	<u>11,735</u>	<u>(473)</u>	<u>11,262</u>
Total purchase consideration			
	<u>11,735</u>	<u>(473)</u>	<u>11,262</u>

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

30. Restated business combinations (continued)

Chase Buchanan Limited (continued)

Consideration

	Book value £000	Fair value adjustment £000	Fair value (as restated) £000
Cash consideration	9,013	-	9,013
Deferred consideration	1,153	(473)	680
Non-cash consideration	1,490	-	1,490
Directly attributable costs	79	-	79
Total purchase consideration	11,735	(473)	11,262

Cash outflow on acquisition

	Book value £000	Fair value adjustment £000	Fair value (as restated) £000
Cash consideration	9,013	-	9,013
Directly attributable costs	79	-	79
Less: Cash and cash equivalents acquired	(2,504)	-	(2,504)
Net cash outflow on acquisition	6,588	-	6,588

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

31. Analysis of net debt

	At 1 January 2023 £000	Cash flows £000	On acquisition of subsidiaries £000	Other non- cash changes £000	At 31 December 2023 £000
Cash at bank and in hand	10,132	(9,155)	9,624	-	10,601
Bank overdrafts	-	(403)	-	-	(403)
Debt due after 1 year	(303,189)	(13,683)	-	5,541	(311,331)
Debt due within 1 year	(6,507)	(110,000)	-	(27,938)	(144,445)
	<u>(299,564)</u>	<u>(133,241)</u>	<u>9,624</u>	<u>(22,397)</u>	<u>(445,578)</u>

Cash flows related to debt due after more than one year includes amounts due to related undertakings and Preference B shares. Cash flows related to debt due within one year represents the revolving credit facility due to related undertakings.

Other non-cash changes related to debt due after more than one year includes the accrual of interest over the period for this debt, capitalised interest of the Preference B shares and foreign exchange movements arising on the translation of the Euro denominated loan payable due to Emeria Europe. Other non-cash changes relating to debt due within one year include the accrual of interest over the period for this debt.

32. Contingent liabilities

Bank accounts maintained for developments under management (and included in Client Monies described in note 20) that were overdrawn at 31 December 2023 amounting to £1k (2022 - £2k). The Group has given unlimited guarantees on these amounts in the event of default.

33. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2,050k (2022 - 13 month period - £659k). Contributions totalling £571k (2022 - 13 month period - £489k) were payable to the fund at the reporting date and are included in creditors.

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

34. Commitments under operating leases

At 31 December 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	Group 2022 £000
Not later than 1 year	4,105	2,214
Later than 1 year and not later than 5 years	6,887	1,602
Later than 5 years	3,168	498
	14,160	4,314

The Company had no commitments under non-cancellable operating leases as at the balance sheet date.

35. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the Group.

During the year Hodlon Limited, a company appointed as a director of the Company (Emeria RES UK Limited), charged the Company for management services. Hodlon Limited are a company controlled by a director of the Company, as such these charges have been included within the directors' remuneration note.

Remuneration of key management personnel

The remuneration of key management personnel, which includes those directors remunerated by the Group, is as follows:

	2023 £000	2022 £000
Aggregate emoluments (including service fees)	1,831	1,550
Other pension cost	121	46
	1,952	1,596

EMERIA RES UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2023

36. Post balance sheet events

On the 16 May 2024, the Group acquired 100% of the issued share capital of Owen Commercial Limited for an initial consideration of £6,500k.

On the 27 August 2024, the Group acquired 100% of the issued share capital of Landseen Limited for an initial consideration of £1,800k.

37. Controlling party

The immediate parent company is Emerica Europe, a company incorporated in France. The largest group for which consolidated accounts are drawn up is Emerica S.A.S. and the accounts are not publicly available. The smallest group for which consolidated accounts are drawn up is Emerica RES UK Limited. These group accounts are available from the Company's registered office 2 Snowhill, 7th Floor, Birmingham, B4 6GA.

In the opinion of the directors, the controlling party are funds managed by affiliates that are ultimately controlled by Partners Group Holding AG, a Company registered in Switzerland and listed on the SIX Stock Exchange in Zurich.