Mortgage Intelligence Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the Year Ended 31 December 2021

Registered number: 03018519

Contents

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2021.

INTRODUCTION AND OVERVIEW

Mortgage Intelligence Limited ('the Company') arranges mortgages and insurance business. The company is directly authorised by the Financial Conduct Authority and runs a network of appointed representative firms.

The company is a private company limited by share capital which is incorporated and domiciled in the UK. The address of its registered office is Roddis House, 12 Old Christchurch Road, Bournemouth, BH1 1LG, United Kingdom.

DIRECTORS

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

Peter Curran	(resigned 8 March 2021)
Sarah Laker	
David Livesey	(appointed 8 March 2021)
Adrian Scott	(appointed 8 March 2021)
Richard Twigg	(appointed 8 March 2021)

ACQUISITION BY CONNELLS

On 8 March 2021 the entire share capital of Countrywide Limited, of which the Company is a wholly owned subsidiary, was acquired by Connells Limited.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company is the arrangement of mortgage and insurance business. The company is directly authorised by the Financial Conduct Authority and runs a network of appointed representative firms. There has been no change in the Company's activities in the period under review and no future change in activity is anticipated.

DIVIDENDS

No interim dividend payment (2020: £Nil) has been made during the financial year ended 31 December 2021. The Directors do not recommend the payment of a final dividend (2020: £Nil).

EMPLOYEES

It is company policy to provide employees with information concerning their roles and responsibilities and the trading performance of the Company. This policy is to ensure opportunities are available at every level to improve employees' and corporate performance. Regular meetings are held which involve directors, managers and staff.

CHARITABLE AND POLITICAL DONATIONS

The company made no charitable or political donations in 2021 (2020: £nil).

EMPLOYEE DEVELOPMENT AND EQUAL OPPORTUNITIES

The company's approach is to ensure it recruits and promotes the right people regardless of gender, disability, age, sexual orientation or race and is committed to a culture of meritocracy whereby career progression is based on ability. It facilitates opportunities for all employees to progress and regularly reviews practices and policies. It regards its people as its most valuable asset and is committed to investing in them to achieve their full potential, without discrimination.

People with disabilities are given equal opportunities wherever they can fulfil the requirements of the job. If an employee becomes disabled during their employment with the Company every reasonable effort is made to enable them to continue their career within the Company.

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

GOING CONCERN

The Directors have undertaken a thorough assessment of the Company's financial forecasts to 31 December 2023, including the continuing impact of Covid-19 on its operations within the UK. 2021 was an excellent year for the UK housing and mortgage markets and the Company's ability to capitalise on the favourable market conditions enabled it to report a significantly increased profit for the year.

The Company is funded by its operating profits and the cash thereby generated. For the year ended 31 December 2021 the Company reported a net profit before tax of £1,548,000 (2020: £1,087,000).

In forming their view on going concern, the Directors continue to perform extensive forecasting to model potential market shocks, including the ongoing impact of the Covid-19 pandemic and its potential impact on business volumes. In particular the Directors have considered and modelled a number of severe but plausible scenarios, including the impact of a material downturn in the UK housing market caused by the Covid-19 pandemic or other political and economic circumstances. The key assumptions used in this severe stress scenario are as follows:

- A two month lockdown forces the UK housing market to close, reducing transactions to the level seen in April and May 2020 before slowly recovering.
- Taking mitigating actions to reduce headcount, capital expenditure and marketing spend.

The Company's financial strength means that it is well positioned to withstand any further downturn. As at 31 December 2021 the Company has no long term debt and therefore no covenant tests that it must meet.

As a result of the above and following careful consideration, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

AUDITOR

The Directors appointed a new external auditor during the year, consistent with its new ultimate parent undertaking, Skipton Building Society. PricewaterhouseCoopers LLP therefore resigned as the Company's external auditor, and Ernst & Young LLP was appointed on 4th November 2021.

Pursuant to Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Approved by the Board of directors and signed on its behalf by:

....
Richard Twigg

Director
11 July 2022
Roddis House
12 Old Christchurch Road
Bournemouth
BH1 1LG

Strategic Report

The Directors present their strategic report for the year ended 31 December 2021.

BUSINESS REVIEW

The results for the Company as set out on page 9 show a pre-tax profit of £1.5 million (2020: £1.1 million).

Under its first year of new ownership, supported by a strong housing market, Mortgage Intelligence Limited (the 'Company') delivered an impressive set of results in 2021.

Total revenue increased by 21% during 2021. The year started strongly with our brokers helping customers taking advantage of the stamp duty holidays in place during 2021.

Revenue growth was driven by not only growth in exchange volumes (19%) but also an increase in the average loan size as seen across an extremely strong housing market during 2021. This resulted in value of lending arranged of over £5.6bn, an increase of 24% on the previous year.

The network also grew in number of regulated individuals through 2021 with a 10% increase during a period when mortgage brokers have been in high demand due to the buoyant market.

Operational performance and key performance indicators

	2021	2020	% Change
Total income	£4.5m	£3.7m	21%
Operating profit	£1.5m	£1.1m	40%
Movement in:			
Mortgage exchanges	19%	-4%	
Value of mortgages arranged	24%	-1%	
Number of authorised Regulated Individuals	10%	7%	
Average Number of FTE	3%	-	

By order of the Board

Richard Twigg
Director
11 July 2022

Countrywide House
6 Caldecotte Lake Business Park
Caldecotte Lake Drive
Milton Keynes
Buckinghamshire
MK7 8JT

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

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

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

The Directors confirm, to the best of their knowledge:

- that the financial statements, prepared in accordance with UK Accounting Standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- that the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- that they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORTGAGE INTELLIGENCE LIMITED

Opinion

We have audited the financial statements of Mortgage Intelligence Limited for the year ended 31 December 2021 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 20 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORTGAGE INTELLIGENCE LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are The Estates Agents Act 2019, The Consumer Rights Act 2015, The Consumers. Estate Agents and Redress Act 2007, International Accounting Standards, Companies Act 2006, Data Protection Act 1998, Health and Safety at Work Act 1974, HMRC regulations, The Coronavirus Act 2020 Functions of Her Majesty's Revenue and Customs (Coronavirus Job Retention Scheme), UK Bribery Act, Equality Act and Anti-Money Laundering Regulations.
- We understood how Mortgage Intelligence Limited is complying with those frameworks by making enquiries of those charged with governance and management. We understood the potential incentive and ability to override the controls. We considered management's attitude and tone from the top to embed a culture of honesty and ethical behaviour whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and considered the compliance with the above laws.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by obtaining and reading internal policies, holding enquiries of management and those charged with governance and the in-house legal counsel as to any fraud risk framework within the company.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
    - Enquiry of management and those charged with governance as to any fraud risk framework within the company, including whether a formal fraud risk assessment is completed.
    - Enquiry of management, those charged with governance and the company's in-house legal team around actual and potential litigation and claims.
    - Enquiry of staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations, including communications with regulators and tax authorities.
    - Reading minutes of meetings of those charged with governance.
    - Reading internal audit reports.
    - Enquiry of management over reports to whistleblowing hotlines.
    - Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
    - Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORTGAGE INTELLIGENCE LIMITED (CONTINUED)

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

- Where weaknesses in internal control in respect of cash were identified we:
  - Increased the sample sizes in respect of our substantive audit testing;
  - Performed additional testing with respect to completeness of balances and cut-off testing for transactions occurring around the year end; and
  - Increased samples of risk based journals and material post-closing adjustments, agreeing them to appropriate supporting evidence.
- Where instances of non-compliance with laws and regulations were identified we assessed and challenged management's response, involving specialists, where required, to consider the appropriateness of the response and the conclusions reached.
- Data analytics to highlight potentially anomalous transactions in areas of the business which are determined to have an elevated fraud risk.
- Evaluating the business rationale of significant transactions outside the normal course of business, and
- Challenging judgements made by management. This included corroborating the inputs and considering contradictory evidence.

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

Use of our report

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

Ernst & Young LLP

Ruth Logan (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP,
Cambridge

13 July 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	2	4,491	3,712
Administrative expenses		(3,170)	(2,961)
Other operating income	3	211	348
Operating profit	5	1,532	1,099
Finance income	6	22	1
Finance costs	7	(6)	(13)
Profit before taxation		1,548	1,087
Income tax expense	8	(301)	(194)
Profit for the financial year being total comprehensive income		1,247	893

The above results were derived from continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

Statement of Financial Position

As at 31 December 2021

	Note		31 December 2021 £'000		Restated 31 December 2020 £'000
Non-current assets					
Intangible assets	9	13		23	
Tangible assets	10 (a)	100		116	
Right-of-use assets	10 (b)	196		239	
Deferred tax asset	8	76		119	
			385		497
Current assets					
Trade and other receivables	11	10,582		8,454	
Cash	12	158		1,443	
			10,740		9,897
Total assets			11,125		10,394
Non-current liabilities					
Trade and other payables	13	955		1,774	
Lease liabilities	14	125		167	
Provisions for liabilities	15	127		93	
			1,207		2,034
Current liabilities					
Trade and other payables	13	1,955		1,438	
Lease liabilities	14	71		60	
Current tax Liabilities		-		245	
Provisions for liabilities	15	71		43	
			2,097		1,786
Total liabilities			3,304		3,820
Capital and reserves					
Called up share capital	18	1		1	
Share premium account		164		164	
Retained Earnings		7,656		6,409	
Total equity			7,821		6,574
Total equity and liabilities			11,125		10,394

The notes on pages 12 to 25 form part of these financial statements.

These financial statements were approved by the Board of directors and signed on its behalf by:

Richard Twigg
Director
11 July 2022

Company registration number: 03018519

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Share premium	Other reserves	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021	1	164	-	6,409	6,574
Profit for the financial year being total comprehensive income	-	-	-	1,247	1,247
Equity settled share-based payments	-	-	(29)	-	(29)
Charge from parent for equity settled share-based payments	-	-	29	-	29
Balance at 31 December 2021	**1**	**164**	**-**	**7,656**	**7,821**
Balance at 1 January 2020	1	164	-	5,516	5,681
Profit for the financial year being total comprehensive income	-	-		893	893
Equity settled share-based payments	-	-	(77)	-	(77)
Charge from parent for equity settled share-based payments	-	-	77	-	77
Balance at 31 December 2020	**1**	**164**	**-**	**6,409**	**6,574**

The notes on pages 12 to 25 form part of these accounts.

Notes to financial statements (continued)

Notes to the financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1 (p).

Disclosure exemptions adopted

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
b) The requirements of IAS 7 Statement of Cash Flows.
c) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.
d) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is a wholly owned member of the group.
e) The requirements of IFRS 7 Financial Instruments: Disclosures
f) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15
g) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16
h) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36.
i) The requirements in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of
   i. paragraph 73(e) in respect of IAS 16 Property, Plant and Equipment
   ii. paragraph 118(e) in respect of IAS 38 Intangible Assets

Adoption of new and revised UK Financial Reporting Standards

The company adopted during the year the following amendment to existing accounting standards, which did not have a material impact on these financial statements:

- *COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*

Standards issued but not yet effective

A number of new and amended accounting standards and interpretations will be effective for future reporting periods, none of which has been early adopted by the Company in preparing these financial statements. These new and amended standards and interpretations, details of which are set out below, are not expected to have a material impact on the Company's financial statements:

- IFRS 17 *Insurance Contracts;*
- *Classification of Liabilities as Current or Non-current (Amendments to* IAS 1*);*
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to IAS 37);
- *Fees in the '10 per cent' test for derecognition of financial liabilities* (Amendments to IFRS 9);
- *Definition of Accounting Estimates* (Amendments to IAS 8);
- *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2); and
- *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (Amendments to IAS 12).

These amendments have had no material impact on these Financial Statements.

Notes to financial statements (continued)

1. Accounting policies (continued)

Measurement convention

These financial statements are prepared on the historical cost basis.

Currency presentation

These financial statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand pounds. The functional currency is pounds sterling.

Going concern

The Directors have undertaken a thorough assessment of the Company's financial forecasts to 31 December 2023, including the continuing impact of Covid-19 on its operations within the UK. 2021 was an excellent year for the UK housing and mortgage markets and the Company's ability to capitalise on the favourable market conditions enabled it to report a significantly increased profit for the year.

The Company is funded by its operating profits and the cash thereby generated. For the year ended 31 December 2021 the Company reported a net profit before tax of £1,548,000 (2020: £1,087,000). At the date of signing these accounts, the Company continues to hold a similar working cash balance and has no external debt.

In forming their view on going concern, the Directors continue to perform extensive forecasting to model potential market shocks, including the ongoing impact of the Covid-19 pandemic and its potential impact on business volumes. In particular the Directors have considered and modelled a number of severe but plausible scenarios, including the impact of a material downturn in the UK housing market caused by the Covid-19 pandemic or other political and economic circumstances. The key assumptions used in this severe stress scenario are as follows:

- A two month lockdown forces the UK housing market to close, reducing transactions to the level seen in April and May 2020 before slowly recovering.
- Taking mitigating actions to reduce headcount, capital expenditure and marketing spend.

The Company's financial strength means that it is well positioned to withstand any further downturn. As at 31 December 2021 the Company has no long term debt and therefore no covenant tests that it must meet.

As a result of the above and following careful consideration, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Prior year restatement of Statement of Financial Position

Following the acquisition of the business by Connells Limited, the presentation of the financial statements have been amended for the following:

i) The Statement of Financial Position is re-presented in accordance with IAS 1: Presentation of Financial Statements. As a result the Deferred tax asset is shown within non-current assets and Provisions have been split between current and non-current liabilities.
ii) Amounts owed in relation to broker incentives have been reclassified from provisions and payables to trade creditors. In addition to this, cash held on deposit for future broker incentive payments have been reclassed from cash to other debtors.

b) Revenue recognition

A five-step approach is taken for recognising revenue from contracts with customers, namely to: identify the contract(s) with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) a performance obligation has been satisfied.

The company generates revenue from external customers in the UK from mortgage and insurance business. All relevant factors and circumstances are taken into account when determining the revenue recognition methods that appropriately depict the transfer of control of goods or services to customers for each performance obligation.

The company acts as agent and receives fees for the introduction of a financial services customer to a lender or insurance provider. Fees are recognised net of value added taxes at a point in time when we have received payment from our lender and insurance partners and we have fully provided the service to the customer.

Management is required to make certain judgements, including: the determination of the performance obligations in the contract; whether the Company is acting as principal or agent; the estimation of any variable consideration in determining the contract price; the allocation of the price to the performance obligations inherent in the contract; and an appropriate method of recognising revenue, including judging whether the performance obligations have been satisfied over a period of time or at a point in time.

Notes to financial statements (continued)

1. Accounting policies (continued)

c) Tangible fixed assets

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Leased assets

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable; and
- Incremental payments in relation to extension options which are reasonably certain to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of any initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received; and
- Any initial direct costs.

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value items are those less than £3,000.

Depreciation

Depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

• Leasehold improvements - over the period of the lease

• Furniture and equipment - 3 to 5 years

Assets under the course of construction are not subject to depreciation until the asset enters operational use and the asset is transferred to the operational asset category.

d) Intangible assets

Other intangibles

Intangible assets other than goodwill that are acquired by the Company, principally acquired brand names, computer software, customer contracts and relationships, and pipeline, are stated at cost less accumulated amortisation, and impairment losses. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Internal costs that are incurred during the development of significant and separately identifiable computer software for use in the business are capitalised when the software is integral to the generation of future economic benefits. Internal costs that are capitalised are limited to incremental costs specific to the project. Other development expenditures that do not meet the criteria for capitalisation are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

- Computer software — 3 to 5 years
- Customer contracts and relationships — 1 to 10 years

Notes to financial statements (continued)

1. Accounting policies (continued)

e) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment annually or whenever events and changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

In respect of goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each Statement of Financial Position date. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

f) Financial assets

Classification

The company classifies its financial assets as financial assets at amortised cost and financial assets at fair value through profit or loss. The classification depends on the purpose and business model for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, but any maturities greater than twelve months after the end of the reporting period are disclosed. Financial assets at amortised cost comprise mainly cash and cash equivalents and trade and other receivables.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date: the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets at amortised cost are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The company applies the IFRS 9 simplified approach to measuring expected credit losses. In determining the expected credit losses for these assets, the Company has taken into account the historical default experience and the financial position of the counterparties, in estimating the likelihood of default of each of these financial assets occurring within their loss assessment time horizon.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

g) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

h) Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Notes to financial statements (continued)

1. *Accounting policies (continued)*

h) Current and deferred income taxes (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the Company intends to settle the balances on a net basis.

i) Defined contribution pension scheme

The company contributes to a defined contribution pension scheme which is open to eligible employees. The assets of the scheme are held in an independently administered fund. The amount charged against profit or loss represents the contributions payable to the scheme in respect of the year.

j) Provisions for liabilities

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in finance costs.

k) Deferred income

Where the Company receives an amount upfront in respect of future income streams, the value of the receipt is amortised over the period of the contract as the services are delivered and the unexpired element is disclosed in liabilities as deferred income.

l) Finance income and costs policy

Finance income comprises interest receivable on funds invested. Interest income is recognised in profit or loss as it accrues using the *effective interest method.*

Finance costs accrue using the effective interest method, except for leases where the finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

m) Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

n) Government grants

Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

o) Share capital

Ordinary shares are classified as equity.

p) Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates 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 values of assets and liabilities within the next financial year are addressed below.

Key sources of estimation uncertainty

Income taxes

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Clawback provision

The company receives commission from third party life assurance policy providers for the referral of customers who purchase a policy. If the life assurance policy lapses following issue, a proportion of the income is clawed back. The company estimates the cost of repaying indemnity commission income received on life assurance policies that may lapse following issue. Details of the movement in the provision are provided in note 15.

Notes to financial statements (continued)

2. Revenue

All of the Company's revenues are generated in the United Kingdom from the arrangement of mortgages and insurance. The company is directly authorised by the Financial Conduct Authority, and runs a network of appointed representative firms.

Disaggregation of revenue from contracts with customers	2021	2020
	£'000	£'000
Major service lines		
Mortgage brokerage	3,591	2,889
Insurance brokerage	831	728
Marketing	69	95
	4,491	3,712
Timing of revenue recognition		
Services transferred at a point in time	4,491	3,712

3. Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2021 £'000	2020 £'000
JRS Government grants [1]	-	123
Sundry Fees	211	225
	211	348

Job retention scheme grant received from Government for employees placed on furlough leave due to the COVID-19 pandemic.

(1) Job retention scheme grant received from Government for employees placed on furlough leave due to the COVID-19 pandemic.

4. Staff numbers and costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £'000	2020 £'000
Wages and salaries	2,377	2,222
Social security costs	243	226
Share-based payment expenses	29	77
Other pension costs	62	60
	2,711	2,585

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Sales	45	44
Management	1	1
Administration	14	12
	60	57

Notes to financial statements (continued)

4. Staff numbers and costs (continued)

The Directors' emoluments were:

	2021 £'000	2020 £'000
Aggregate emoluments	290	253
Gain on shares	49	-
Company contribution to defined pension scheme	-	-
	339	**253**

No post-employment benefits were accruing (2020: none) under the defined contribution scheme.

Three directors were remunerated by other group companies and are not directly remunerated by the Company. The notional allocation of the cost to the Company for their services was £37,893 (2020: £nil).

There are not considered to be further key management personnel other than the Directors of the Company noted above.

The highest paid director's emoluments were:

	2021 £'000	2020 £'000
Aggregate emoluments	339	253
Company contribution to defined pension scheme	-	-
	339	**253**

5. Operating profit

Arrived at after charging:

	2021 £'000	2020 £'000
Depreciation charge	121	112
Amortisation charge	15	41
Auditor's remuneration for audit work [1]	37	20

There were no non-audit fees paid to the Auditor or previous auditor (2020: £nil).

6. Finance income

	2021 £'000	2020 £'000
Interest on monies owed by group	22	-
Bank interest receivable	-	1
	22	**1**

7. Finance costs

	2021 £'000	2020 £'000
Other interest payable	2	5
Interest on lease liabilities	4	8
	6	**13**

Notes to financial statements (continued)

8. Taxation

Tax expense included in income statement:

	2021	2020
	£'000	£'000
UK corporation tax on profit for the year	258	230
Adjustments in respect of prior years	-	(2)
Total current tax	258	228
Deferred tax on profit for the year:		
Origination and reversal of temporary differences	58	(33)
Adjustment due to remeasurement for the change in tax rate	(15)	-
Adjustments in respect of prior years	-	(1)
Total deferred tax	43	(34)
Total income tax	301	194

The effective tax rate for the Company for the year ended 31 December 2021 is 19. % (2020: 17.8%) compared with the standard rate of UK corporation tax of 19.0% (2020: 19.0%). The differences are explained below:

	2021	2020
	£'000	£'000
Profit before taxation	1,548	1,087
Profit before taxation multiplied by the rate of corporation tax in the UK of 19% (2020: 19%)	294	207
Effects of:		
Other expenses not deductible	3	-
Impact of accelerated unwind of deferred tax assets	(15)	(10)
Tax relief on provision against intercompany debt	19	-
Adjustments in respect of prior years	-	(3)
Total tax charge	301	194

Deferred tax

The provision for deferred tax consists of the following deferred tax assets:

	2021	2020
	£'000	£'000
Deferred tax asset at 1 January	119	85
Credited to income statement	(43)	34
Deferred tax asset at 31 December	76	119
Deferred tax asset expected to unwind within one year	14	42
Deferred tax asset expected to unwind after one year	62	77
	76	119

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets to the extent that it is probable that these assets will be recovered through future taxable profits.

Legislation to increase the standard rate of corporation tax in the UK to 25% from 1 April 2023 was enacted during the year.

Any deferred tax assets and liabilities that are expected to reverse after 1 April 2023 have been remeasured at this new rate.

Notes to financial statements (continued)

8. Taxation (continued)

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year are shown overleaf. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

	2021	
	Asset £'000	Credited/ (charged) to income statement £'000
Origination and reversal of temporary differences		
Capital allowances	71	(15)
Employee pension liabilities	-	(31)
Other temporary and deductible differences	5	3
	76	(43)

	2020	
	Asset £'000	Credited/ (charged) to income statement £'000
Origination and reversal of temporary differences		
Capital allowances	86	15
Employee pension liabilities	31	19
Other temporary and deductible differences	2	-
	119	34

9. Intangible Assets

	Computer Software £'000
Cost	
At 1 January 2021	263
Additions	5
At 31 December 2021	268
Accumulated amortisation	
At 1 January 2021	240
Amortisation charge for the year	15
At 31 December 2021	255
Net book amount	
At 31 December 2021	13
At 31 December 2020	23

Notes to financial statements (continued)

10. Tangible fixed assets

(a) Non-leased assets

	Furniture and equipment £'000
Cost	
At 1 January 2021	505
Additions	38
At 31 December 2021	**543**
Accumulated depreciation	
At 1 January 2021	389
Charge for the year	54
At 31 December 2021	**443**
Net book amount	
At 31 December 2021	**100**
At 31 December 2020	116

(b) Right of use assets

	Right-of-use property assets £'000
Cost	
At 1 January 2021	345
Modifications	24
At 31 December 2021	**369**
Accumulated depreciation	
At 1 January 2021	106
Charge for the year	67
At 31 December 2021	**173**
Net book amount	
At 31 December 2021	**196**
At 31 December 2020	239

11. Trade and other receivables

	2021 £'000	Restated 2020 £'000
Trade receivables	731	682
Amounts owed by group undertakings	8,281	6,362
Other receivables	1,162	1,111
Prepayments and accrued income	408	299
	10,582	8,454

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are considered past due once they have passed their contracted due date. Trade receivables are reviewed for impairment by taking into account the historical default experience and the financial position of the counterparties to estimate the likelihood of default. Trade receivables are written off when there is no reasonable expectation of recovery. Trade receivables are stated net of provisions for expected credit losses of £4,000 (2020: £7,000).

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

The prior year has been restated to move amounts held on deposit for broker incentive payments from cash to other receivables.

Notes to financial statements (continued)

12. Cash and cash equivalents

	2021 £'000	Restated 2020 £'000
Cash at bank and in hand	158	1,443

Prior year has been restated to move cash held on deposit for future broker incentive payments from cash to other debtors.

13. Trade and other payables

	2021 £'000	Restated 2020 £'000
Trade payables	248	251
Amounts owed to group undertakings	839	1,058
Accruals and other payables	729	350
Social security and other taxes	47	373
Deferred income	93	-
Other Creditors	954	1,180
Total	2,910	3,212
Trade and other payables due within one year	1,955	1,438
Trade and other payables due after more than one year	955	1,774
	2,910	3,212

There are no charges over the Company's assets in respect of any of the Company's liabilities.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Prior year has been restated to move amounts owed for broker incentive payments from provisions and trade payables to other creditors.

14. Lease liabilities

	2021 £'000	2020 £'000
At 1 January 2021	227	290
Payments	(60)	(71)
Modifications	25	-
Interest	4	8
At 31 December 2021	196	227
Current	71	60
Non-current	125	167

The table below analyses the Company's lease liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

Notes to financial statements (continued)

14. Lease liabilities (continued)

	2021	2020
	£'000	£'000
Lease liabilities are repayable:		
On Demand	-	-
In not more than 3 months	18	15
In more than 3 months but less than 1 year	53	45
In more than 1 year but less than 5 years	125	167
In more than 5 years	-	-
At 31 December	**196**	**227**

15. Provisions

	Clawback provision	Property repairs	Claims and Litigation	Total
	£'000	£'000	£'000	£'000
At 1 January 2021 (restated)	84	39	13	136
Utilised in the year	(58)	-	(6)	(64)
Charged to income statement	93	33	-	126
At 31 December 2021	**119**	**72**	**7**	**198**
Due within one year or less	64	-	7	71
Due after more than one year	55	72	-	127
At 31 December 2021	**119**	**72**	**7**	**198**
At 1 January 2020	114	39	4	157
Utilised in year	(55)	-	-	(55)
Charged to income statement	25	-	9	34
At 31 December 2020	**84**	**39**	**13**	**136**
Due within one year or less	32	-	11	43
Due after more than one year	52	39	2	93
At 31 December 2020 (restated)	**84**	**39**	**13**	**136**

Clawback provision

Clawback represents the provision required to meet the estimated cost of repaying indemnity commission income received on life assurance policies that may lapse in the four years following issue.

Opening balances have been restated for the amounts yet to be invested into the broker incentive fund to be recorded as trade creditors rather than provisions.

Property repairs

The provision for property repairs represents estimates of the cost to repair existing dilapidations under leasehold covenants and dilapidation provisions, in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets'. The company holds dilapidation provisions for back office based premises and this value has been calculated based on square footage. As the Company has increased the amount per square foot and increased the provisions held this year.

Notes to financial statements (continued)

16. Pensions

Defined contribution pension scheme

The company offers membership of a stakeholder pension scheme to all employees. The pension cost charged for the year represents contributions payable by the Company to the scheme and amounted to £62,000 (2020: £60,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

17. Share based payments

The Company's employees participated in a number of share-based payment schemes for executive Directors and other employees operated by Countrywide Limited. Countrywide Limited has no legal or constructive obligation to repurchase or settle any of the options in cash. All charges in relation to these schemes are fully recharged to the subsidiary companies who employ the designated individuals. The total cost recognised in the income statement was £29,000 in the year ended 31 December 2021 (2020: £77,000), comprising equity-settled share-based payments.

Following the acquisition of Countrywide Limited by Connells Ltd, options outstanding under share based payment schemes vested, subject to relevant performance criteria, and were exercised and liabilities settled. Thereafter the schemes ceased to operate post 8 March 2021.

The following table analyses the total cost to the Company between each of the relevant schemes, together with the number of options outstanding:

	2021		2020	
	Charge £'000	Number of options (thousands)	Charge £'000	Number of options (thousands)
Long-term incentive plan	23	–	47	27
SAYE	6	–	26	12
Share incentive plan	–	–	4	1
	29	–	77	40

A summary of the main features of each scheme is given below.

Executive schemes

Long-term incentive plan (LTIP)

The LTIP is open to executive Directors and designated senior management, and awards were made at the discretion of the former Countrywide Limited Remuneration Committee. Awards are subject to market and non-market performance criteria and vest over a three-year period. All options outstanding at 8 March 2021 vested and were settled with employees.

Other schemes

Save as You Earn (SAYE)

Countrywide Limited implemented an HMRC approved Save As You Earn (SAYE) option scheme in May 2018 after cessation of the SIP scheme. Employees were invited to acquire options over ordinary shares at a discount of 20% to their market price. The scheme started in May 2018 and there have been two issues, the first commenced May 2018 would have vested in May 2021 and the second started May 2019 would have vested in May 2022. Options granted under the scheme could be exercised during a six month period starting on the third anniversary of the scheme. The SAYE scheme is not subject to any performance measures. All options outstanding at 8 March 2021 vested and were settled with employees.

Share incentive plan (SIP)

A HMRC approved share incentive plan was introduced in October 2013. Under the SIP, eligible employees were invited to make regular monthly contributions into a scheme operated by Link Asset Services. Ordinary shares in the Company were purchased at the current market price and since May 2016 an award of two matching shares had been made for every three shares acquired by an employee, subject to a vesting period of three years from the date of each monthly grant. Prior to May 2016, the award comprised one matching share for every two shares acquired by an employee. The SIP scheme ended in April 2018. All options outstanding at 8 March 2021 vested and were settled with employees.

The aggregate number of share awards outstanding for the Company is shown below:

	2021			2020		
	Executive schemes	Other schemes		Executive schemes	Executive schemes	
	LTIP	SAYE	SIP	LTIP	SAYE	SIP
	Number of options / shares (thousands)					
At 31 December	–	–	–	27	12	1

Notes to financial statements (continued)

18. Called up share capital

Allotted, called up, authorised and fully paid shares

	2021 £'000	2020 £'000
1,000 (2020: 1,000) ordinary shares of £1 each	1	1

19. Government grants

	2021 £000	2020 £000
At 1 January	-	-
Received during the year	-	(123)
Released to the income statement	-	123
At 31 December	-	-
Current	-	-
Non-current	-	-

Government grants have been received relating to the Coronavirus Job Retention Scheme of £nil (2020: £123,000 within other operating income).

20. Parent and ultimate parent undertaking

The immediate parent undertaking is Mortgage Intelligence Holdings Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. The largest group in which the results are consolidated is that headed by Skipton Building Society. The smallest group is that headed by Connells Limited and the consolidated accounts of that company are available to the public and can be obtained from:

Connells Limited
Cumbria House
16-20 Hockliffe Street
Leighton Buzzard
Bedfordshire
LU7 1GN