THE ASSET MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2022

(Registered Number 03292378)

Contents

Directors' Report

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

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The Asset Management Group Limited continues to provide services to corporate clients in connection with the arrangement of the sale of vacant residential properties throughout the UK.

The Asset Management Group Limited is a private limited company registered in England and Wales, registered number; 03292378. The registered office address is 13-21 High Street, Guildford, Surrey, GU1 3DG.

DIRECTORS

The Directors who served during the year were:

RS Shipperley (resigned 31 December 2022)
DC Livesey
RJ Twigg
S Matthews
CA Coxon

DIVIDENDS

During the year an interim dividend of £500,000 was paid (2021: £200,000). The Directors do not propose the payment of a final dividend (2021: £nil).

DONATIONS

The Company made charitable donations of £nil in 2022 (2021: £275). There were no political donations (2021: £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.

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 it 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.

GOING CONCERN

The Directors have undertaken a thorough assessment of the Company's financial forecasts to 30 June 2024.

The Company is funded by its operating profits and the cash thereby generated. For the year ended 31 December 2022 the Company reported a net profit before tax of £350,000 (2021: £187,000) and at 31 December 2022 had a cash balance of £770,000 (2021: £1,512,000), even after paying a dividend totaling £500,000 (2021: £200,000) to its shareholders. At the date of signing these accounts, the Company continues to hold a similar cash balance and has no external debt.

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.

Directors' Report (continued)

AUDITOR

The Directors have relied upon the exemption from the obligation to appoint auditors permitted under section 479A of the Companies Act 2006 in submitting these unaudited Financial Statements. There is a parent guarantee in place from Connells Limited.

The Company has taken advantage of the small companies' exemptions in presenting this Directors' Report.

By order of the board

S Matthews
Director

7 June 2023

13 – 21 High Street
Guildford
Surrey GU1 3DG

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 (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 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 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, 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.

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 2022 £000	Year ended 2021 £000
Revenue	3	7,493	5,573
Cost of sales		(4,829)	(3,295)
Gross profit		**2,664**	**2,278**
Employee benefit expenses	6	(1,694)	(1,533)
Other operating expenses	2	(611)	(543)
Operating profit		**359**	**202**
Presented as: Earnings before interest, tax, depreciation, amortisation (EBITDA)		**506**	**353**
Depreciation of tangible assets	9	(15)	(19)
Depreciation of right-of-use assets	10	(132)	(132)
Operating profit		359	202
Finance income	4	6	-
Finance costs	5	(15)	(15)
Dividend income		-	-
Profit before tax		**350**	**187**
Income tax expense	7	(65)	(28)
Profit for the year being total comprehensive income		**285**	**159**

In the current and previous year the Company made no material acquisitions and had no discontinued operations.

The notes on pages 9 to 20 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2022

	Notes	£000	31 December 2022 £000	£000	31 December 2021 £000
Non-current assets					
Fixed assets investments	11	-		-	
Intangible assets	8	557		557	
Property, plant and equipment	9	28		14	
Right of use assets	10	797		917	
Tax asset		4		9	
Deferred tax assets	16	38		47	
Total non-current assets			1,424		1,544
Current assets					
Trade and other receivables	12	2,057		1,477	
Cash and cash equivalents	13	770		1,512	
Total current assets			2,827		2,989
Total assets			4,251		4,533
Current liabilities					
Trade and other payables	14	915		837	
Tax liabilities		-		-	
Lease liabilities	15	134		138	
Total current liabilities			1,049		975
Non-current liabilities					
Trade and other payables	14	92		111	
Lease liabilities	15	778		900	
Total non-current liabilities			870		1,011
Total liabilities			1,919		1,986
Equity – attributable to the owners of the Company					
Share capital	18	-		-	
Retained earnings	18	2,332		2,547	
Total equity			2,332		2,547
Total equity and liabilities			4,251		4,533

These accounts were approved by the Board of Directors on June 2023 and signed on its behalf by:

The Directors:

(a) confirm that for the financial period in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006; and

(b) acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

S Matthews
Director

Company registration number: 03292378

The notes on pages 9 to 20 form part of these accounts.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2022	-	2,547	2,547
Total income for the year	-	285	285
Dividend paid	-	(500)	(500)
Balance at 31 December 2022	-	**2,332**	**2,332**
Balance at 1 January 2021	-	2,588	2,588
Total income for the year	-	159	159
Dividend paid	-	(200)	(200)
Balance at 31 December 2021	-	**2,547**	**2,547**

The notes on pages 9 to 20 form part of these accounts.

During the year the Company declared an interim dividend of £500,000 (2021: £200,000). The dividend per share totalled £2,500.00 (2021: £1,000.00).

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The Asset Management Group Limited (the "Company") is a company incorporated, registered and domiciled in the UK. The following accounting policies have been applied consistently in these Company's accounts.

a) Basis of accounting

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" in conformity with the requirements of the Companies Act 2006.

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 1p).

Financial reporting standard 101 – reduced disclosure exemptions

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 IFRS 7 Financial Instruments: Disclosures
d) 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
e) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16
f) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 .
g) 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

The Company's financial statements are consolidated into the consolidated financial statements of Connells Limited (the Company's immediate parent undertaking) as at 31 December 2022. Those accounts may be obtained on request from Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, United Kingdom, LU7 1GN.

The Company's financial statements are consolidated into the consolidated financial statements of Skipton Building Society (the Company's ultimate parent undertaking) as at 31 December 2022. Those accounts are available online at www.skipton.co.uk/about-us or on request from The Secretary, Skipton Building Society, The Bailey, Skipton, North Yorkshire, BD23 1DN.

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:

- *Onerous contracts –Costs of Fulfilling a Contract* (Amendments to IAS 37)
- *Property, Plant and Equipment: Proceeds before Intended Use* (Amendments to IAS16)
- *Reference to the Conceptual framework* (Amendments to IFRS 3); and
- *Fees in the '10 per cent test' for derecognition of financial liabilities* (Amendments to IFRS 9)

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 (effective from 1 January 2023) ;
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1, effective from 1 January 2024)
- Definition of Accounting Estimates (Amendments to IAS 8, effective from 1 January 2023);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2, effective from 1 January 2023)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12, effective from 1 January 2023); and
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16, effective from 1 January 2024)

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting policies (continued)

a) Basis of accounting (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 30 June 2024.

The Company is funded by its operating profits and the cash thereby generated. For the year ended 31 December 2022 the Company reported a net profit before tax of £350,000 (2021: £187,000) and at 31 December 2022 had a cash balance of £770,000 (2021: £1,512,000), even after paying a dividend totaling £500,000 (2021: £200,000) to its shareholders. At the date of signing these accounts, the Company continues to hold a similar cash balance and has no external debt.

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.

b) Goodwill

Goodwill arising on the acquisition of subsidiary undertakings or businesses represents the excess of the fair value of consideration over the fair value of identifiable net assets and contingent liabilities acquired at the date of acquisition. Goodwill is calculated after also taking into account the fair value of contingent liabilities of the acquiree.

c) Impairment

In accordance with IAS 36, Impairment of Assets, goodwill and intangible assets with an indefinite life are not amortised but is tested for impairment at each year end or when there is an indication of impairment. The recoverable amount of goodwill is determined as the higher of its fair value less costs to sell and its value in use.

The Company applies discount rates based on its estimated current cost of capital of the subsidiary. Impairment of a subsidiary's associated goodwill is recognised where the present value of future cash flows of the subsidiary is less than its carrying value. A fifteen year time horizon has been used to reflect that subsidiaries are held for the long term. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Any impairment loss in respect of goodwill is not reversed. On the sale of a subsidiary, the profit or loss on sale is calculated after charging or crediting the net book value of any related goodwill. Negative goodwill arising on an acquisition is recognised directly in the Income Statement.

d) Intangible assets

Intangible assets include acquired customer contracts and relationships that in the opinion of the directors meet the definition of an intangible asset. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the day they are available for use. The estimated useful lives are as follows:

Pipeline - 6 months
Customer contracts and relationships - 1 to 3 years

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

e) Revenue recognition

Revenue, which excludes value added tax, represents total commissions receivable by the Company and additional maintenance services provided. Asset management commissions are accounted for on exchange of property contracts. Additional maintenance services are accounted for as they are performed. Panel fee income is deferred over the membership period.

f) Property, plant and equipment

Property, plant and equipment are stated in the Statement of Financial Position at cost less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives on the following bases:

Office equipment - 3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting policies (continued)

g) Trade and other receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

Asset management income is accounted for on exchange of contracts as with estate agency sales commissions. Under IFRS 15 additional services provided are recognised upon completion of the work and shown as contract assets until exchange of contracts takes place.

The Company uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables, which comprise a large number of small balances. Loss rates are based on actual credit loss experience over the previous year, and adjusted for the Company's view of current economic conditions over the expected lives of the receivables. However given the low levels of impairment loss experience, the ECL allowance is very small.

h) Trade and other payables

Trade and other payables are stated initially at their fair value and then subsequently carried at their amortised cost.

i) Leases

The Company's lease commitments relate mainly to properties and motor vehicles. Leases are typically negotiated on an individual basis and thus contain a wide range of terms and conditions, including options to extend or terminate. The lease liability is considered to be an indicator of the future cash outflows, there are no significant restrictions or covenants, residual value guarantees or sale and leaseback transactions. Previously, payments made under operating leases were charged to the income statement on a straight-line basis over the period of the lease.

From 1 January 2019, the Company assesses at contract inception whether a contract is, or contains, a lease. The Company initially recognises a right-of-use asset and a corresponding liability at the date at which the leased asset is available.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets is equal to the aggregate lease liabilities recognised on day 1, adjusted for any initial direct costs incurred, any lease incentives received and any lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight line basis over the lease term. Right of use assets are tested for impairment at each year end.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted at the incremental borrowing rate. The lease payments include fixed payments less any lease incentives received and amounts expected to be paid under residual value guarantees. In calculating the present value of the lease payments, the Company uses its incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. Following recognition, the liability is reduced for the lease payments made and increased by the interest accrued. Moreover, the carrying amount of the lease liability is re-measured in the event of a modification, such as a change in the lease term or change in the lease payments. The interest cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining liability for each period.

The Company applies the short-term lease exemption to those leases that have a lease term of 12 months or less from the commencement date and also applies the exemption for leases of low value assets to office equipment. Lease payments relating to these exemptions are recognised in operating expenses on a straight line basis over the lease term. These exemptions are not applied to property leases and any short term property leases are accounted for as above.

j) Investments

Investments in subsidiaries are carried at cost less any impairment. The cost of investment arising on the acquisition of subsidiary undertakings or businesses comprises the consideration paid. The Company regularly reviews its subsidiary investments for objective evidence of impairment.

k) Taxation

Income tax on the profits for the year comprises current tax and deferred tax. Income tax is recognised in the Income Statement except where items are recognised directly in other comprehensive income, in which case the associated income tax asset or liability is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the year end, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting policies (continued)

k) Taxation (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

The carrying amount of deferred tax assets is reviewed at each year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each year end and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

l) Employee benefits

Certain employees are members of the Asset Management Group Limited defined contribution pension scheme, the assets of which are held separately from those of the Company, as independently administered funds. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement as incurred.

m) Cash and cash equivalents

Cash comprises cash in hand and loans and balances with banks and similar institutions. Cash and cash equivalents comprise highly liquid investments which are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

The Company recognises an allowance for expected credit losses (ECLs). The Company takes a simplified approach and recognises a loss allowance based on lifetime ECLs at each reporting date. The Company uses a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment. This is applied to third party and intercompany receivables and cash balances.

n) Net financing costs

Interest income and interest payable is recognised in the Income Statement as they accrue using the effective interest method.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income against the related cost, on a systematic basis over the periods the cost is incurred. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

p) Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions regarding 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 discussed below.

Intangible assets

Significant estimates and judgements are made in determining the fair value of intangible assets arising in a business combination. Management have valued the intangible assets based on expected profits of the customer relationships and pipelines bought in the acquisition. The key judgements are the average fee and profit margin per case and the length of time the customer relationships will last. Management have based these assumptions on past performance.

IFRS 16

The changes to critical estimates and assumptions used by the Company as a result of adopting IFRS 16, that have an effect on the reported amounts of assets and liabilities, are outlined below.

Lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease where this is reasonably certain to be exercised, or any periods covered by an option to terminate the lease where this is reasonably certain not to be exercised.

Many of the Company's leases, particular property leases, contain options for the Company to extend and / or terminate the lease term. The Company applies judgement in evaluating whether it is reasonably certain to exercise these options, taking account of all relevant factors that create an economic incentive for it to do so. After the lease commencement date, the Company reassesses the lease term if there has been a significant event or change in circumstances that is within its control and which affects its ability to exercise (or not to exercise) the option to renew and / or to terminate (e.g. a change in business strategy).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. Expenses and auditor's remuneration

	Year ended 2022 £000	Year ended 2021 £000
Profit after tax is stated after charging the following:		
Depreciation of property, plant and equipment	15	19
Auditor's remuneration and expenses:		
Audit of these financial statements	-	20

The Company was exempt from audit for the year ended 31st December 2022.

3. Revenue

All revenue in the Company is considered to originate from contracts with customers. The table below disaggregates the revenue from contracts with customers into the significant service lines.

	Products and services transferred at a point in time 2022 £000	Products and services transferred over time 2022 £000	Total 2022 £000
Asset management commissions	7,383	-	7,383
Other fees and commissions	-	110	110
	7,383	110	7,493

	Products and services transferred at a point in time 2021 £000	Products and services transferred over time 2021 £000	Total 2021 £000
Asset management commissions	5,449	-	5,449
Other fees and commissions	-	124	124
	5,449	124	5,573

4. Finance income

	Year ended 2022 £000	Year ended 2021 £000
Interest on bank deposits	6	-

5. Finance costs

	Year ended 2022 £000	Year ended 2021 £000
Interest on lease liabilities	15	15

6. Staff numbers and costs

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

	Year ended 2022 No.	Year ended 2021 No.
Directors	5	5
Administration	42	46
	47	51

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6. Staff numbers and costs (continued)

	Year ended 2022 £000	Year ended 2021 £000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	1,471	1,345
Social security costs	169	136
Other pension costs	54	52
	1,694	1,533

Directors' emoluments	**£000**	**£000**
Directors' emoluments	199	210
Company contributions to defined contribution pension plans	8	8
	207	218

The aggregate emoluments of the highest paid director was £198,576 (2021: £209,644), and contributions of £7,816 (2021: £7,685) were made to defined contribution pension schemes. During the year, a total of £16,971 (2021: £32,227) became payable under the long term incentive scheme and £34,002 (2021: £32,524) was paid out to Directors for amounts past due under this scheme.

Three (2021: three) of the directors are not directly remunerated by the Company. The notional allocation of cost to the Company for their services was £85,444 (2021: £140,891).

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

7. Tax expense

	Year ended 2022 £000	Year ended 2021 £000
a) Analysis of expense in the year at 19% (2021: 19%)		
Current tax expense		
Current tax at 19% (2021: 19%)	55	34
Adjustment for prior years	1	(1)
Total current tax expense	56	33
Deferred tax		
Current year	10	1
Adjustment in respect of prior periods	-	1
Tax rate changes	(1)	(7)
Total deferred tax debit / (credit)	9	(5)
Tax expense	65	28

b) Factors affecting tax expense in the year

The tax assessed in the Income Statement is lower (2021: lower) than the standard UK corporation tax rate because of the following factors:

Profit before tax	350	187
Tax on profit at UK standard rate of 19% (2021: 19%)	67	36
Effects of:		
Income not taxable for tax purposes	(2)	(1)
Adjustment in respect of prior periods	-	-
Expenses not deductible for tax purposes	1	-
Tax rate changes	(1)	(7)
Tax expense	65	28

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. Intangible assets

	Goodwill £000	Total £000
Cost		
At 1 January 2022	557	557
Disposals	-	-
At 31 December 2022	**557**	**557**
Amortisation and impairment losses		
At 1 January 2022	-	-
Amortisation for the year	-	-
Disposals	-	-
At 31 December 2022	-	-
Carrying amounts		
At 1 January 2022	557	557
At 31 December 2022	**557**	**557**

The above intangible assets arose on the acquisition of the trade and assets of Connells Asset Management in December 2014.

Goodwill and brands acquired in a business combination is allocated, at acquisition, to the individual cash generating units (CGUs) that are expected to benefit from that business combination. The only CGU is the Asset Management Business.

There was no impairment charge during the year. The recoverable amounts of goodwill are determined from value-in-use calculations for the CGU listed above.

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not subject to amortisation but is tested for impairment. The non-amortisation of goodwill conflicts with paragraph 22 of Schedule 1 to 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), which requires acquired goodwill to be written off over its useful economic life. As such, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations. Had the company amortised goodwill, a period of 20 years would have been chosen as the useful life. The profit for the year would have been £28,000 lower (2021:£28,000 lower) had goodwill been subject to amortization.

9. Property, plant and equipment

	Office equipment £000	Total £000
Cost		
At 1 January 2022	257	257
Additions	29	29
Disposals	(18)	(18)
At 31 December 2022	**268**	**268**
Accumulated depreciation and impairment		
At 1 January 2022	243	243
Depreciation charge for the year	15	15
Disposals	(18)	(18)
At 31 December 2022	**240**	**240**
Carrying amounts		
At 1 January 2022	14	14
At 31 December 2022	**28**	**28**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10. Right-of-use assets

	Land and buildings £000	Motor vehicles £000	Other £000	Total £000
Cost				
At 1 January 2022	1,016	71	56	1,143
Additions	-	-	12	12
Disposals	-	(12)	-	(12)
At 31 December 2022	1,016	59	68	1,143
Accumulated depreciation and impairment				
At 1 January 2022	181	34	11	226
Depreciation charge for the year	96	23	13	132
Disposals	-	(12)	-	(12)
At 31 December 2022	277	45	24	346
Carrying amounts				
At 1 January 2022	835	37	45	917
At 31 December 2022	739	14	44	797

11. Fixed asset investments

	Shares in Group Undertakings £
Cost	
At 31 December 2022 and 2021	3

The Company owns 100% of the ordinary issued share capital of AMG North East Limited and AMG Projects Limited. Both of these companies are registered in England and Wales.

The principal activities of the subsidiary companies are the arrangement of the sale of properties or associated services, including maintenance of properties in preparation for sale.

The registered office of both these companies is 13-21 High Street, Guildford, Surrey, GU1 3DG.

12. Trade and other receivables

	31 December 2022 £000	31 December 2021 £000
Trade receivables	603	364
Amounts due from group companies	59	283
Accrued income	1,363	812
Prepayments	32	18
	2,057	1,477

Amounts owed by group companies are unsecured, interest free and repayable on demand.

13. Cash and Cash Equivalents

	31 December 2022 £000	31 December 2021 £000
Cash at bank and in hand	770	1,512
	770	1.512

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

14. Trade and other payables

	31 December 2022 £000	31 December 2021 £000
Due within one year		
Trade payables	89	78
Amounts owed to group undertakings	216	249
Other taxes and social security costs	259	145
Accruals and deferred income	351	365
	915	**837**
Due after more than one year		
Accruals and deferred income	**92**	**111**

Amounts owed to group companies are unsecured, interest free and repayable on demand.

15. Lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Group	Year ended 2022 £000	Year ended 2021 £000
Cost		
At 1 January	1,038	1,044
Additions	11	56
Interest charged	15	15
Lease payments	(152)	(77)
At 31 December	**912**	**1,038**

The present value of lease liabilities by repayment date is as follows.

	Year ended 2022 £000	Year ended 2021 £000
Lease liabilities are repayable:		
In not more than 3 months	37	38
In more than 3 months but less than 1 year	97	100
In more than 1 year but less than 5 years	500	530
In more than 5 years	278	370
	912	**1,038**

The discount rates for the leases disclosed above ranged from 0.6% to 2.7%. The Company has several lease contracts that include termination options, usually through a break clause. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and adapt to the Company's business needs. Management exercises judgement in determining whether these termination options are reasonably certain to be exercised.

16. Deferred tax

Deferred taxes are calculated on temporary differences under the liability method using an effective tax rate of 19% (2021:19 %) as this is the enacted rate that is expected to apply when the temporary differences reverse.

The movement on the deferred tax asset / (liability) is as shown below:

	Year ended 2022 £000	Year ended 2021 £000
At 1 January	47	43
Adjustment in respect of prior years	-	(2)
Deferred tax credit / (charge) to the income statement	(9)	6
At 31 December	**38**	**47**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

16. Deferred tax (continued)

Deferred tax assets/ (liabilities) are attributable to the following items:

Deferred tax assets / (liabilities)	**Asset/ (liability) £000**	**(Charged)/ credited to income £000**
2022		
Property, plant and equipment	(3)	(3)
Provisions	41	41
	38	38
2021		
Property, plant and equipment	1	1
Provisions	46	46
	47	47

A deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at least annually and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The deferred tax assets are considered to be recoverable in full. Where deferred tax balances are expected to reverse before 1 April 2023, they have been calculated at the currently enacted corporation tax rate of 19%. The corporation tax rate increase from 19% to 25% with effect from 1 April 2023 was substantively enacted on 24 May 2022 and deferred tax balances that are expected to reverse after this date have been calculated at 25%.

17. Defined contribution pension scheme

The Company operates a Group Personal Pension Plan, the assets of which are held separately from those of the Company, as independently administered funds. The amount charged to the Income Statement in respect of the Group Personal Pension Plan is the contribution payable in the year by the Company and amounted to £54,077 (2021: £52,371). The Company had contributions of £16,477 outstanding at the end of the financial year (2021: £15,305).

18. Share capital

Authorised, allotted, called up and fully paid	**31 December 2022 £000**	**31 December 2021 £000**
200 £1 Ordinary shares	-	-
	-	-

Management of capital

Capital is considered to be retained earnings and ordinary share capital in issue.

Capital	**Year ended 2022 £000**	**Year ended 2021 £000**
Ordinary shares	-	-
Retained earnings	2,332	2,547
	2,332	2,547

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies. The capital position is reported to the Board regularly. The capital position is also given due consideration when corporate plans are prepared.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

19. Related party transactions

The Company has related party relationships within the Skipton Group as detailed below. All such transactions are priced on an arms-length basis.

2022	Ultimate parent undertaking £000	Parent undertaking £000	Other group Companies £000	Subsidiary undertakings £000
a) Sales of goods and services				
Commissions receivable	11	-	1	-
Total	11	-	1	-
b) Purchase of goods and services	-	(112)	(695)	(2,032)
Total	-	(112)	(695)	(2,032)
c) Outstanding balances				
Receivables from related parties	-	-	-	59
Payables to related parties	-	(71)	(41)	(104)
Total	-	(71)	(41)	(45)

2021	Ultimate parent undertaking £000	Parent undertaking £000	Other group Companies £000	Subsidiary undertakings £000
a) Sales of goods and services				
Commissions receivable	1	-	51	-
Total	1	-	51	-
b) Purchase of goods and services	-	(106)	(497)	(1,054)
Total	-	(106)	(497)	(1,054)
c) Outstanding balances				
Receivables from related parties	-	-	4	279
Payables to related parties	-	(198)	(7)	(44)
Total	-	(198)	(3)	235

P A Rooney is a director and controlling shareholder in Arun Estate Agencies Limited, he is also a minority shareholder in The Asset Management Group Limited. The Company has purchased goods and services of £36,322 (2021: £64,371) from Arun Estate Agencies Limited during the year. The Company has payables due to Arun Estate Agencies Limited of £1,200 as at 31 December 2022 (2021: £3,000).

There are no provisions in respect of receivables balances due from Related Parties, either at 31 December 2022 or at 31 December 2021. All transactions are dealt with at arm's length on normal credit terms.

20. Capital commitments

The Company had no capital commitments at the year-end (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

21. Government grants

	2022 Company £000	2021 Company £000
At 1 January	-	25
Received during the year	-	(124)
Repaid during the year	-	99
Released to the income statement	-	-
At 31 December	-	-
Current	-	-
Non-current	-	-

Government grants received relating to the Government Coronavirus Job Retention Scheme for 2021, were repaid during 2021 Amounts released to the income statement are within employee benefit expenses in note 6.

22. Ultimate parent undertaking

The Company is a 75% owned subsidiary of Connells 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 this company are available to the public and can be obtained from:

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