

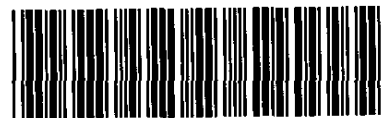
AMG North East Limited

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2022

(Registered Number 03326785)

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AMG North East Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 December 2022

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Directors' Report

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

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company continued to be that of the arrangement of the sale of properties.

AMG North East Limited is a private limited company registered in England and Wales, registered number: 3326785. The registered office address is 31-21 High Street, Guildford, Surrey, GU1 3DG.

The Company made a profit before tax of £71,000 for the year (2021: £85,000).

DIRECTORS

The Directors who served during the year were:

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

DIVIDENDS

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

DONATIONS

The Company made charitable donations of £nil in 2022 (2021: £nil). 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 £71,000 (2021: £85,000) and at 31 December 2022 had a cash balance of £785,000 (2021: £1,075,000). 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 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 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

AMG North East Limited
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31 December 2022

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 2022 £000	Year ended 2021 £000
Revenue	3	2,024	1,634
Cost of sales		(1,477)	(1,052)
Gross profit		547	582
Distribution costs		(8)	(5)
Employee benefit expenses	6	(285)	(271)
Other operating expenses	2	(186)	(221)
Operating profit		68	85
Finance income	4	4	-
Finance costs	5	(1)	-
Profit before tax		71	85
Tax expense	7	(13)	(15)
Profit for the year being total comprehensive income		58	70

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

The notes on pages 9 to 18 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					
Property, plant and equipment	8	3		4	
Right-of-use assets	9	56		72	
Deferred tax assets	12	5		5	
Tax assets		2		-	
Total non-current assets			66		81
Current assets					
Trade and other receivables	10	511		258	
Cash and cash equivalents	11	785		1,075	
Total current assets			1,296		1,333
Total assets			1,362		1,414
Current liabilities					
Trade and other payables	13	145		234	
Tax liabilities		-		5	
Lease liabilities	14	20		19	
Total current liabilities			165		258
Non-current liabilities					
Trade and other payables	13	14		15	
Lease liabilities	14	37		53	
Total non-current liabilities			51		68
Total liabilities			216		326
Equity – attributable to equity holders of the Company					
Share capital	16	-		-	
Retained earnings	16	1,146		1,088	
Total equity			1,146		1,088
Total equity and liabilities			1,362		1,414

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: 03326785

The notes on pages 9 to 18 form part of these accounts.

AMG North East Limited
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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	-	1,088	1,088
Total income for the year	-	58	58
Dividend paid	-	-	-
Balance at 31 December 2022	-	1,146	1,146
Balance at 1 January 2021	-	1,018	1,018
Total income for the year	-	70	70
Dividend paid	-	-	-
Balance at 31 December 2021	-	1,088	1,088

The notes on pages 9 to 18 form part of these accounts.

During the year the Company declared an interim dividend of £nil (2021: £nil). The dividend per share totalled £nil (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

AMG North East Limited (the "Company") is a Company incorporated, registered and domiciled in the UK. The following accounting policies have been applied consistently in dealing with 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 11).

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 IAS 16)
- 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 £71,000 (2021: £85,000) and at 31 December 2022 had a cash balance of £785,000 (2021: £1,075,000). 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) 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.

c) 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
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d) 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.

e) Trade and other payables

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

f) Leases

The Company's lease commitments relate solely to properties. 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. IFRS 16 means the Company recognise 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 amount of 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. The 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting Policies *(continued)*

f) Leases *(continued)*

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 for office equipment. It also applies the exemption for leases of low value assets to office equipment considered to be low value. 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 so any short term property leases continue to be recognised in depreciation and interest.

g) 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.

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.

h) Employee benefits

Certain permanent employees are members of the Asset Management Group Limited defined contribution pension scheme and a stakeholder 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.

i) 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.

j) Net financing costs

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

k) 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting Policies *(continued)*

1) 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. During the year there were no critical estimates, judgements or assumptions made that would have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year.

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).

2. Expenses

	Year ended 2022 £000	Year ended 2021 £000
Profit after tax is stated after charging the following:		
Depreciation of property, plant and equipment	<u>4</u>	<u>4</u>

3. Revenue

All revenue in the Company is considered to originate from contracts with customers. All revenue relates to asset management commissions transferred at a point in time.

4. Finance income

	Year ended 2022 £000	Year ended 2021 £000
Bank interest	<u>4</u>	<u>-</u>

5. Finance costs

	Year ended 2022 £000	Year ended 2021 £000
Interest on lease liabilities	<u>1</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

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	9	10
	<u>14</u>	<u>15</u>

The aggregate payroll costs of these persons was as follows:

	Year ended 2022 £000	Year ended 2021 £000
Wages and salaries	250	241
Social security costs	24	20
Other pension costs	11	10
	<u>285</u>	<u>271</u>

Further details are provided in note 19.

None of the directors are directly remunerated by the Company. The notional allocation of cost to the Company for their services was £37,151 (2021: £39,119).

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%)	13	17
Adjustment for prior years	-	-
Total current tax expense	<u>13</u>	<u>17</u>
Deferred tax charge		
Origination and reversal of temporary differences	-	(1)
Adjustment in respect of prior periods	-	-
Effect of changes in tax rates	-	(1)
Total deferred tax expense	<u>-</u>	<u>(2)</u>
Tax expense	<u>13</u>	<u>15</u>

b) Factors affecting tax expense in the year

There are no factors affecting the tax expense in the current or prior year. The tax assessed in the Income Statement is equal to (2021: equal to) the standard UK corporation tax rate.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. Property, plant and equipment

Office Equipment

	Year ended 2022 £000
Cost	
At 1 January 2022	36
Additions	3
Disposals	(5)
At 31 December 2022	<u>34</u>
Accumulated depreciation and impairment	
At 1 January 2022	32
Depreciation charge for the year	4
Disposals	(5)
At 31 December 2022	<u>31</u>
Carrying amounts	
At 1 January 2022	<u>4</u>
At 31 December 2022	<u>3</u>

9. Right-of-use assets

	Land and buildings £000	Other £000	Total £000
Cost			
At 1 January 2022	76	-	76
Additions	-	4	4
Disposals	-	-	-
At 31 December 2022	<u>76</u>	<u>4</u>	<u>80</u>
Accumulated depreciation and impairment			
At 1 January 2022	4	-	4
Depreciation charge for the year	19	1	20
Disposals	-	-	-
At 31 December 2022	<u>23</u>	<u>1</u>	<u>24</u>
Carrying amounts			
At 1 January 2022	<u>72</u>	<u>-</u>	<u>72</u>
At 31 December 2022	<u>53</u>	<u>3</u>	<u>56</u>

10. Trade and other receivables

	31 December 2022 £000	31 December 2021 £000
Trade receivables	94	40
Amounts owed by group companies	-	2
Contract assets	408	208
Prepayments and accrued income	9	8
	<u>511</u>	<u>258</u>

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11. Cash and Cash Equivalents

	31 December 2022 £000	31 December 2021 £000
Cash at bank and in hand	785	1,075
	<u>785</u>	<u>1,075</u>

12. Deferred tax

The movement on the deferred tax asset is as shown below:

	31 December 2022 £000	31 December 2021 £000
At 1 January	5	3
Credited / (charged) to statement of income	-	2
At 31 December	<u>5</u>	<u>5</u>

	Provisions £000	Accelerated capital allowances £000	Total £000
At 1 January 2022	5	-	5
Credited / (charged) to statement of income	-	-	-
At 31 December 2022	<u>5</u>	<u>-</u>	<u>5</u>

Net deferred tax asset

At 1 January 2022	<u>5</u>
At 31 December 2022	<u>5</u>

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.

13. Trade and other payables

	31 December 2022 £000	31 December 2021 £000
Trade payables	37	15
Amounts owed to group companies	33	150
Other taxes and social security costs	45	52
Accruals and deferred income	30	17
	<u>145</u>	<u>234</u>

Due after more than one year

Accruals and deferred income	<u>14</u>	<u>15</u>
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Amounts owed to group companies are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

14. Lease liabilities

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

	Year ended 2022 £000	Year ended 2021 £000
Cost		
At 1 January	72	18
Additions	4	76
Interest charged	1	1
Lease payments	(20)	(21)
At 31 December	57	72

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

	Year ended 2022 £000	Year ended 2021 £000
<i>Lease liabilities are repayable:</i>		
In not more than 3 months	5	5
In more than 3 months but less than 1 year	15	14
In more than 1 year but less than 5 years	37	53
In more than 5 years	-	-
	57	72

The discount rates for the leases disclosed above ranged from 0.59% to 0.73%. The Company has two 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.

15. Defined contribution 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 £10,707 (2021: £9,695). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16. Share Capital

	31 December 2022 £000	31 December 2021 £000
Authorised, allotted, called up and fully paid		
2 £1 Ordinary shares	-	-

Management of capital

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

	Year ended 2022 £000	Year ended 2021 £000
Capital		
Ordinary shares	-	-
Retained earnings	1,146	1,088
	1,146	1,088

The Company 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)*

17. Related party transactions

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

	2022			2021		
	Ultimate parent undertaking £000	Immediate parent undertaking £000	Other group companies £000	Ultimate parent undertaking £000	Immediate parent undertaking £000	Other group companies £000
a) Net interest						
Interest receivable	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
b) Sales of goods and services						
Commission receivable	130	-	6	105	-	16
Total	<u>130</u>	<u>-</u>	<u>6</u>	<u>105</u>	<u>-</u>	<u>16</u>
c) Purchase of goods and services						
Commissions payable	-	-	719	-	-	473
Total	<u>-</u>	<u>-</u>	<u>719</u>	<u>-</u>	<u>-</u>	<u>473</u>
d) Outstanding balances						
Receivables from related parties	-	-	-	-	-	2
Payables to related parties	-	(11)	(22)	-	(148)	(2)
Total	<u>-</u>	<u>(11)</u>	<u>(22)</u>	<u>-</u>	<u>(148)</u>	<u>-</u>

There are no provisions in respect of receivables balances due from Related Parties, either at 31 December 2022 or at 31 December 2021.

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 Ltd. The Company has purchased goods and services of £4,820 (2021: £12,644) from Arun Estate Agencies Limited during the year. The Company has £nil payable to Arun Estate Agencies Limited at 31 December 2022 (2021: £nil).

All transactions are dealt with at arm's length and on normal credit terms.

18. Capital commitments

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

19. Government grants

	2022 Company £000	2021 Company £000
At 1 January	-	4
Received during the year	-	(4)
Released to the income statement	-	-
At 31 December	-	-
Current	-	-
Non-current	-	-

Amounts claimed relating to the Government Coronavirus Job Retention Scheme were £nil (2021 £Nil).

20. Ultimate parent undertaking

The Company is a wholly owned subsidiary of The Asset Management Group 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 in which the results are consolidated 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
16 - 20 Hockliffe Street
Cumbria House
Leighton Buzzard
Bedfordshire
LU7 1GN