

Registered number: 03775703

TM PROPERTY SEARCHES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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TM PROPERTY SEARCHES LIMITED

COMPANY INFORMATION

Directors	P Albone J Pepper N Richards (appointed 24 February 2020)
Company secretary	RWK Company Services Limited
Registered number	03775703
Registered office	Unit 1200 Delta Business Park Welton Road Swindon Wiltshire SN5 7XZ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

TM PROPERTY SEARCHES LIMITED

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TM PROPERTY SEARCHES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their Strategic Report for TM Property Searches Limited ("TMPS") for the year ended 31 December 2020.

Business review

The company's key financial indicators during the year were as follows:

Description	2020(£000)	2019(£000)	YoY Change
Revenue	47,138	51,189	(7.9)%
Gross Margin	10,356	10,314	0.4%
Profit Before Tax	2,264	144	1,472.2%

Revenue decreased by (7.9)% whilst in the same period the Gross Margin % increased to 21.9% leading to an overall increase in Gross Margin of £42k (0.4%). This represented a good performance considering the very challenging circumstances of a year in which Covid-19 significantly interrupted trading for a number of months.

Future developments

The directors expect the company's principal activities to remain unchanged for the foreseeable future. The investments in product development and the infrastructure are aimed at delivering continued sales growth for the future.

Principal risks and uncertainties

- The volume of transactions and the company's revenue and profitability could be adversely affected by the following external factors: the housing market; customer behaviour; competition from other entrants and changes in legislation.
- The company's results could also be affected by the following internal factors: failure to recruit or retain key staff; failure of information systems; failure to comply with relevant legislation.

These risks are monitored and managed through regular review by the executive team and by ensuring that as a business we maintain close links with all relevant stakeholder bodies, where market factors can be discussed and the impacts on the company assessed.

Covid-19

During the Covid-19 outbreak in the first half of 2020, the directors implemented procedures to comply with government guidelines, ensuring that all employees could safely work from home until such time as the office might be able to be partially re-occupied. No issues have been experienced in operating remotely across any of our teams nor through business areas such as billing, cash collection, management information, or order receipt and customers appreciated the additional value that the business could offer in continuing to provide our services despite the increased complexities created by managing multiple changing processes of several hundred suppliers.

TM PROPERTY SEARCHES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Covid-19 (continued)

Business volumes were adversely impacted by the pandemic, falling to 35% of prior year levels at their lowest point, which although a significant deterioration was not as low as might have been feared. The diversity of the client base and nature of business helped in this regard as some areas were less affected by the lockdown. The business has made use of government support, including the Coronavirus Job Retention Scheme, in order to ensure that key employees and technical capability could be retained within the business to ensure a swift return to full operating capability as soon as was possible. Whilst the volume of activity did diminish significantly during this period as noted above, following the easing of lockdown and the introduction of government incentives to bolster the property market, volumes did return quickly and the business continued to service unprecedented levels of orders for the remainder of the year. A small element of re-structuring has taken place during this period but this has not impacted the ability of the business to deliver its planned activities and development, and in the latter part of 2020 the business continued to recruit and grow its capability across its service and support functions.

This report was approved by the board 20/5/2021

and signed on its behalf.

Joe Pepper

J Pepper
Director

TM PROPERTY SEARCHES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity has continued to be the provision of an electronic transaction and information infrastructure for land and property transactions in England, Scotland and Wales.

Results and dividends

The profit for the year, after taxation, amounted to £1,649k (2019: £347k).

Directors

The directors who served during the year were:

P Albone
J Pepper
N Richards (appointed 24 February 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TM PROPERTY SEARCHES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Future developments

Refer to the strategic report for details of future developments.

Going concern

In assessing whether the going concern assumption is appropriate, management have considered all available information about the future including the profit and cash forecasts prepared up to the end of 2022 and management's ability to affect costs and revenues. Revenue streams are forecast in detail using house buying data obtained from the Land Registry.

As at the year end the Statement of Financial Position is reflecting a net asset position of £2,603k, with total assets less current liabilities of £2,942k (2019: £968k) and net current liabilities of £316k (2019: £1,974k). Included within net current assets are rebates payable to the parent company shareholders amounting to £5,004k. The parent company shareholders have confirmed that, although these liabilities are payable on demand, they will not seek repayment until such time and on a basis which the company's cashflows enable them to do so. It is recognised that such arrangement may change in the future however, at the time of approval of these accounts, the directors have no reason to believe this will happen.

The directors are therefore of the opinion that the preparation of the financial statements on the going concern basis is appropriate for at least 12 months post signature date.

Events after the reporting period

No events have impacted the entity after the reporting period.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Joe Pepper

J Pepper
Director

Date: 20/5/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED

Opinion

We have audited the financial statements of TM Property Searches Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED
(CONTINUED)**

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 of at least twelve months from when the financial statements are authorised for issue.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED
(CONTINUED)**

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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 the Directors' Report.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED (CONTINUED)

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.

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

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How we obtained an understanding of the legal and regulatory framework

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates through our commercial and sector experience; discussions with management; inspection of the company's legal correspondence and board minutes.

Which laws and regulations we identified as being significant in the context of the company

- Through the understanding that we obtained, we determined that the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS102 and the Companies Act 2006) and the relevant taxation legislation.

How we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to potential journal entries that manipulated revenues through rebates; and potential management bias in determining accounting estimates, especially in relation to the amounts held on the balance sheet for intangible assets.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED
(CONTINUED)**

- Our audit procedures involved: gaining an understanding of the controls that management has in place to prevent and detect fraud; journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business and those posted directly to the financial statements that related to rebates; challenging assumptions and judgements made by management in its significant accounting estimates; identifying and testing related party transactions; enquiring of management and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud; assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and undertaking audit procedures to consider the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- Our audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

How we assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations

- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's: understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; knowledge of the industry in which the company operates; understanding of the legal and regulatory requirements specific to the company including: the provisions of the applicable legislation; and the applicable statutory provisions.

Which matters about non-compliance with laws and regulations and fraud were communicated with the audit team

- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of revenue transactions and the calculation of deferred income as well as the risk of management override of controls in the preparation of the financial statements.



Grant Thornton

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM PROPERTY SEARCHES LIMITED
(CONTINUED)**

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.

Grant Thornton UK LLP

Paul Holland BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 20/5/2021

TM PROPERTY SEARCHES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	4	47,138	51,189
Cost of sales		(36,782)	(40,875)
Gross profit		10,356	10,314
Administrative expenses		(8,749)	(10,282)
Other operating income	5	659	109
Operating profit	6	2,266	141
Interest income		3	5
Interest payable and expenses		(5)	(2)
Profit before tax		2,264	144
Tax on profit	10	(615)	203
Profit for the financial year		1,649	347

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 14 to 30 form part of these financial statements.

TM PROPERTY SEARCHES LIMITED
REGISTERED NUMBER:03775703

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	11	3,080	2,624
Tangible assets	12	178	318
		<u>3,258</u>	<u>2,942</u>
Current assets			
Debtors: amounts falling due within one year	13	6,922	6,515
Cash at bank and in hand	14	4,398	1,167
		<u>11,320</u>	<u>7,682</u>
Creditors: amounts falling due within one year	15	(11,636)	(9,656)
Net current liabilities		<u>(316)</u>	<u>(1,974)</u>
Total assets less current liabilities		<u>2,942</u>	<u>968</u>
Provisions for liabilities			
Deferred tax	17	(339)	(14)
		<u>(339)</u>	<u>(14)</u>
Net assets		<u><u>2,603</u></u>	<u><u>954</u></u>
Capital and reserves			
Profit and loss account	19	2,603	954
		<u><u>2,603</u></u>	<u><u>954</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/5/2021

Joe Pepper

J Pepper
Director

The notes on pages 14 to 30 form part of these financial statements.

TM PROPERTY SEARCHES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Profit and loss	Total equity
	£000	£000
At 1 January 2020	954	954
Comprehensive income for the year		
Profit for the year	1,649	1,649
At 31 December 2020	2,603	2,603

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Profit and loss	Total equity
	£000	£000
At 1 January 2019	607	607
Comprehensive income for the year		
Profit for the year	347	347
At 31 December 2019	954	954

The notes on pages 14 to 30 form part of these financial statements.

TM PROPERTY SEARCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

TM Property Searches Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Unit 1200 Delta Business Park, Welton Road, Swindon, Wiltshire, England, SN5 7XZ.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

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

The following principal accounting policies have been applied:

2.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group and by the parent, TM Group (UK) Limited, whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102 1.8-12.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of TM Group (UK) Limited as at 31 December 2020 and these financial statements may be obtained from 1200 Delta Business Park, Swindon, Wiltshire, England, SN5 7XZ.

TM PROPERTY SEARCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Going concern**

In assessing whether the going concern assumption is appropriate, management have considered all available information about the future including the profit and cash forecasts prepared up to the end of 2022 and management's ability to affect costs and revenues. Revenue streams are forecast in detail using house buying data obtained from the Land Registry.

As at the year end the Statement of Financial Position is reflecting a net asset position of £2,603k, with total assets less current liabilities of £2,942k (2019: £968k) and net current liabilities of £316k (2019: £1,974k). Included within net current assets are rebates payable to the parent company shareholders amounting to £5,004k. The parent company shareholders have confirmed that, although these liabilities are payable on demand, they will not seek repayment until such time and on a basis which the company's cashflows enable them to do so. It is recognised that such arrangement may change in the future however, at the time of approval of these accounts, the directors have no reason to believe this will happen.

The directors are therefore of the opinion that the preparation of the financial statements on the going concern basis is appropriate for at least 12 months post signature date.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development	-	5 to 10 years, straight-line
Computer software	-	3 years, straight-line

TM PROPERTY SEARCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)
2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised in accordance with note 2.6 above.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures & fittings	-	3 years, straight-line
Office equipment	-	3 to 7 years, straight-line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Debtors

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

2.10 Cash and cash equivalents

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

2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

TM PROPERTY SEARCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.11 Financial instruments (continued)**

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

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

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.14 Operating leases: the company as lessee

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

TM PROPERTY SEARCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

TM PROPERTY SEARCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)**2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates are continually re-assessed and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when, and if, better information is obtained.

Significant judgements:

The judgements the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are disclosed below.

Intangible assets

The company is in the process of developing a software application which will enable monitoring of the property transaction chain. In capitalising costs associated to its development, management have applied their judgement in applying the recognition criteria of Section 18 FRS102, more specifically the consideration of whether the transactions fell into the category of research or development, and if development, whether they met the 6 key criteria for capitalisation as required by paragraph 18.8H of Section 18. This includes the assessment of the project being technically feasible, intention to complete and use the asset, ability to use or sell the asset, assessment of future economic benefits, availability of resources to complete development and the ability to reliably measure the expenditure attributable to the development.

Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverability of loan assessment

Management have assessed the loan receivable from its parent company to be recoverable on the basis that future cash flows from its fellow subsidiary will be available to repay the loan.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

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5. Other operating income

	2020	2019
	£000	£000
Furlough income	570	-
Sundry income	89	109
	<u>659</u>	<u>109</u>

Furlough income in the period relates to the UK Government's Coronavirus Job Retention Support scheme. There are no unfulfilled conditions or other contingencies attached to the grant.

6. Operating profit

The operating profit is stated after charging:

	2020	2019
	£000	£000
Research & development charged as an expense	644	725
Depreciation of tangible fixed assets	195	202
Amortisation of intangible assets	56	132
Defined contribution pension cost	233	251
Operating lease rentals - premises	190	200
	<u>190</u>	<u>200</u>

7. Auditor's remuneration

	2020	2019
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	27	28
	<u>27</u>	<u>28</u>

Non audit fees payable to the company's auditor in relation to:

Taxation compliance services	6	6
Preparation of financial statements	2	2
All other services	17	9
	<u>17</u>	<u>9</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Employees

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

	2020	2019
	£000	£000
Wages and salaries	5,683	6,958
Social security costs	508	563
Cost of defined contribution scheme	233	251
	6,424	7,772

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

	2020	2019
	No.	No.
Staff	161	169
Directors	3	4
	164	173

9. Directors' remuneration

	2020	2019
	£000	£000
Directors' emoluments	380	592
Company contributions to defined contribution pension schemes	20	24
	400	616

During the year retirement benefits were accruing to 3 directors (2019: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £155,000 (2019: £205,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,500 (2019: £10,000).

The directors do not consider there to be any key management outside of the Board of Directors.

TM PROPERTY SEARCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Taxation

	2020	2019
	£000	£000
Corporation tax		
Current tax on profits for the year	277	-
Adjustments in respect of previous periods	13	(188)
Total current tax	<u>290</u>	<u>(188)</u>
Deferred tax		
Origination and reversal of timing differences	323	(15)
Changes to tax rates	2	-
Total deferred tax	<u>325</u>	<u>(15)</u>
Taxation on profit/(loss) on ordinary activities	<u>615</u>	<u>(203)</u>
Factors affecting tax charge for the year		

The tax assessed for the year is higher than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£000	£000
Profit on ordinary activities before tax	<u>2,264</u>	<u>144</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	413	27
Effects of:		
Expenses not deductible for tax purposes	3	12
Capital allowances for year in excess of depreciation	-	21
Income not taxable for tax purposes	-	(20)
R&D expenditure credits	25	(131)
Adjustments to tax charge in respect of prior periods	13	(188)
Deferred tax not recognised	142	76
Remeasurement of deferred tax for changes in tax rates	19	-
Total tax charge for the year	<u>615</u>	<u>(203)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Taxation (continued)**Factors that may affect future tax charges**

On 3 March 2021, it was announced that the standard rate of corporation tax will increase from 19% to 25% from 1 April 2023 on profits in excess of £250,000. A small profits rate of 19% will apply to profits of £50,000 or less. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. Since these changes have not yet been enacted, the budget announcement is a non-adjusting event.

For the purposes of deferred tax, there is no change to the rate before the balance sheet date.

The future deferred tax balance is dependent on future changes in fair values of assets and liabilities and therefore it is not possible to estimate any future reversals at this stage.

11. Intangible assets

	Software development £000	Software £000	Total £000
Cost			
At 1 January 2020	2,526	803	3,329
Additions	486	26	512
At 31 December 2020	3,012	829	3,841
Amortisation			
At 1 January 2020	-	705	705
Charge for the year on owned assets	-	56	56
At 31 December 2020	-	761	761
Net book value			
At 31 December 2020	3,012	68	3,080
At 31 December 2019	2,526	98	2,624

No amortisation has been provided on the software development assets as during the period the software was still in the development phase, being market testing with a small number of end users, and hence was neither in a location or condition of its final use state.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Fixtures & fittings £000	Office equipment £000	Total £000
Cost or valuation			
At 1 January 2020	557	899	1,456
Additions	5	52	57
Disposals	-	(2)	(2)
At 31 December 2020	<u>562</u>	<u>949</u>	<u>1,511</u>
Depreciation			
At 1 January 2020	401	737	1,138
Charge for the year on owned assets	84	111	195
At 31 December 2020	<u>485</u>	<u>848</u>	<u>1,333</u>
Net book value			
At 31 December 2020	<u>77</u>	<u>101</u>	<u>178</u>
At 31 December 2019	<u>156</u>	<u>162</u>	<u>318</u>

13. Debtors

	2020 £000	2019 £000
Trade debtors	1,998	1,982
Amounts owed by group undertakings	3,823	3,518
Other debtors	143	292
Prepayments and accrued income	869	723
Tax recoverable	89	-
	<u>6,922</u>	<u>6,515</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	4,398	1,167

15. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	3,070	3,779
Amounts owed to group undertakings	209	154
Corporation tax	163	-
Other taxation and social security	1,070	532
Accruals and deferred income	7,124	5,191
	11,636	9,656

16. Financial instruments

	2020	2019
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	4,398	1,167

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Deferred taxation

	2020 £000	2019 £000
At beginning of year	(14)	(29)
Credited to profit or loss	(325)	15
At end of year	(339)	(14)

The provision for deferred taxation is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	(343)	(106)
Tax losses carried forward	-	89
Short term timing differences	5	3
	(338)	(14)

18. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

19. Reserves**Profit & loss account**

Includes all current and prior period profits and losses.

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20. Pension commitments

The company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £233k (2019: £251k). Contributions totalling £47k (2019: £51k) were payable to the fund at the reporting date.

21. Capital commitments

The company had no capital commitments as at 31 December 2020 or 31 December 2019.

22. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£000	£000
Not later than 1 year	197	191
Later than 1 year and not later than 5 years	218	425
Later than 5 years	-	-
	415	616

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23. Related party transactions

During the year the following transactions took place between the company (TMPS) and related parties in respect of turnover, introductory commissions payable, and data supplies provided to the group:

	2020	2019
	£000	£000
Conveyancing services payable to the Company		
Connells Limited	1,719	2,449
Countrywide Limited	1,970	2,667
LSL Property Services plc	797	754
*Legal Marketing Services Limited	307	344
Conveyancing Data Services Limited	5,275	4,286
	<u>5,275</u>	<u>4,286</u>
	2020	2019
	£000	£000
Search costs payable by the Company		
Connells Limited	(2,709)	(3,116)
Countrywide Limited	(169)	(235)
LSL Property Services plc	(274)	(323)
Conveyancing Data Services Limited	(1,946)	(2,228)
	<u>(2,709)</u>	<u>(3,116)</u>
	2020	2019
	£000	£000
Annual charges payable by the Company		
Connells Limited	(961)	(1,176)
Countrywide Limited	(647)	(1,039)
LSL Property Services plc	(396)	(785)
	<u>(1,604)</u>	<u>(2,999)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Related party transactions (continued)

	2020	2019
	£000	£000
End of year balances under normal trading terms		
Connells Limited	(176)	(898)
Countrywide Limited	148	(581)
LSL Property Services plc	77	(596)
*Legal Marketing Services Limited	59	24
Conveyancing Data Services Limited	348	102
	<u><u> </u></u>	<u><u> </u></u>

Owed to the Company/ (owed by the Company)

*Legal Marketing Services Limited is a company jointly owned by Connells Limited and LSL Property Services plc.

24. Controlling party

The ultimate parent company is TM Group (UK) Limited, a company registered in England and Wales. There is no single ultimate controlling party.