

**SHARMAN QUINNEY HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

31 December 2017

(Registered Number 04174227)

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COMPANIES HOUSE

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## Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2017.

### INTRODUCTION AND OVERVIEW

Sharman Quinney Holdings Limited is a private limited company registered in England and Wales, registered number; 04174227.

The principal activity of the Company is the provision of residential estate agency and associated services, and will continue to be so for the foreseeable future.

The Company made a profit before tax of £1,090,000 for the year (2016: £1,575,000)

### DIVIDENDS

During the year interim dividends of £650,000 (2016: £600,000) were paid. The Directors do not propose a final dividend (2016: £nil).

### DIRECTORS

The Directors who served during the year and up to the date of this report were:

RS Shipperley  
DC Livesey  
MA Sharman  
RJ Twigg  
DK Plumtree

### EMPLOYEES

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

### CHARITABLE AND POLITICAL DONATIONS

The Company made charitable donations of £1,425 (2016: £1,860). The Company made no political donations in 2017 (2016: £nil).

### DISABLED PERSONS

The Company continues to recognise its social and statutory duty to employ disabled persons and will do all that is practicable to meet this responsibility. Full consideration will be given to the recruitment of disabled persons, where a disabled person can adequately fulfil the requirements of the job. If an employee becomes disabled he or she will continue wherever possible to be employed in the same job. If this action is not practicable or possible, then every effort will be made to find suitable alternative employment. It is the policy of the company that the training, career development and promotion of a disabled person should as far as possible be identical with that of a person who does not have a disability.

### DISCLOSURE OF INFORMATION TO AUDITOR

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

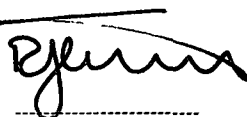
The company has taken advantage of the small companies' exemptions in presenting this Directors report.

### AUDITOR

Pursuant to Section 487 of the companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

RJ Twigg  
Director



7 June 2018

Cumbria House  
16 – 20 Hockliffe Street  
Leighton Buzzard  
Bedfordshire  
LU7 1GN

## Strategic Report

### BUSINESS REVIEW

The results for the year are shown in the Income Statement and notes. The UK residential property market experienced a reasonably positive start to 2017, however the political uncertainty caused by the general election outcome and ongoing Brexit fears lead to much more subdued market conditions from May onwards. Sales levels in the second half of 2017 were lower than the same period in 2016 as buyer confidence diminished. We have continued to review and strengthen the management team, which will enable us to maximise opportunities in the future. We believe that this is a crucial investment, particularly if the market continues to remain difficult. Set out below is an overview of the objectives of the business and the challenges it faces, as well as the key measures used to monitor the performance of the business.

#### Objectives and strategy of the Company

The Company's objectives are to maximise the long term value and revenue for its shareholders as well as providing a sustainable and high quality service for all of its internal and external customers.

#### Operational performance and key performance indicators

The Directors monitor the business at regular board meetings throughout the year.

#### Operational Review

	2017	2016	Change
	£000	£000	%
Total Fees and commissions	7,981	8,184	-2%
EBITDA	1,260	1,731	-27%
Profit before tax	1,090	1,575	-31%
Exchanges (second hand)	3,919	4,178	-6%

#### Risks and uncertainties

The Company's objective is to appropriately manage all the risks that arise from its activities. Connells Limited, the immediate parent undertaking and Skipton Building Society, the ultimate holding company, have a formal structure for managing risks throughout the group, which applies to all subsidiaries.

This has three elements:

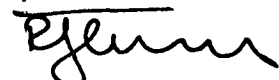
- The Company's risk appetite is documented in detailed policy risk statements, which are reviewed and approved annually by the Board.
- The primary responsibility for managing risk and ensuring appropriate controls are in place lies with the Company's management. The ultimate parent undertaking, Skipton Building Society, through its risk and compliance function provides monitoring and oversight on behalf of the Society's Board.
- The Board Audit Committee of Skipton Building Society oversees the effectiveness of the risk management framework and the control environment through Skipton Group's Internal Audit function, whose reports are also provided to the Company's Board.

In common with other estate agencies, the Company is reasonably highly operationally geared. Performance is affected by transaction volumes in the residential housing market. In the short term, many costs are fixed and so when income falls it has a direct and adverse impact on profits and cash flows. Therefore the Company's policy is to retain sufficient cash to ensure that any future deterioration in trading can be funded without recourse to external borrowing.

The continued good progress in the housing market is being assisted by the current low interest rate environment and the availability of attractive mortgage rates from lenders. While the outlook is for a continuance of low interest rates in the short term, a period of interest rate increases would have a negative impact on the market.

Estate agency is also a people business and as such is reliant on the ability, training, skills and motivation of its people. A key risk to the business is the possibility of losing key people, particularly senior managers and Directors. In order to combat this, the Board ensure that service agreements, remuneration packages, and human resources policies are designed to attract, motivate and retain high quality people.

By order of the board



RJ Twigg  
Director

7 June 2018

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

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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 for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHARMAN QUINNEY HOLDINGS LIMITED

## Opinion

We have audited the financial statements of Sharman Quinney Holdings Limited ("the company") for the year ended 31 December 2017, which comprise the statement of financial position, the income statement, the statement of cash flows, the statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

## Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHARMAN QUINNEY HOLDINGS LIMITED (continued)**

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Karen Tasker (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
Altius House  
One North Fourth Street Milton Keynes  
MK9 1NE

**12** June 2018

## Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 2017 £000	Year ended 2016 £000
Revenue	1	7,981	8,184
Other operating income	3	21	32
Administrative expenses	2	(6,932)	(6,655)
<b>Profit from operations</b>		<b>1,070</b>	<b>1,561</b>
Financial income	4	20	14
<b>Profit before tax</b>		<b>1,090</b>	<b>1,575</b>
Taxation	6	(235)	(317)
<b>Total profit for the year being total comprehensive income</b>		<b>855</b>	<b>1,258</b>

In the current and preceding year the Company had no discontinued operations.

There were no recognised income and expense items in the current year (2016: £nil) other than those reflected in the above Income Statement.

The notes on pages 12 to 24 form part of these financial statements.

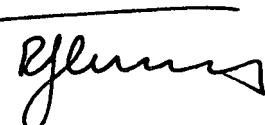


## Statement of Financial Position

AT 31 DECEMBER 2017

	Notes	£000	31 December 2017 £000	£000	31 December 2016 £000
<b>Non-current assets</b>					
Property, plant and equipment	7	884		872	
Intangible assets	8	181		181	
Investments	9	750		750	
Deferred tax asset	10	17		24	
<b>Total non-current assets</b>			<u>1,832</u>	<u>1,827</u>	
<b>Current assets</b>					
Trade and other receivables	11	517		645	
Cash and cash equivalents		1,260		1,181	
<b>Total current assets</b>			<u>1,777</u>	<u>1,826</u>	
<b>Total assets</b>			<u><u>3,609</u></u>	<u><u>3,653</u></u>	
<b>Current liabilities</b>					
Trade and other payables	12	1,298		1,364	
Tax liability		108		143	
Provisions	13	178		-	
<b>Total current liabilities</b>			1,584		1,507
<b>Non-current liabilities</b>					
Trade and other payables	12	49		267	
Provisions	13	160		268	
<b>Total non-current liabilities</b>			209		535
<b>Total liabilities</b>			<u>1,793</u>		<u>2,042</u>
<b>Share capital</b>	14	-		-	
<b>Retained earnings</b>	14	1,816		1,611	
<b>Total equity</b>			<u>1,816</u>	<u>1,611</u>	
<b>Total equity and liabilities</b>			<u><u>3,609</u></u>	<u><u>3,653</u></u>	

These accounts were approved by the Board of Directors on 7 June 2018 and signed on its behalf by:



RJ Twigg  
Director

Company registration number: 04174227

The notes on pages 12 to 24 form part of these accounts.

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2017	-	1,611	1,611
Total income for the year	-	855	855
Dividends paid	-	(650)	(650)
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>1,816</b>	<b>1,816</b>
Balance at 1 January 2016	-	953	953
Total income for the year	-	1,258	1,258
Dividends paid	-	(600)	(600)
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>1,611</b>	<b>1,611</b>

The notes on pages 12 to 24 form part of these financial statements.

## Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 2017 £000	Year ended 2016 £000
<b>Cash flows from operating activities</b>			
Profit for the year		855	1,258
Adjustments for:			
Depreciation of property, plant, and equipment	7	190	158
Loss on disposal of fixed assets	2	8	2
Amortisation of intangible assets	8	-	12
Financial income	4	(20)	(14)
Tax expense	6	235	317
<b>Operating profit before changes in working capital and provisions</b>		<b>1,268</b>	<b>1,733</b>
Decrease in trade and other receivables 59		57	11
Decrease in prepayments		71	12
Decrease in trade and other payables		(109)	(207)
Increase / (decrease) in provisions		70	(136)
<b>Cash inflow generated from operations</b>		<b>1,357</b>	<b>1,413</b>
Tax paid		(263)	(309)
<b>Net cash inflow from operating activities</b>		<b>1,094</b>	<b>1,104</b>
<b>Cash flows from investing activities</b>			
Interest received	4	20	14
Proceeds on disposal of fixed assets		3	5
Purchase of subsidiary undertaking	9, 12	(175)	(400)
Purchase of property, plant and equipment	7	(213)	(369)
<b>Net cash outflow from investing activities</b>		<b>(365)</b>	<b>(750)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(650)	(600)
<b>Net cash outflow from financing activities</b>		<b>(650)</b>	<b>(600)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>79</b>	<b>(246)</b>
Cash and cash equivalents at 1 January		1,181	1,427
<b>Cash and cash equivalents at 31 December</b>		<b>1,260</b>	<b>1,181</b>

The notes on pages 12 to 24 form part of these accounts.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

Sharman Quinney Holdings Limited (the "Company") is a company incorporated, registered and domiciled in the UK. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts:

#### a) Basis of accounting

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and effective as at 31 December 2017, and those parts of the Companies Act 2006 applicable to Companies reporting under IFRS.

The Company has applied the following changes in accounting standards during the year:

- Disclosure Initiative (Amendments to IAS 7);
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12);

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

Disclosed below are the new IFRS and amendments which at 31 December 2017 have been endorsed by the EU but were not effective and have therefore not been applied in preparing these financial statements:

- IFRS 15 Revenue from Contracts with Customers;
- IFRS 9 Financial Instruments; and
- IFRS 16 Leases.

The new revenue recognition standard IFRS 15 will be effective for periods beginning on or after 1 January 2018 and introduces a five-step approach to revenue recognition based on performance obligations in customer contracts. The Company has a number of different revenue streams but, following a detailed assessment, does not believe any of them will be impacted materially by the changes to the standard. The assessment of the significant revenue streams under IFRS 15 is considered below.

- Estate agency sales commissions will be recognised on the date contracts exchange, consistent with IAS 18, as this is the date which the contract is considered to be in place under IFRS 15.
- Property management income will be recognised over the course of the contract in line with the timing of the work performed, rather than when cash is received. This will not result in a significant impact on the financial statements.
- Revenue from mortgage procurement fees is recognised on completion of the mortgage transaction, as this is the date IFRS 15 considers it is highly probable a significant reversal will not occur. This is consistent with IAS 18 so the Company does not expect a significant impact.
- Insurance commission income is recognised upon fulfilment of contractual obligations, net of a provision for expected future clawback, impacting the expected transaction price under IFRS 15. This is consistent with IAS 18 so the Company does not expect a significant impact.

In terms of transition, the Company plans to adopt IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). As a result, the Company will not apply the requirements of IFRS 15 to the comparative period presented.

IFRS 9 will also be effective for periods beginning on or after 1 January 2018. The impact has been assessed and is considered minimal given the Company does not hold complex financial instruments. The impact to the trade and receivables balance has been calculated based on historic bad debt rates, but the estimated exposure is not material. Given the limited impact it is not expected significant additional disclosure will be required. The Company plans to apply the IFRS 9 changes retrospectively, with the following exception. The Company will take advantage of the exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 will generally be recognised in retained earnings and reserves as at 1 January 2018.

The new leasing standard, IFRS 16, will be effective from 1 January 2019. The standard will have an effect on the Company's income statement and the statement of financial position as the Company enters into leases which will be brought on the statement of financial position under the new standard. The income statement will also be affected as the profile of the expensing of the lease payments is changed. Currently, the lease expense is recognised evenly over the life of the lease. Under the new standard, while the charge will remain the same over the lease period, however, the cost recognised in the income statement in earlier years will be higher, with this reducing over the life of the lease.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

#### Measurement convention

The 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.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### a) Basis of accounting (continued)

#### Going concern

The Company's business activities are set out in the Directors' Report on page 3. The financial position of the Company, its cash flows, and liquidity position are shown on pages 8 to 11. In addition, the Directors Report and notes to these financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Company has sufficient financial resources and the directors believe that the Company is well placed to manage its financial risks successfully in the current economic outlook, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### b) Revenue recognition

Estate Agency sales commissions, new homes, and land sales are recognised on the date contracts are exchanged. Property management income is recognised when cash is received, which reflects the point when income is earned and contractual obligations have been fulfilled.

Revenue on mortgage procurement fees is recognised on completion of the mortgage transaction, when all contractual obligations have been fulfilled. Insurance commission income is recognised upon fulfilment of contractual obligations with a provision for future clawback repayment in the event of early termination by the customer.

### c) Property, plant and equipment

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

Freehold buildings	-	Lower of 50 years or estimated useful life of premises
Office equipment	-	3 to 5 years
Motor vehicles	-	25% of net book value

All depreciation is charged on a straight-line basis, except motor vehicles, which is calculated on a reducing balance basis.

### d) 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.

### e) Impairment

In accordance with IAS 36, *Impairment of Assets*, goodwill is 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 value in use calculations are carried out by discounting the future cash flows of the cash generating unit ("CGU"), and comparing this to its value in use.

Future cash flows are based upon approved profit budgets for the next five years (adjusted for depreciation and amortisation) and assumed growth thereafter for the next 10 years of 2.5% (2016: 2.5%). The Company estimates discount rates based on a current cost of capital of the subsidiary. Impairment of goodwill is recognised where the present value of future cash flows of the CGU is less than its carrying value. A fifteen year time horizon has been used to reflect that subsidiaries are held for the long term.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. 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. An 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 Statement of Comprehensive Income.

### f) Intangible assets

Intangible assets represent acquired customer contracts and relationships, software development costs and purchased software that in the opinion of the directors meets 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 life is as follows:

Customer contracts and relationships	-	1 to 4 years
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### g) Trade and other receivables

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

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### h) Trade and other payables

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

### i) Leases

Costs of operating leases are charged to the Income Statement on a straight-line basis over the lease term.

### j) 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.

### k) Employee benefit

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income as incurred.

### l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, 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 Statement of Cash Flows has been prepared using the indirect method.

### m) Provisions for liabilities and charges

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

### n) Net financing costs

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

## 2. Expenses and Auditor's remuneration

	Year ended 2017 £000	Year ended 2016 £000
<b>Profit after tax is stated after charging:</b>		
Impairment loss on trade receivables	39	21
Depreciation of property, plant and equipment	190	158
Staff costs (see note 5)	4,859	5,018
Rentals payable under operating leases	314	308
Loss on disposal of fixed assets	8	2
Auditor's remuneration and expenses:		
Audit of these financial statements	13	11

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

3. Other operating income	Year ended 2017 £000	Year ended 2016 £000
Rents receivable under operating leases	<u>21</u>	<u>32</u>

4. Financial income	Year ended 2017 £000	Year ended 2016 £000
Interest on bank deposits	16	8
Interest receivable from group undertakings	4	6
	<u>20</u>	<u>14</u>

### 5. Staff numbers and costs

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

	Year ended 2017 No.	Year ended 2016 No.
Directors	5	5
Sales and administration	170	170
	<u>175</u>	<u>175</u>

The aggregate payroll costs of these persons was as follows:

	£000	£000
Wages and salaries	4,406	4,562
Social security costs	407	418
Other pension costs	46	38
	<u>4,859</u>	<u>5,018</u>

### Directors' emoluments

	Year ended 2017 £000	Year ended 2016 £000
Directors' emoluments	180	180
Contributions to defined contribution pension schemes	5	6
	<u>185</u>	<u>186</u>

The aggregate of emoluments of the highest paid Director was £153,000 (2016: £140,000). Included within this total were contributions of £4,740 to defined contribution pension schemes (2016: £5,500).

Four (2016: four) of the directors are not directly remunerated by the Company. The notional allocation of cost to the Company for their services was £39,586 (2016: £38,036).

6. Taxation	Year ended 2017 £000	Year ended 2016 £000
<b>a) Analysis of expense in the year at 19.25% (2016: 20%)</b>		
<b>Current tax expense</b>		
Current-tax at 19.25% (2016: 20%)	224	309
Adjustment for prior years	4	(6)
Total current tax	<u>228</u>	<u>303</u>
<b>Deferred tax charge</b>		
Origination and reversal of temporary differences	7	9
Adjustment for prior years	-	5
Total deferred tax	<u>7</u>	<u>14</u>
<b>Income tax expense</b>	<u>235</u>	<u>317</u>

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### b) Factors affecting current tax expense in the year

The tax assessed in the Income Statement is higher (2016: higher) than the standard UK corporation tax rate because of the following factors:

	Year ended 2017 £000	Year ended 2016 £000
Profit before tax	1,090	1,575
Tax on profit at UK standard rate of 19.25% (2016: 20%)	210	315
Effects of:		
Effects of other tax rates	(1)	1
Expenses not deductible for tax purposes	22	22
Adjustment to tax expense in respect of prior periods	4	(1)
Income not taxable	-	(20)
<b>Income tax expense</b>	<b>235</b>	<b>317</b>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on these rates.

### 7. Property, plant and equipment

	Land and Buildings £000	Office Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>				
At 1 January 2017	1,161	225	172	1,558
Additions	140	22	51	213
Disposals	(25)	-	(13)	(38)
<b>At 31 December 2017</b>	<b>1,276</b>	<b>247</b>	<b>210</b>	<b>1,733</b>
<b>Accumulated depreciation and impairment</b>				
At 1 January 2017	466	132	88	686
Depreciation charge for the year	131	32	27	190
Disposals	(16)	-	(11)	(27)
<b>At 31 December 2017</b>	<b>581</b>	<b>164</b>	<b>104</b>	<b>849</b>
<b>Carrying amounts</b>				
At 1 January 2017	695	93	84	872
<b>At 31 December 2017</b>	<b>695</b>	<b>83</b>	<b>106</b>	<b>884</b>
	Land and Buildings £000	Office Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>				
At 1 January 2016	860	177	180	1,217
Additions	301	48	20	369
Disposals	-	-	(28)	(28)
<b>At 31 December 2016</b>	<b>1,161</b>	<b>225</b>	<b>172</b>	<b>1,558</b>
<b>Accumulated depreciation and impairment</b>				
At 1 January 2016	365	103	82	550
Depreciation charge for the year	101	29	28	158
Disposals	-	-	(22)	(22)
<b>At 31 December 2016</b>	<b>466</b>	<b>132</b>	<b>88</b>	<b>686</b>
<b>Carrying amounts</b>				
At 1 January 2016	495	74	98	667
<b>At 31 December 2016</b>	<b>695</b>	<b>93</b>	<b>84</b>	<b>872</b>



## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 8. Intangible assets

	Goodwill £000	Customer Contracts & Relationships £000	Total £000
<b>Cost</b>			
At 1 January 2017	366	58	424
Additions	-	-	-
<b>At 31 December 2017</b>	<b>366</b>	<b>58</b>	<b>424</b>
<b>Amortisation and impairment losses</b>			
At 1 January 2017	185	58	243
Amortisation for the year	-	-	-
<b>At 31 December 2017</b>	<b>185</b>	<b>58</b>	<b>243</b>
<b>Carrying amounts</b>			
At 1 January 2017	181	-	181
<b>At 31 December 2017</b>	<b>181</b>	<b>-</b>	<b>181</b>
<b>Cost</b>			
At 1 January 2016	366	58	424
Additions	-	-	-
<b>At 31 December 2016</b>	<b>366</b>	<b>58</b>	<b>424</b>
<b>Amortisation and impairment losses</b>			
At 1 January 2016	185	46	231
Amortisation for the year	-	12	12
<b>At 31 December 2016</b>	<b>185</b>	<b>58</b>	<b>243</b>
<b>Carrying amounts</b>			
At 1 January 2016	181	12	193
<b>At 31 December 2016</b>	<b>181</b>	<b>-</b>	<b>181</b>

All amortisation charges in the year have been charged through operating expenses.

Goodwill acquired in a business combination is allocated to the cash generating units (CGU's) that are expected to benefit from that business combination. The only CGU is the Estate Agency Business. Before recognition of impairment losses, the cost of goodwill has been allocated to this CGU. The recoverable amounts of the CGU's are determined from value in use calculations.

#### Key assumptions

The calculation of value-in-use is most sensitive to the following assumptions:

- Discount rates
- Growth rate/ cash flows

Discount rates reflect Management's estimate of the post-tax Weighted Average Cost of Capital (WACC) of the Group and this is grossed up to arrive at a pre-tax discount rate of 10.60% (2016:10.62%). This is the benchmark used by management to assess operating performance and to evaluate future acquisition proposals.

Growth rate/ cash flows reflect how management believe the business will perform over the fifteen year period and is used to calculate the value-in-use of the CGUs.

The Company prepares cash flow forecasts on the assumption that the businesses are held for long-term investment. The cash flows are derived from the most recent financial budgets for the next five years, which take into account the risks inherent in the businesses, and extrapolate cash flows for subsequent years (up to an additional 10 years) based on a long-term growth rate of 2.5%.

The Company estimates pre-tax discount rates based on the current cost of capital adjusted for the risks inherent in each CGU of 10.60% (2016: 10.62%). At 31 December 2017, no impairment was allocated to the Estate Agency Businesses.

#### Sensitivities

Management has undertaken sensitivity analyses to determine the effect of changes in assumptions on the 2017 impairment review. The key assumptions driving the carrying values are the discount rate applied to the cash flow forecasts and the growth rates within the cash flow forecast. It would require a significant decline in performance to trigger an impairment. To test the sensitivity the discount rate was increased, for increases up to 13% the CGUs carrying values would still exceed the asset value. The sensitivity to the long term growth rate was also decreased, for decreases up to 5% the CGUs carrying values would still exceed the asset value. For the 5 year cash flows growth rate decreases up to 8%, the carrying value would still exceed the asset value.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

9. Investments	31 December 2017	31 December 2016 £
<b>Cost</b>		
At 1 January	903	153
Additions	-	750
<b>At 31 December</b>	<u>903</u>	<u>903</u>
<b>Impairment losses</b>		
At 1 January	153	153
Impairment	-	-
<b>At 31 December</b>	<u>153</u>	<u>153</u>
<b>Net book value</b>		
At 1 January	<u>750</u>	<u>-</u>
<b>At 31 December</b>	<u>750</u>	<u>750</u>

The Company owns equity share capital in its principal trading subsidiary undertaking, which is incorporated in the UK and registered in England and Wales, as follows:

Name of subsidiary undertaking	Nature of business	Proportion of ordinary shares held	
		31 December 2017	31 December 2016
Pattison Lane Estate Agents Limited	Residential Estate Agency	95%	95%
Kevin Henry Limited	Residential Estate Agency	100%	100%

The registered office of both subsidiaries is Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN.

## 10. Deferred tax

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

	31 December 2017 £000	31 December 2016 £000
At 1 January	24	38
Charged to Income Statement	(7)	(14)
<b>At 31 December</b>	<u>17</u>	<u>24</u>
<b>Deferred tax asset</b>		<b>Accelerated capital allowances £000</b>
At 1 January 2017		24
Charged to Statement of Comprehensive Income		(7)
At 31 December 2017		<u>17</u>
<b>Net deferred tax asset</b>		
<b>At 31 December 2017</b>		<u>17</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.

11. Trade and other receivables	31 December 2017 £000	31 December 2016 £000
Trade receivables	422	395
Amounts owed by group undertakings	49	109
Prepayments and accrued income	111	182
Bad debt provision	(65)	(41)
	<u>517</u>	<u>645</u>

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 11. Trade and other receivables (continued)

The ageing of trade receivables (which all arose in the UK) at the year end was:

	2017 £000	2017 £000	2016 £000	2016 £000
	Gross	Impairment	Gross	Impairment
Not overdue	161	-	105	-
Overdue 0 – 30 days	196	-	217	-
Overdue 31 – 120 days	19	(23)	43	(14)
Overdue 120 days plus	46	(42)	30	(27)
	<u>422</u>	<u>(65)</u>	<u>395</u>	<u>(41)</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	31 December 2017 £000	31 December 2016 £000
At 1 January	(41)	(35)
Provision made during the year	(96)	(77)
Receivables written off during the year	19	21
Provision no longer required	53	50
<b>At 31 December</b>	<u><b>(65)</b></u>	<u><b>(41)</b></u>

The Company does not require collateral in respect of trade and other receivables. Management believes that the unimpaired amounts that are overdue are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

### 12. Trade and other payables

	31 December 2017 £000	31 December 2016 £000
<b>Due within one year</b>		
Trade payables	90	113
Amounts owed to group undertakings	201	80
Other taxes and social security costs	281	291
Accruals and deferred income	551	705
Deferred consideration	175	175
	<u>1,298</u>	<u>1,364</u>
<b>Due after more than one year</b>		
Accruals and deferred income	49	92
Deferred consideration	-	175
	<u>49</u>	<u>267</u>

### 13. Provisions

	Insurance commission clawback £000	Lease cost of closed branches & dilapidations £000	Total £000
Balance at 1 January 2017	200	68	268
Provisions made during the year	97	12	109
Released during the year	(19)	(20)	(39)
Provisions used during the year	-	-	-
<b>Balance at 31 December 2017</b>	<u><b>278</b></u>	<u><b>60</b></u>	<u><b>338</b></u>
Due within one year or less	138	40	178
Due after more than one year	140	20	160
	<u>278</u>	<u>60</u>	<u>338</u>
Balance at 1 January 2016	161	243	404
Provisions made during the year	56	55	111
Released during the year	(17)	(230)	(247)
Provisions used during the year	-	-	-
<b>Balance at 31 December 2016</b>	<u><b>200</b></u>	<u><b>68</b></u>	<u><b>268</b></u>
Due within one year or less	-	-	-
Due after more than one year	200	68	268
	<u>200</u>	<u>68</u>	<u>268</u>

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 13. Provisions (continued)

The dilapidation provision is accrued on the basis of amounts identified at the date of property acquisition, less any subsequent expenditure, or where a section 412 notice or schedule of dilapidations has been received from the landlord. Provision is made for properties with non-cancellable leases where the Company no longer occupies the property. The provision represents the rent to the end of the lease, less any projected rental income from subletting the properties. The provision for the costs of closed branches is expected to reverse over the remaining life of the leases, or period to the anticipated date of disposal, if sooner.

Provision for insurance commission clawback is estimated using anticipated cancellation rates of term insurance policies. This provision is based on the clawback period from the sign up date of the term insurance policy. The cancellation rates used in the provision are revisited every quarter. The provision is expected to reverse relatively evenly over the next 3 years, with a slight weighting towards the first year.

### 14. Share Capital

	31 December 2017 £000	31 December 2016 £000
<b>Allotted, called up and fully paid</b>		
18,430 (2016: 18,430) Ordinary A shares of 1p each	-	-
970 (2016: 970) Ordinary B shares of 1p each	-	-
	<u>-</u>	<u>-</u>

Each shareholder is entitled to a number of votes equal to the number of shares held by them save that where the A shares constitute more than 50% of the Company's issued equity share capital they shall have such number of votes as represents at least 75% of the votes capable of being cast on the resolution concerned. In all other respects the A and B ordinary shares rank *pari passu*.

A Shareholders' agreement exists which includes an option entitling the ordinary "B" shareholders (of which one is a director) to require Connells Limited to purchase their shares at a price to be determined by an independent valuation of the Company. This option can be exercised during the sixty-day period following finalisation of the audited accounts of the Company in each year.

### Management of capital

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

	Year ended 2017 £000	Year ended 2016 £000
<b>Capital</b>		
Ordinary A and B shares	-	-
Retained earnings	1,816	1,611
	<u>1,816</u>	<u>1,611</u>

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.

### 15. Employee benefits

#### Defined contribution pension scheme

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company, in independently administered funds. The amount charged to the Income Statement in respect of the defined contribution schemes is the contribution payable in the year and amounted to £46,000 (2016: £38,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 16. 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.

	2017			2016		
	Parent undertaking £000	Subsidiary undertaking £000	Other group Companies £000	Parent undertaking £000	Subsidiary undertaking £000	Other group Companies £000
<b>a) Net interest</b>						
Interest receivable	-	16	-	8	6	-
<b>Total</b>	<u>-</u>	<u>16</u>	<u>-</u>	<u>8</u>	<u>6</u>	<u>-</u>
<b>b) Sales of goods and services</b>						
Commission receivable	118	-	-	111	-	-
<b>Total</b>	<u>118</u>	<u>-</u>	<u>-</u>	<u>111</u>	<u>-</u>	<u>-</u>
<b>c) Purchase of goods and services</b>						
	(527)	-	(52)	(403)	-	(44)
<b>Total</b>	<u>(527)</u>	<u>-</u>	<u>(52)</u>	<u>(403)</u>	<u>-</u>	<u>(44)</u>
<b>d) Outstanding balances</b>						
Receivables from related parties	950	10	47	1,000	100	9
Payables to related parties	(236)	-	(2)	(70)	-	(10)
<b>Total</b>	<u>714</u>	<u>10</u>	<u>45</u>	<u>930</u>	<u>100</u>	<u>(1)</u>

Interest receivable from the ultimate parent undertaking at 31 December 2017 is £nil (2016: £2,000). There were no purchase of goods and services during the year (2016: £nil).

There is a provision held in respect of receivables due from Related Parties of £100,000 at 31 December 2017 (31 December 2016: £100,000).

Included in cash and cash equivalents is £950,000 (2016: £1,000,000) of cash held on deposit with Connells Limited.

All transactions are dealt with on normal credit terms.

### 17. Capital and operating lease commitments

The Company has no capital commitments at the year end (2016: £nil).

The Company has annual commitments due under operating leases in respect of rental payable on land and buildings. Total commitments under these non-cancellable operating leases are as follows:

	31 December 2017 £000	31 December 2016 £000
<i>Amounts falling due:</i>		
Less than one year	248	365
Between one and five years	737	768
More than five years	743	594
	<u>1,728</u>	<u>1,727</u>

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 17. Capital and operating lease commitments (continued)

The Company has annual commitments due under operating leases in respect of rentals receivable on land and buildings. Total commitments under these non-cancellable operating leases are as follows:

	31 December 2017 £000	31 December 2016 £000
<i>Amounts falling due:</i>		
Less than one year	16	7
Between one and five years	32	6
More than five years	-	-
	<u>48</u>	<u>13</u>

### 18. Financial instruments

#### *Financial risks*

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity.

The principal financial risks to which the Company is exposed are liquidity risk, market risk and credit risk; these are monitored on a regular basis by management. Each of these is considered below.

#### *Liquidity risk*

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's liquidity policy is to maintain sufficient liquid resources to cover imbalances and fluctuations in funding, to maintain solvency of the Company and to enable the Company to meet its financial obligations as they fall due. This is achieved through maintaining a prudent level of liquid assets and through rigorous management control of the growth of the business. The following are contractual maturities of financial liabilities, including interest payments and excluding any netting agreements:

#### 2017

	Carrying amount £000	Contractual cash flows £000	In not more than one month £000	In not more than 3 months £000	In more than 3 months but not less than 1 year £000	In more than one year but not more than 5 years £000
Trade and other payables	1,144	1,144	920	-	175	49
Amounts owing to group companies	201	201	201	-	-	-
<b>Total</b>	<u>1,345</u>	<u>1,345</u>	<u>1,121</u>	<u>-</u>	<u>175</u>	<u>49</u>

#### 2016

	Carrying amount £000	Contractual cash flows £000	In not more than one month £000	In not more than 3 months £000	In more than 3 months but not less than 1 year £000	In more than one year but not more than 5 years £000
Trade and other payables	1,551	1,551	1,109	-	175	267
Amounts owing to group companies	80	80	80	-	-	-
<b>Total</b>	<u>1,631</u>	<u>1,631</u>	<u>1,189</u>	<u>-</u>	<u>175</u>	<u>267</u>

There are no differences between the fair values of financial assets and liabilities and their carrying amounts showing in the Statement of Financial Position.

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 18. Financial instruments *(continued)*

#### **Currency risk**

The Company is not exposed to any currency risk as all transactions are denominated in Sterling.

#### **Interest rate risk**

The Company has no interest bearing liabilities and monitors any exposure on a continuous basis.

#### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Based on historic default rates, the Company believes that no impairment provision is necessary in respect of most trade receivables not overdue or overdue by up to 90 days. Specific impairment provisions are made for customers who do not have a good payment record with the Company before 90 days. For maximum credit exposure see note 11. Management carefully manages its exposure to credit risk.

The Company's financial assets at the year end were as follows:

	Year ended 2017 £000	Year ended 2016 £000
Cash and cash equivalents	1,260	1,181
Trade receivables	440	395
Amounts due from group undertakings	31	109
	<u>1,731</u>	<u>1,685</u>

Trade and other receivables are current assets and are expected to convert to cash over the next twelve months.

There are no significant concentrations of credit risk within the Company. The Company is exposed to credit risk from sales. It is Company policy to assess the credit risk of major new customers before entering contracts. The majority of customers use the Company's services as part of a housing transaction and consequently the sales are paid from the proceeds of the house sale. The majority of the commercial customers and the major lenders are large financial institutions and as such the credit risk is not significant. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date. The following table presents a breakdown of the gross trade receivables between the two main types of customer:

	2017 £000	2016 £000
Individual customers	292	235
Other commercial customers	130	160
	<u>422</u>	<u>395</u>

The cash and cash equivalents consist only of bank balances, and is held with an institution with an A+ credit rating.

#### **Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

### 19. Accounting estimates and judgements

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 on the following page.

- Provisions – certain critical judgments have been made in applying the Company's accounting policies in relation to closed branch and onerous lease provisions (note 13), provisions for clawback of insurance commission (note 13), and impairment provisions on trade receivables (note 11).

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### **20. Ultimate parent undertaking**

The Company is a 95% 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  
16 - 20 Hockliffe Street  
Cumbria House  
Leighton Buzzard  
Bedfordshire  
LU7 1GN