PATTISON LANE ESTATE AGENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2013

(Registered Number 4730529)

Contents

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2013.

INTRODUCTION AND OVERVIEW

The principal activity of the Company is the provision of residential estate agency and associated services.

Pattison Lane Estate Agents Limited is a private limited company registered in England and Wales, registered number 4730529.

The company made a profit before tax of £122,000 for the year (2012: £8,000)

DIRECTORS

The Directors who served during the year were:

R S Shipperley	
M Sharman	
S Quinney	
MJ Oliver	(resigned 19 December 2013)
DC Livesey	(appointed 30 January 2013)
SN Moore	(appointed 30 January 2013, resigned 30 August 2013)

DIVIDENDS

No interim dividend was declared (2012 £nil). The Directors do not propose the payment of a final dividend (2012 £nil).

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors are aware of that information.

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

By order of the board

S Quinney
Director

S Quinney

28 February 2014

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing 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 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 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 judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- 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 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 AUDITORS' REPORT TO THE MEMBERS OF PATTISON LANE ESTATE AGENTS LIMITED

We have audited the financial statements of Pattison Lane Estate Agents Limited for the year ended 31 December 2013 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 auditors' 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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

David Burridge 20th March 2014

David Burridge (Senior Statutory Auditor) for and on behalf of KPMG Audit Plc, Statutory Auditor

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

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 2013 £000	Year ended 2012 £000
Revenue	1	315	209
Administrative expenses	2	(181)	(189)
Profit from operations		**134**	**20**
Finance costs	3	(12)	(12)
Profit before tax		**122**	**8**
Tax expense	5	(29)	(3)
Profit for the year being total comprehensive income		**93**	**5**

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

There were no recognised income and expense items in the current period (2012: £nil) other than those reflected in the above Statement of Comprehensive Income.

The Statement of Comprehensive Income is prepared on an unmodified historical cost basis.

The notes on pages 10 to 17 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2013

	Notes	2013 £000	31 December 2013 £000	2012 £000	31 December 2012 £000
Non-current assets					
Property, plant and equipment	6	-		-	
Deferred tax asset	7	7		6	
Total non-current assets			7		6
Current assets					
Trade and other receivables	8	22		21	
Cash and cash equivalents		72		30	
Total current assets			94		51
Total assets			101		57
Current liabilities					
Trade and other payables	9	485		506	
Tax liabilities		15		-	
Total current liabilities			500		506
Non-current liabilities					
Provisions	10	25		68	
Total non-current liabilities			25		68
Total liabilities			525		574
Equity – attributable to equity holders of the Company					
Share capital	11	1		1	
Retained earnings / (deficit)	11	(425)		(518)	
Total equity			(424)		(517)
Total equity and liabilities			101		57

These accounts were approved by the Board of Directors on 28 February 2014 and signed on its behalf by:

S Quinney
Director

Company registration number: 4730529

The notes on pages 10 to 17 form part of these accounts.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2013	1	(518)	(517)
Total comprehensive income for the year	-	93	93
Balance at 31 December 2013	**1**	**(425)**	**(424)**
Balance at 1 January 2012	1	(523)	(522)
Total comprehensive income for the year	-	5	5
Balance at 31 December 2012	**1**	**(518)**	**(517)**

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 2013 £000	Year ended 2012 £000
Cash flows from operating activities			
Profit for the year		93	5
Adjustments for:			
Depreciation	6	-	3
Interest expense	3	12	12
Tax expense	5	29	3
Operating profit before changes in working capital and provisions		**134**	**23**
Increase in trade receivables		-	(4)
Increase in prepayments and other receivables		(1)	-
Decrease in trade and other payables		(21)	(3)
Decrease in provisions		(43)	(5)
Cash inflow generated from operations		**69**	**11**
Interest paid	3	(12)	(12)
Tax (paid) / received		(15)	1
Net cash inflow from operating activities		**42**	**-**
Cash flows from investing activities			
Purchases of property, plant and equipment		-	-
Net cash flow from investing activities		**-**	**-**
Cash flows from financing activities			
Dividends paid		-	-
Net cash flow from financing activities		**-**	**-**
Net increase in cash and cash equivalents		42	-
Cash and cash equivalents at 1 January		30	30
Cash and cash equivalents at 31 December		**72**	**30**

The notes on pages 10 to 17 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Pattison Lane Estate Agents Limited (the "Company") is a company incorporated 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 Financial Statements are presented in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the EU and effective at 31 December 2013.

There have been no new accounting policies adopted in the year that have an impact on these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

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 presented in these financial statements on pages 7 to 10. In addition, note 15 to the financial statements includes the Company's policies and processes for managing its financial risk management objectives, details of its financial instruments, and its exposure to credit risk and liquidity risk.

As described in the Directors Report on page 3, the Company has reported a profit after tax for the year of £93,000. However, since the Company has net liabilities of £424,000, confirmation has been received from Sharman Quinney Holdings Limited, that it will provide such support as Pattison Lane Estate Agents Limited require enabling it to meet its liabilities as and when they fall due for a period of not less than one year from the date of approval of these financial statements.

The Directors have concluded that the combination of these circumstances gives a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in the financial statements.

Currency presentation

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

b) Revenue recognition

Revenue, which excludes value added tax, represents total invoiced sales of the Company. Residential, new homes, land sales and auctions income is 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 procuration 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 on the following bases:

Freehold buildings	-	Lower of 50 years or estimated useful life of premises
Fixtures and fittings	-	5 to 10 years
Office equipment	-	3 to 5 years

All depreciation is charged on a straight-line basis.

d) Trade and other receivables

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

e) Leases

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting policies (continued).

f) Taxation

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

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

Deferred tax is provided using the Statement of Financial Position liability method, which recognises 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 year end.

g) Employee benefits

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

h) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash comprises cash in hand and loans and advances to credit institutions repayable on demand, and cash and cash equivalents comprise highly liquid investments that 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.

i) 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.

j) 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 auditors' remuneration	**Year ended 2013 £000**	**Year ended 2012 £000**
Included in profit for the year are the following:		
Depreciation of property, plant and equipment	-	3
Staff costs (see note 4)	131	106
Rentals payable under operating leases	24	32
Auditors' remuneration and expenses:		
Audit of these financial statements	5	5

3. Finance costs	**Year ended 2013 £000**	**Year ended 2012 £000**
Interest payable to group undertakings	12	12

4. Staff numbers and costs

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

	Year ended 2013 No.	**Year ended 2012 No.**
Directors	6	4
Sales and administration	5	4
	11	8

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. Staff numbers and costs (continued)

	Year ended 2013 £000	Year ended 2012 £000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	119	97
Social security costs	12	9
	131	106

All of the Directors are remunerated by other Group companies and do not receive any remuneration from Pattison Lane Estate Agents Limited.

5. Taxation

	Year ended 2013 £000	Year ended 2012 £000
a) Analysis of expense in the year at 23.25% (2012: 24.5 %)		
Current tax expense		
Current tax at 23.25% (2012: 24.5 %)	30	2
Total current tax	30	2
Deferred tax (credit) / expense		
Current year	(1)	1
Origination and reversal of temporary differences	-	-
Total deferred tax	(1)	1
Income tax expense	29	3

b) Factors affecting current tax expense in the period

The tax assessed in the Statement of Comprehensive Income is higher (2012: higher) than the standard UK corporation tax rate because of the following factors:

	Year ended 2013 £000	Year ended 2012 £000
Profit before tax	122	8
Tax on profit at UK standard rate of 23.25% (2012: 24.5%)	28	2
Effects of:		
Expenses not deductible for tax purposes	1	1
Income tax expense	29	3

6. Property, plant and equipment

	Land and Buildings £000	Office Equipment £000	Total £000
Cost			
At 1 January 2013	1	12	13
Disposals	(1)	(11)	(12)
At 31 December 2013	-	1	1
Accumulated depreciation and impairment			
At 1 January 2013	1	12	13
Disposals	(1)	(11)	(12)
Depreciation charge for the year	-	-	-
At 31 December 2013	-	1	1
Carrying amounts			
At 1 January and 31 December 2013	-	-	-

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6. Property, plant and equipment (continued)

	Land and Buildings £000	Office Equipment £000	Total £000
Cost			
At 1 January 2012	1	19	20
Disposals	-	(7)	(7)
At 31 December 2012	1	12	13
Accumulated depreciation and impairment			
At 1 January 2012	1	16	17
Disposals	-	3	3
Depreciation charge for the year	-	(7)	(7)
At 31 December 2012	1	12	13
Carrying amounts			
At 1 January 2012	-	3	3
At 31 December 2012	-	-	-

7. Deferred tax

The movement on the deferred tax account is as shown below:	31 December 2013 £000	31 December 2012 £000
At 1 January	6	7
Statement of Comprehensive Income credit / (charge)	1	(1)
At 31 December	7	6

Deferred tax asset

	Accelerated capital allowances £000
At 1 January 2013	6
Credited to Statement of Comprehensive Income	1
At 31 December 2013	7

Net deferred tax asset

At 31 December 2013	7

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. Deferred taxes are calculated on timing differences under the liability method using an effective tax rate of 20% (2012: 23%) as this is the enacted rate that is expected to apply when the temporary differences reverse.

8. Trade and other receivables	31 December 2013 £000	31 December 2012 £000
Trade receivables	17	17
Prepayments and accrued income	8	7
Bad debt provision	(3)	(3)
	22	21

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. Trade and other receivables (continued)

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

	2013 £000 Gross	2013 £000 Impairment	2012 £000 Gross	2012 £000 Impairment
Not overdue	-	-	2	-
Overdue 0 – 30 days	13	-	11	-
Overdue 31 – 120 days	-	-	1	-
Overdue 120 days plus	4	(3)	3	(3)
	17	(3)	17	(3)

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

	Year ended 2013 £000	Year ended 2012 £000
At 1 January	(3)	(3)
Provision made during the year	-	-
Receivables written off during the year	-	-
Provision no longer required	-	-
At 31 December	(3)	(3)

9. Trade and other payables

	31 December 2013 £000	31 December 2012 £000
Trade payables	4	5
Amounts owed to group undertakings	445	470
Other taxes and social security costs	10	9
Accruals and deferred income	26	22
	485	506

10. Provisions

	Insurance commission clawback £000	Lease cost of closed branches & dilapidations £000	Total £000
Balance at 1 January 2013	4	64	68
Provisions used during the year	(4)	(39)	(43)
Balance at 31 December 2013	**-**	**25**	**25**
Balance at 1 January 2012	9	64	73
Provisions used during the year	(5)	-	(5)
Balance at 31 December 2012	**4**	**64**	**68**

All provisions are classed as non-current. The insurance commission clawback, is estimated based upon anticipated cancellation rates of term insurance policies.

The dilapidations provision is accrued on the basis of amounts identified at the date of 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 utilises the property during the course of their business operation. The provision represents the rent to the end of the lease, less any 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 the period to the anticipated date of disposal or sooner.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11. Share capital

Allotted, issued and fully paid	31 December 2013 £	31 December 2012 £
£0.01 Ordinary A shares	950	950
£0.01 Ordinary B shares	50	50
	1,000	1,000

Each shareholder is entitled to the number of votes as 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.

There is a Shareholders' agreement that includes an annual option entitling the ordinary "B" shareholders to require Sharman Quinney Holdings Limited to purchase their entire shares at a price to be determined by an independent valuation of the Company. This option can now be exercised.

Management of capital

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

	Year ended 2013 £000	Year ended 2012 £000
Capital		
Ordinary A and B shares	1	1
Retained earnings	(425)	(518)
	(424)	(517)

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 period end capital position is reported to the Operational Board on a monthly basis. The capital position is also given due consideration when corporate plans are prepared.

12. Employee benefits

The Company operates a stakeholder scheme. Contributions are charged to the Statement of Comprehensive Income and are included in staff costs, no contributions were made in the current or prior period.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

13. 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.

	2013			2012		
	Ultimate parent undertaking £000	**Intermediate parent undertaking £000**	**Immediate parent undertaking £000**	**Ultimate parent undertaking £000**	**Intermediate parent undertaking £000**	**Immediate parent undertaking £000**
a) Net interest						
Interest receivable	-	-	-	-	-	-
Interest payable	-	-	12	-	-	12
Total	-	-	12	-	-	12
b) Sales of goods and services						
Commission receivable	-	-	-	-	-	-
Total	-	-	-	-	-	-
c) Purchase of goods and services	-	11	8	-	9	8
Total	-	11	8	-	9	8
d) Outstanding balances						
Receivables from related parties	-	-	-	-	-	-
Payables to related parties	-	-	(445)	-	-	(470)
Total	-	-	(445)	-	-	(470)

There are no provisions in respect of goods and services to Related Parties, either at 31 December 2013 or at 31 December 2012.

14. Capital and operating lease commitments

The Company had no capital commitments at the year end (2012: 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 2013 £000	**31 December 2012 £000**
Amounts falling due:		
Less than one year	32	32
Between one and five years	110	126
More than five years	-	16
	142	174

15. 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

15. Financial instruments (continued)

Liquidity risk (continued)

The following are contractual maturities of financial liabilities, including interest payments and excluding netting agreements:

	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	40	40	40	-	-	-
Amounts owing to group companies	445	445	445	-	-	-
Total	485	485	485	-	-	-

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.

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, other than a loan from its parent company; the Company 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 over due or over due 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 6. Management carefully manages its exposure to credit risk.

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.

16. 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 below.

- Accounting policies – certain critical judgments have been made in applying the Company's accounting policies in relation to closed branch and onerous lease provisions (note 10), provision for clawback of insurance commission (note 10), and impairment provisions on trade receivables (note 8).

17. Ultimate parent undertaking

The Company is a 95% owned subsidiary of Sharman Quinney Holdings Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. The largest group in which the results are consolidated is that headed by Skipton Building Society. The smallest group is that headed by Connells Limited and the consolidated accounts of this company are available to the public and can be obtained from:

Companies House
Crown Way
Cardiff
CF4 3UZ