

Registered number: 07159470

CONVEYANCING DATA SERVICES LTD

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



CONVEYANCING DATA SERVICES LTD

COMPANY INFORMATION

Directors	T Maerz N Richards J Stebbings
Registered number	07159470
Registered office	1200 Delta Business Park Swindon Wiltshire SN5 7XZ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	National Westminster Bank PLC 84 Commercial Road Swindon Wiltshire SN5 7XS
Solicitors	RWK Goodman 3 Newbridge Square Swindon SN1 1BY

CONVEYANCING DATA SERVICES LTD

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CONVEYANCING DATA SERVICES LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The directors present their Strategic Report for Conveyancing Data Services Limited (CDS) for the year ended 30 June 2023.

Business review

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

Description	2023 (£000) 12 months	2022 (£000) 18 months	Period change
Revenue	17,975	31,641	(43.2)%
Gross Profit	8,143	13,644	(40.3)%
Profit Before Tax	2,193	4,354	(49.6)%

The company had an extended 18-month reporting period for the period to June 2022 as it aligned its year end with its new parent group, hence the comparison performance above is not for equal periods.

The period under review continued to experience a natural lull in volumes following the post-Covid bounce, however this became more pronounced during the year as the widening impact of macro-economic factors adversely affected the economy. The company was however able to drive performance through continued improvement in Gross Margin, from 43.1% to 45.3% through continued efficiencies delivered through its manufacturing operation.

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 continuing effects of economic downturn and specifically how the cost-of-living challenges impact customer behaviour and the wider housing; 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 Management Board who meet weekly and are also regularly reviewed at the monthly board meetings. The company also benefits from strong network relationships, including those with its previous shareholders, as well as relevant stakeholder bodies. In these discussions market factors can be identified and the likely impact on the company assessed.

CONVEYANCING DATA SERVICES LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Group sale to Aurelius

On 3 August 2023 the whole of the shareholding of TM Group (UK) Limited (TMG), the parent company of Conveyancing Data Services Ltd (CDS), was sold to Aurelius IV AcquiCo Six Limited, a special purpose vehicle of the Aurelius Group, a pan-European investment organisation. This sale followed the final report of the Competition and Markets Authority into the acquisition of TMG by Dye & Durham (UK) Limited, which required them to divest themselves of all their shareholdings in TMG, and therefore also CDS.

Subsequent to the sale to Aurelius the business is undertaking a full review of its strategic activity, utilising the resources and experience of its new owner. This review is not expected to lead to any change in direction or core activity of the business but will ensure that its approach is optimised to deliver effective future performance.

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

Nick Richards

N Richards
Director

Date: 22/3/2024

CONVEYANCING DATA SERVICES LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and the financial statements for the year ended 30 June 2023.

These financial statements represent the year ended 30 June 2023. The comparative figures represent the extended 18 month period from 1 January 2021 to 30 June 2022.

Principal activity

The principal activity of the company continues to be the provision of conveyancing data and insurance products to the legal profession and the property market.

Results and dividends

The profit for the year, after taxation, amounted to £1,921,848 (2022: £3,561,524).

A dividend of £1,863,540 was paid in the year (2022: £4,296,241).

Directors

The directors who served during the year were:

P Albone (resigned 28 November 2023)
T Durbin St George (resigned 3 August 2023)
C MacCready (resigned 3 August 2023)
M Proud (resigned 3 August 2023)
J Pepper (resigned 18 August 2023)
N Richards

T Maerz and J Stebbings were both appointed as directors after the year end on 3 August 2023 and 28 November 2023 respectively.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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; 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 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.

CONVEYANCING DATA SERVICES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Directors' Responsibilities Statement (continued)

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.

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.

To the best of my knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

Financial risk management policies and procedures

The company and wider group manages its liquidity by monitoring the day-to-day cash flow needs of the business and finances its operations through retained profits. The cash position of the company and wider group is monitored on a daily basis and a rolling cashflow forecast ensures that the company maintains sufficient liquidity to allow all liabilities to be settled as they fall due.

The company's trading activity is wholly UK based and hence the company has no exposure to foreign currency risk. Also, other than a small amount of motor vehicle leases, the company has no borrowing and hence has no interest rate exposure.

Whilst, in the view of the directors the business has minimised its exposure to credit risk by ensuring that customers predominantly pay in advance of services, largely through direct debit, it remains mindful of the need for strong credit control procedures across its various businesses.

Qualifying third party indemnity provisions

During the year, and at the date of this report, the company has in place qualifying third party indemnity provisions for the benefit of the directors.

Future developments

Refer to the Strategic Report for details of future developments.

CONVEYANCING DATA SERVICES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Going concern

In assessing whether the going concern assumption is appropriate, management have conducted a review on a group basis considering all available information about future group performance. This included the profit and cash forecasts prepared up to the end of 2026 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 period end the Statement of Financial Position is reflecting a net asset position of £1,516,852 (2022: £1,458,544) with net current assets of £1,146,837 (2022: £1,034,889).

The directors are therefore of the opinion that the preparation of the financial statements on the going concern basis is appropriate.

Group sale to Aurelius

On 3 August 2023 the whole of the shareholding of TM Group (UK) Limited (TMG), the parent company of Conveyancing Data Services Ltd (CDS), was sold to Aurelius IV AcquiCo Six Limited, a special purpose vehicle of the Aurelius Group, a pan-European investment organisation. This sale followed the final report of the Competition and Markets Authority into the acquisition of TMG by Dye & Durham (UK) Limited, which required them to divest themselves of all their shareholdings in TMG, and therefore also CDS.

Subsequent to the sale to Aurelius the business is undertaking a full review of its strategic activity, utilising the resources and experience of its new owner. This review is not expected to lead to any change in direction or core activity of the business but will ensure that its approach is optimised to deliver effective future performance.

Events after the reporting period

Other than the sale to Aurelius as noted above, no events have impacted the entity after the reporting period.

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.



N Richards
Director

Date: 22/3/2024



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVEYANCING DATA SERVICES LTD

Opinion

We have audited the financial statements of Conveyancing Data Services Limited (the 'company') for the year ended 30 June 2023, 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 30 June 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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.

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 the cost-of-living crisis, 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVEYANCING DATA SERVICES LTD
(CONTINUED)**

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

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 themselves. 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.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVEYANCING DATA SERVICES LTD (CONTINUED)

Matter 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, 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 CONVEYANCING DATA SERVICES LTD (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the company and industry in which it operates through our commercial and sector experience, discussions with management and through inspection of the company's legal correspondence and board minutes.
- Through the understanding 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 financial reporting framework (FRS 102 and the Companies Act 2006) and relevant tax legislation.
- We designed audit procedures in order to assess whether there were any non-compliance with laws and regulations through scrutiny of legal and professional expense codes and through inquiries of management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering managements 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 principle risks were in relation to potential journal entries that manipulated revenues around the year end and potential management bias in determining accounting estimates.
- Our audit procedures involved:
 - gaining an understanding of the controls that management has in place to prevent and detect fraud;
 - testing of journal entries, with a focus on those journals that were particularly large or unusual, and those journal entries related to revenue around the year end;
 - *challenging assumptions and judgments made by management in relation to significant accounting estimates;*
 - identifying and testing related party transactions;
 - inquiring 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 knowledge of actual, suspected or alleged fraud;
 - review of legal and professional expense codes to determine if there were any instances of undisclosed non-compliance with laws and regulations;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement line item; and



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVEYANCING DATA SERVICES LTD (CONTINUED)

- undertaking audit procedures to consider the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as 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.
- 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.
- 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 the 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.

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.

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.

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 22/3/2024

CONVEYANCING DATA SERVICES LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

		Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
	Note		
Turnover	4	17,974,653	31,641,203
Cost of sales		(9,831,310)	(17,997,253)
Gross profit		8,143,343	13,643,950
Administrative expenses		(5,984,784)	(9,304,182)
Profit on sale of fixed assets		34,314	26,187
Operating profit	5	2,192,873	4,365,955
Interest receivable and similar income	9	3,628	223
Interest payable and similar expenses	10	(3,847)	(11,790)
Profit before tax		2,192,654	4,354,388
Tax on profit	11	(270,806)	(792,864)
Profit for the financial year/period		1,921,848	3,561,524

There were no recognised gains and losses for the year ended 30 June 2023 or period ended 30 June 2022 other than those included in the Statement of Comprehensive Income.

The notes on pages 14 to 29 form part of these financial statements.

CONVEYANCING DATA SERVICES LTD
REGISTERED NUMBER:07159470

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	365,261	342,869
Tangible assets	14	85,129	130,554
		<u>450,390</u>	<u>473,423</u>
Current assets			
Debtors: amounts falling due within one year	15	1,839,072	1,887,233
Cash at bank and in hand		1,420,611	1,963,644
		<u>3,259,683</u>	<u>3,850,877</u>
Creditors: amounts falling due within one year	16	(2,112,846)	(2,815,988)
Net current assets		<u>1,146,837</u>	<u>1,034,889</u>
Total assets less current liabilities		<u>1,597,227</u>	<u>1,508,312</u>
Creditors: amounts falling due after more than one year	17	-	(7,382)
Provisions for liabilities			
Deferred tax	19	(80,375)	(42,386)
Net assets		<u><u>1,516,852</u></u>	<u><u>1,458,544</u></u>
Capital and reserves			
Called up share capital	20	6,120	6,120
Share premium account	21	5,288	5,288
Profit and loss account	21	1,505,444	1,447,136
		<u><u>1,516,852</u></u>	<u><u>1,458,544</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Nick Richards

N Richards

Director

Date: 22/3/2024

The notes on pages 14 to 29 form part of these financial statements.

CONVEYANCING DATA SERVICES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2022	6,120	5,288	1,447,136	1,458,544
Comprehensive income for the year				
Profit for the year	-	-	1,921,848	1,921,848
Total comprehensive income for the year	-	-	1,921,848	1,921,848
Dividends: Equity capital	-	-	(1,863,540)	(1,863,540)
Total transactions with owners	-	-	(1,863,540)	(1,863,540)
At 30 June 2023	6,120	5,288	1,505,444	1,516,852

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	6,120	5,288	2,181,853	2,193,261
Comprehensive income for the period				
Profit for the period	-	-	3,561,524	3,561,524
Total comprehensive income for the period	-	-	3,561,524	3,561,524
Dividends: Equity capital	-	-	(4,296,241)	(4,296,241)
Total transactions with owners	-	-	(4,296,241)	(4,296,241)
At 30 June 2022	6,120	5,288	1,447,136	1,458,544

The notes on pages 14 to 29 form part of these financial statements.

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. General information

Conveyancing Data Services Limited is a private company limited by share capital and incorporated in England and Wales. Its registered head office is located at 1200 Delta Business Park, 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 company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

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 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; and
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

This information is included in the consolidated financial statements of TM Group (UK) Limited as at 30 June 2023 and these financial statements may be obtained from 1200 Delta Business Park, Swindon, Wiltshire, England, SN5 7XZ.

2.3 Cash flow

The company, being a subsidiary undertaking where 90% of 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.

CONVEYANCING DATA SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Going concern

In assessing whether the going concern assumption is appropriate, management have conducted a review on a group basis considering all available information about future group performance. This included the profit and cash forecasts prepared up to the end of 2026 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 period end the Statement of Financial Position is reflecting a net asset position of £1,516,852 (2022: £1,458,544), with net current assets of £1,146,837 (2022: £1,034,889).

The directors are therefore of the opinion that the preparation of the financial statements on the going concern basis is appropriate.

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 years, straight-line
Website	-	5 years, straight-line

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.7 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.

The estimated useful lives range as follows:

Short-term leasehold property	- 5 years, straight-line
Motor vehicles	- 4 years, straight-line
Fixtures and fittings	- 4 years, straight-line
Office equipment	- 4 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.

2.8 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.

2.9 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.

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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.

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.10 Financial instruments (continued)**

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 of the recoverable amount, 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.

2.11 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.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Finance leases: the company as lessee

Finance leases are recognised as assets and liabilities in the Statement of Financial Position at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

The discount rate used in calculating the present value the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.16 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.

2.17 Interest income

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

2.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 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 the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

2.20 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.20 Current and deferred taxation (continued)

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.

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.

The directors are of the opinion that no areas of significant judgement or estimation uncertainty exist.

4. Turnover

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

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	Year ended	<i>18 month</i>
	30 June	<i>period ended</i>
	2023	<i>30 June</i>
	£	<i>2022</i>
		<i>£</i>
Depreciation of tangible fixed assets	75,014	162,900
Amortisation of intangible assets	135,842	183,375
Other operating lease rentals	118,185	125,724
Defined contribution pension cost	169,338	312,393
	=====	=====

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. Auditor's remuneration

	Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>29,870</u>	<u>24,694</u>
Fees payable to the company's auditor and its associates in respect of:		
Accounts preparation	2,750	2,188
Taxation compliance services	5,000	5,000
	<u>7,750</u>	<u>7,188</u>

7. Employees

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

	Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
Wages and salaries	4,229,694	6,306,695
Social security costs	387,998	580,325
Cost of defined contribution scheme	169,338	312,393
	<u>4,787,030</u>	<u>7,199,413</u>

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

7. Employees (continued)

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

	Year ended 30 June 2023 No.	18 month period ended 30 June 2022 No.
Directors	6	6
Staff	128	138
	134	144

8. Directors' remuneration

	Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
Directors' emoluments	-	497,842
Company contributions to defined contribution pension schemes	-	72,505
	-	570,347

During the year/period no retirement benefits were accruing to directors (2022: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £Nil (2022: £180,283).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2022: £26,630).

During the year all directors were employed by TM Property Searches Limited and received remuneration from that company. There was no remuneration in respect of them being directors of CDS.

During the year/period no group director's emoluments and company contributions to defined contributions pension were paid to representative directors of the shareholder Dye & Durham UK Limited by TM Group and its subsidiaries.

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Interest receivable and similar income

	Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
Bank interest received	3,628	223

10. Interest payable and similar expenses

	Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
Finance leases and hire purchase contracts	3,847	11,790

11. Taxation

	Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
Corporation tax		
Current tax on profits for the year/period	220,112	831,334
Adjustments in respect of previous periods	12,705	(41,461)
Total current tax	232,817	789,873
Deferred tax		
Origination and reversal of timing differences	56,958	(9,450)
Adjustments in respect of prior periods	(18,969)	-
Effect of tax rate change on opening balance	-	12,441
Total deferred tax	37,989	2,991
Taxation on profit on ordinary activities	270,806	792,864

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2022: *lower than*) the standard rate of corporation tax in the UK of 20.50% (2022: 19%). The differences are explained below:

	Year ended 30 June 2023 £	18 month period ended 30 June 2022 £
Profit on ordinary activities before tax	<u>2,192,654</u>	<u>4,354,388</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.50% (2022: 19%)	449,404	827,334
Effects of:		
Fixed asset differences	(7,072)	(12,940)
Expenses not deductible for tax purposes	11,530	8,792
Group relief surrendered/(claimed)	(187,054)	-
Adjustments to tax charge in respect of prior periods	12,705	(41,461)
Adjustments to tax charge in respect of previous periods - deferred tax	(18,969)	-
Remeasurement of deferred tax for changes in tax rates	10,262	10,173
Movement in deferred tax not recognised	-	966
Total tax charge for the year/period	<u><u>270,806</u></u>	<u><u>792,864</u></u>

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.

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.

12. Dividends

	2023 £	2022 £
Dividends paid at £304.50 per share (2022: £702)	<u><u>1,863,540</u></u>	<u><u>4,296,241</u></u>

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. Intangible assets

	Website £	Software development £	Total £
Cost			
At 1 July 2022	43,043	961,992	1,005,035
Additions	-	158,234	158,234
At 30 June 2023	43,043	1,120,226	1,163,269
Amortisation			
At 1 July 2022	20,090	642,076	662,166
Charge for the year	7,010	128,832	135,842
At 30 June 2023	27,100	770,908	798,008
Net book value			
At 30 June 2023	15,943	349,318	365,261
At 30 June 2022	22,953	319,916	342,869

Amortisation on intangible assets is charged to admin expenses. Of the remaining carrying value of the software development, £347,932 relates to the company's manufacturing scheduling tool. This cost is being amortised on a straight-line basis over five years.

CONVEYANCING DATA SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 July 2022	48,263	159,320	89,531	263,569	560,683
Additions	-	-	-	39,834	39,834
Disposals	-	(10,245)	-	-	(10,245)
At 30 June 2023	48,263	149,075	89,531	303,403	590,272
Depreciation					
At 1 July 2022	31,445	126,066	84,545	188,073	430,129
Charge for the year	9,652	20,978	4,986	39,398	75,014
At 30 June 2023	41,097	147,044	89,531	227,471	505,143
Net book value					
At 30 June 2023	7,166	2,031	-	75,932	85,129
At 30 June 2022	16,818	33,254	4,986	75,496	130,554

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Motor vehicles	2,031	33,254

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

15. Debtors: Amounts falling due within one year

	2023 £	2022 £
Trade debtors	1,373,567	1,517,271
Amounts owed by group undertakings	308,931	209,494
Other debtors	1,102	7,609
Prepayments and accrued income	155,472	152,859
	<u>1,839,072</u>	<u>1,887,233</u>

Trade debtors are stated after provisions for impairment of £54,169 (2022: £40,511).

Amounts owed by group undertakings are interest free and repayable on demand.

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	402,871	660,095
Amounts owed to group undertakings	762,262	710,338
Corporation tax	2,454	252,744
Other taxation and social security	410,296	468,070
Obligations under finance lease and hire purchase contracts	3,680	29,448
Other creditors	-	2
Accruals and deferred income	531,283	695,291
	<u>2,112,846</u>	<u>2,815,988</u>

The obligations under finance leases and hire purchase contracts are secured against the relevant tangible fixed assets.

Amounts owed to group undertakings are interest free and payable on demand.

17. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>7,382</u>

The obligations under finance leases and hire purchase contracts are secured against the relevant tangible fixed assets.

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	3,680	29,448
Between 1-5 years	-	7,382
	<u>3,680</u>	<u>36,830</u>

19. Deferred taxation

	2023 £	2022 £
At beginning of year	(42,386)	(39,395)
Charged to profit or loss	(37,989)	(2,991)
At end of year	<u>(80,375)</u>	<u>(42,386)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(84,498)	(73,736)
Short term timing differences	4,123	31,350
	<u>(80,375)</u>	<u>(42,386)</u>

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
6,120 (2022: 6,120) Ordinary shares of £1 each	<u>6,120</u>	<u>6,120</u>

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

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

21. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current & prior periods retained profits & losses.

22. Pension commitments

The company operates a defined contribution 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 £169,338 (2022: £312,393). There were £13,080 (2022: £23,556) contributions payable to the fund at the Statement of Financial Position date.

23. Commitments under operating leases

At 30 June 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	37,415	74,830
Later than 1 year and not later than 5 years	-	112,245
	<u>37,415</u>	<u>187,075</u>

24. Capital commitments

The company had no capital commitments as at 30 June 2023 or 30 June 2022.

25. Related party transactions

During the year/period, the company paid dividends of £Nil (2022: £190,740) each to Mr M Joy, Mr L Richards and Mr J Stebbings, all of whom were directors of the company at the time they were paid.

	2023	2022
	£	£
Conveyancing services payable to the company		
TM Property Searches Limited	<u>2,689,297</u>	<u>3,913,351</u>

CONVEYANCING DATA SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

25. Related party transactions (continued)

	2023 £	2022 £
Search costs payable by the company		
TM Property Searches Limited	5,256,380	9,079,301
Dye & Durham (UK) Limited	118,860	198,892
	<u>5,375,240</u>	<u>9,278,193</u>
	2023 £	2022 £
End of year balances		
TM Property Searches Limited	(443,117)	(480,571)
Dye & Durham (UK) Limited	(10,213)	(19,939)

Nature of related parties

The Group was previously owned in equal proportion of shares and voting rights by:-

- Countrywide Group Holdings Limited,
- Connells Limited, and
- SL Property Services plc

On 8th July 2021 when Dye & Durham (UK) Limited purchased the group the above companies ceased to be related parties.

TM Property Searches Limited (TMPS) is a wholly owned subsidiary of TM Group (UK) Limited.

26. Controlling party

The immediate parent is TM Group (UK) Limited, a company registered in England and Wales. This represents the smallest group where consolidated financial statements are prepared. Following the acquisition of 100% of the issued share capital of TM Group (UK) Limited on 8 July 2021 by Dye & Durham (UK) Limited, the ultimate parent is Dye & Durham Limited, a company listed on the Toronto Stock exchange. This represents the largest group where consolidated financial statements are prepared.

27. Post balance sheet events

On 3 August 2023 the whole of the shareholding of TM Group (UK) Limited (TMG), the parent company of Conveyancing Data Services Ltd (CDS), was sold to Aurelius IV AcquiCo Six Limited, a special purpose vehicle of the Aurelius Group, a pan-European investment organisation. This sale followed the final report of the Competition and Markets Authority into the acquisition of TMG by Dye & Durham (UK) Limited, which required them to divest themselves of all their shareholdings in TMG, and therefore also CDS.