

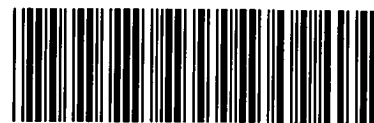
## **Skipton Group Holdings Limited**

### **DIRECTORS' REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2020

Registered number 04128687

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## Directors' Report

The Directors present their Directors' Report, Strategic Report and Financial Statements for the year ended 31 December 2020.

### Principal activities

For the principal activities of the Company, refer to the Strategic Report on pages 5 and 6.

### Dividends

No dividend (2019: £26,000,000) was paid during the year. The Directors do not propose the payment of a final dividend (2019: £nil).

### Directors

The Directors who served during the year were as follows:

A P Bottomley	
A J Burton	
J R Coates	
D P Cockrem	
I M Cornelius	
D J Cutter	
R D East	(Chairman)
D A Hall	
H L Jackson	
M J Lund	
R S D M Ndawula	
H C Stevenson	

All the Directors above are also Directors of the ultimate parent undertaking Skipton Building Society.

Mr P W Moore was appointed as a Director on 1 February 2021.

### Financial instruments

Details of the key risks to which the Company is exposed in relation to its financial instruments, and how these risks are managed, are outlined in note 16 to the Financial Statements.

### Political contributions

The Company made no contributions for political purposes in the year (2019: £nil).

### 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 they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

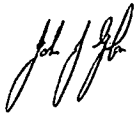
## Directors' Report (*continued*)

### Going concern

The Financial Statements of the Company have been prepared on a going concern basis, which the Directors believe to be appropriate. Based on the expected outlook for the business, the Directors are satisfied that the Company has adequate resources to continue for the foreseeable future, particularly as the Company's parent undertaking Skipton Building Society has confirmed that it will continue to support the Company financially for at least 12 months from the date of approval of these Financial Statements.

Further details are provided in note 1a) to the Financial Statements.

By order of the Board



**J J Gibson**  
Secretary

The Bailey  
Skipton  
North Yorkshire  
BD23 1DN

23 February 2021

## Strategic Report

### Overview of the business

Skipton Group Holdings Limited ("the Company") acts as an intermediate holding company which holds a majority shareholding in a number of the Skipton Building Society Group's investments in subsidiary trading undertakings, and this is expected to remain the case for the foreseeable future.

### Review of the year

#### Summary Statement of Comprehensive Income

	<b>2020</b>	2019
	<b>£000</b>	£000
Administrative expenses	<b>(1,937)</b>	(2,090)
Profit on disposal of subsidiary undertakings	<b>790</b>	1,091
Impairment credit on loans to subsidiary undertakings	<b>4,316</b>	-
Dividend income	<b>22,392</b>	14,569
Net interest expense	<b>(870)</b>	(638)
<b>Profit before tax</b>	<b>24,691</b>	12,932

The Company reported a profit before tax for the year of £24,691,000 (2019: profit of £12,932,000).

The Company generally derives the majority of its income from dividends from its subsidiary undertakings. In 2020 dividend income amounted to £22,392,000 (2019: £14,569,000).

Profit on disposal of subsidiary undertakings during the year was £790,000 (2019: £1,091,000).

The sale of Homeloan Management Limited (HML) to Computershare in 2014 included contingent consideration dependent on HML's performance over a period following the disposal. This resulted in contingent consideration being receivable by the Company of £32,543,000 between 2018 and 2022. The third instalment of £6,409,000 was received by the Company in May 2020 and the discounted contingent consideration asset stands at £12,228,000 at 31 December 2020 (31 December 2019: £17,847,000). The profit recognised in the year of £790,000 (2019: £1,091,000) comprises the unwind of the discounted cash flows.

The existence of a long-term management incentive scheme for senior managers of one of the Company's major subsidiary undertakings, Connells Limited, as detailed in note 12 to the Financial Statements, resulted in a charge to the Statement of Comprehensive Income of £1,214,000 in the year (2019: £1,831,000). The decrease to the charge in the year is as a result of an update to the assumptions used in relation to the scheme; further details can be found in note 12 to the Financial Statements.

Other administrative expenses totalled £723,000 (2019: £259,000) and largely consist of costs associated with the management of subsidiaries, including costs recharged from the parent undertaking.

The Directors regularly review the carrying values of the Company's investments in its subsidiary undertakings and, during the year, assessed that no impairment provision was required (2019: nil).

The Directors also regularly review the carrying values of the Company's loans to its subsidiary undertakings and, during the year, assessed that it would be appropriate to release the impairment provision of £4,316,000 previously held against the loan to Skipton Investments Limited; this followed an update of the various assumptions within the loss calculation and was primarily on the basis that the probability of repayment being demanded by the Company was assessed to have significantly reduced as a result of the continued strong liquidity position of the Skipton Group and the existence of minimal past experience within the Group of such loans being demanded for repayment, thus reducing the probability of default.

## Strategic Report (*continued*)

### Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Skipton Building Society Group ('the Group') and are not managed separately. The UK left the EU on 31 January 2020, however expected short term subdued economic growth may continue to mean uncertainty for the foreseeable future. In addition, the COVID-19 pandemic continues to cause significant social and economic disruption, and its long term impacts on the economic environment remain uncertain. These considerations have the potential to impact future dividend flows and increase subsidiary investment impairments, depending on the economic impact on the Company's subsidiaries. Further details are provided within the Group's Annual Report and Accounts.

The key financial risks faced by the Company are set out in note 16 to the Financial Statements.

This Strategic Report was approved by the Board of Directors on 23 February 2021 and signed on behalf of the Board by:



**J J Gibson**  
Secretary

The Bailey  
Skipton  
North Yorkshire  
BD23 1DN

## **Statement of Directors' Responsibilities in respect of the Directors' Report, Strategic Report and the Financial Statements**

The Directors are responsible for preparing the Directors' Report, the Strategic Report and the Financial Statements in accordance with applicable UK 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 International Financial Reporting Standards (IFRSs) in conformity with the Companies Act 2006 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 in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the Financial Statements, state whether IFRSs in conformity with the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

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

Under applicable UK law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations.

## **Independent auditor's report to the members of Skipton Group Holdings Limited**

### **Opinion**

We have audited the Financial Statements of Skipton Group Holdings Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the Financial Statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **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 this 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 course of 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 the other information, we are required to report that fact.

We have nothing to report in this regard.



## **Independent auditor's report to the members of Skipton Group Holdings Limited (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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 Directors' Report.

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 page 7, 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.

### **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.

## **Independent auditor's report to the members of Skipton Group Holdings Limited (*continued*)**

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

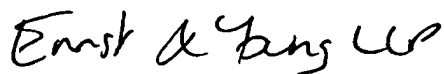
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We made enquiries of management, internal audit, and those responsible for legal and compliance matters. We also reviewed minutes of the Board committees, and gained an understanding of the Company's approach to governance.
- We assessed the susceptibility of the company's Financial Statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered the existence of any performance and incentive plan targets and their potential to influence management to manage earnings or influence the perceptions of investors and stakeholders.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. Our procedures involved inquiries of legal counsel, executive management, internal audit, and focused testing on key risk areas.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.



Steven Robb (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds  
23 February 2021

## Statement of Comprehensive Income

for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
Administrative expenses	3	(1,937)	(2,090)
<b>Operating loss</b>		<b>(1,937)</b>	<b>(2,090)</b>
Profit on disposal of subsidiary undertakings	9	790	1,091
Impairment credit on loans to subsidiary undertakings	6	4,316	-
Investment income	4	22,392	14,569
Finance costs	5	(870)	(638)
<b>Profit before tax</b>		<b>24,691</b>	<b>12,932</b>
Taxation	7	(189)	760
<b>Profit for the year</b>		<b>24,502</b>	<b>13,692</b>
<b>Attributable to:</b>			
Equity shareholders		24,502	13,692

The profit for the current and comparative financial period was derived wholly from continuing operations.

There were no other recognised items of income or expenditure during the current year or prior year and as such a separate statement of recognised income and expenditure has not been presented.

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

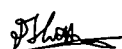
The notes on pages 15 to 30 form part of these Financial Statements.

## Statement of Financial Position


as at 31 December 2020

	Notes	2020 £000	2019 £000
<b>Current assets</b>			
Trade and other receivables	8	16,661	12,341
Other assets	9	12,228	17,847
Current tax		-	302
		<b>28,889</b>	<b>30,490</b>
<b>Non-current assets</b>			
Investments in subsidiary undertakings	10	80,507	80,507
<b>Total assets</b>		<b>109,396</b>	<b>110,997</b>
<b>Current liabilities</b>			
Trade and other payables	11	14,165	40,859
Current tax		542	-
		<b>14,707</b>	<b>40,859</b>
<b>Non-current liabilities</b>			
Other liabilities	12	4,460	3,814
Deferred tax liability	13	1,921	2,518
		<b>6,381</b>	<b>6,332</b>
<b>Total liabilities</b>		<b>21,088</b>	<b>47,191</b>
<b>Equity</b>			
Share capital	14	58,161	58,161
Retained earnings		30,147	5,645
		<b>88,308</b>	<b>63,806</b>
<b>Total equity and liabilities</b>		<b>109,396</b>	<b>110,997</b>

These Financial Statements were approved by the Board of Directors on 23 February 2021 and were signed on its behalf by:



**D J Cutter**  
Director



**R S D M Ndawula**  
Director

Registered number 04128687

The notes on pages 15 to 30 form part of these Financial Statements.

**Statement of Changes in Equity**  
for the year ended 31 December 2020

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	58,161	5,645	63,806
Total comprehensive income	-	24,502	24,502
<b>Balance at 31 December 2020</b>	<b>58,161</b>	<b>30,147</b>	<b>88,308</b>
Balance at 1 January 2019	58,161	17,953	76,114
Total comprehensive income	-	13,692	13,692
Dividends paid to equity shareholders	-	(26,000)	(26,000)
<b>Balance at 31 December 2019</b>	<b>58,161</b>	<b>5,645</b>	<b>63,806</b>

The notes on pages 15 to 30 form part of these Financial Statements.

## Statement of Cash Flows

for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Profit before tax		24,691	12,932
Adjustments for:			
Investment income	4	(22,392)	(14,569)
Finance costs	5	870	638
Movement in fair value of liability of subsidiary management incentive scheme	12	1,214	1,831
Profit on disposal of subsidiary undertakings	9	(790)	(1,091)
Impairment credit on loans to subsidiary undertakings	6	(4,316)	-
Changes in:			
(Increase) / decrease in accruals	11	(98)	64
Income taxes received / (paid)		58	(864)
<b>Net cash from operating activities</b>		<b>(763)</b>	<b>(1,059)</b>
<b>Cash flows from investing activities</b>			
Dividends received	4	22,392	14,569
Increase in loans to subsidiary undertakings	8	(4)	(3)
Contingent consideration received	9	6,409	6,292
Exercise of share options in subsidiary management incentive scheme	12	(568)	(9,270)
<b>Net cash from investing activities</b>		<b>28,229</b>	<b>11,588</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-	(26,000)
Interest paid	5	(870)	(638)
<b>Net cash from financing activities</b>		<b>(870)</b>	<b>(26,638)</b>
Net increase / (decrease) in cash and cash equivalents		26,596	(16,109)
Cash and cash equivalents at 1 January		(40,716)	(24,607)
<b>Cash and cash equivalents at 31 December</b>		<b>(14,120)</b>	<b>(40,716)</b>
Amounts due to parent undertaking	11	(14,120)	(40,716)
<b>Cash and cash equivalents at 31 December</b>		<b>(14,120)</b>	<b>(40,716)</b>

The notes on pages 15 to 30 form part of these Financial Statements.

## Notes to the Financial Statements

### 1. Accounting policies

Skipton Group Holdings Limited ("the Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements, in that the Company is a subsidiary undertaking whose accounts are consolidated into the Group Annual Report and Accounts of the ultimate parent undertaking, Skipton Building Society. These Financial Statements present information about the Company as an individual undertaking and not about its group.

#### a) Basis of accounting

The Financial Statements are presented in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

#### *Currency presentation*

The annual Financial Statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand pounds.

#### *Measurement convention*

The Financial Statements have been prepared under the historical cost convention.

#### *Going concern*

The financial position of the Company and its cash flows are described in the Company Financial Statements on pages 11 to 14.

The Company receives regular dividend income from its subsidiaries and despite uncertainties regarding the social and economic disruptions created by the COVID-19 pandemic, this has continued during 2020 however the proposed acquisition of Countrywide plc by one of the Company's subsidiaries, Connells Limited (as detailed in note 18 to the Financial Statements), may impact on dividend flows in the short term. However, the Company holds a healthy level of retained earnings and the Directors consider that the Company's forecasts are sufficient to enable the Company to maintain appropriate levels of resources in order to continue in business.

In addition, the Company is partly dependent for its working capital on funds provided to it by Skipton Building Society, the Company's parent undertaking. Skipton Building Society has confirmed that it will continue to support the Company financially for at least 12 months from the date of approval of these Financial Statements. The Directors consider that these factors should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment and the Directors therefore believe that it remains appropriate to prepare the Financial Statements on a going concern basis.

#### b) Subsidiary undertakings

Subsidiary undertakings are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. In assessing control, only substantive rights (i.e. rights that can be practically exercised) are taken into account. When the Company loses control over a subsidiary, it derecognises its investment in the subsidiary undertaking. Any resulting gain or loss is recognised in the Statement of Comprehensive Income.

The cost of investment on the acquisition of subsidiary undertakings comprises the consideration paid.

## Notes to the Financial Statements (*continued*)

### 1. Accounting policies (*continued*)

#### c) Taxation

Income tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognised in the Statement of Comprehensive Income.

Current tax is the expected tax payable or receivable on the income or expense for the year, using tax rates enacted during the year and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position asset and 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 balance sheet date.

#### d) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash comprises cash in hand and loans and advances to and from credit institutions repayable on demand. This includes amounts due to and from the ultimate parent undertaking. 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.

#### e) Financial instruments

In accordance with IFRS 9, the financial assets of the Company are classified into one of two categories: amortised cost and fair value through profit and loss. In classifying each financial asset, the Company assesses:

- The objective of the business model in which the financial asset is held; and
- Whether the contractual cash flows of the financial asset are 'solely payments of principal and interest'.

The Company has assessed the characteristics of each of its financial assets and these have been classified as follows:

#### ***At amortised cost***

The Company's loans to subsidiary undertakings and any amounts due from the parent undertaking are measured at amortised cost using the effective interest method. The effective interest method calculates an interest rate which exactly discounts the forecast cash flows of an asset over its expected life back to its carrying value. The Company's financial assets measured at amortised cost are initially recognised at fair value less any directly attributable transaction costs.

All loans from Group companies are repayable on demand. The fair values of these loans are considered to be equal to their amortised cost value.

#### ***At fair value through profit or loss (FVTPL)***

The Company's contingent consideration asset held in relation to the disposal of a previous subsidiary undertaking was assessed to be classified as held at FVTPL. The fair value of this asset is determined by calculating the present value of the expected future cash flows, discounted at an appropriate rate.

#### ***Financial liabilities***

In accordance with IFRS 9, the financial liabilities of the Company are classified as measured at amortised cost using the effective interest method.



## Notes to the Financial Statements (*continued*)

### 1. Accounting policies (*continued*)

#### f) Dividend income

Dividend income due from Group companies is recognised by the Company only when legally due.

#### g) Interest receivable and payable

Interest receivable on loans, which are measured at amortised cost, is recognised in the Statement of Comprehensive Income using the effective interest rate method.

Interest payable is accounted for using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating the interest income or expense over the relevant expected life of the asset or liability. The effective interest rate is the rate that exactly discounts the estimated future cash flows over the expected life or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

#### h) Impairment of investments

The Company regularly reviews its investments in subsidiary undertakings for objective evidence of impairment (see note 1i)). Any impairment losses are recognised in the 'Impairment losses on investments in subsidiary undertakings' line in the Statement of Comprehensive Income.

#### i) Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

The Company also has to make judgements in applying its accounting policies which affect the amounts recognised in the Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key judgements made by the Company in applying its accounting policies. The key estimates and assumptions are set out below.

#### **Impairment of investments**

In determining whether an impairment loss should be recognised in the Statement of Comprehensive Income, management compares the carrying value of each subsidiary undertaking against the higher of its value in use, calculated by discounting its future cash flows to present value, and its net assets.

The key assumptions used in these calculations are those regarding discount rates and future growth in the profitability of each of the subsidiary undertakings. The Company estimates discount rates based on the subsidiary undertakings' current cost of capital. Future cash flows are based on approved profit budgets for the next five years and assumed growth thereafter is currently assumed to be 2.5% in line with long term growth rates.

At 31 December 2020, to the extent that discount rates were to increase by 25%, e.g. from 10% to 12.5%, there would be no impact on the impairment charge (2019: no impact). A reduction in the long term growth rate assumption from 2.5% to 0% would also result in no impact on the impairment charge (2019: no impact).

## Notes to the Financial Statements (*continued*)

### 1. Accounting policies (*continued*)

#### **Management incentive scheme**

During 2014 or 2019, senior management of Connells Limited purchased equity shares in Connells and at the same time the Company issued options to those shareholders to require the Company to purchase these options at some future dates. In accordance with IFRS 2 *Share-based Payment*, the Company recognises the increase or decrease in the fair value of this liability, spread over the vesting period, to the dates of exercise. The fair value of this liability is dependent on the following assumptions: an estimate of when the options will be exercised by the non-controlling shareholders, as well as forecasts of EBITDA (i.e. earnings before interest, tax, depreciation and amortisation, and as adjusted under the specific scheme rules) and cash flows of the Connells Group over the period to exercise.

A 10% increase / decrease in our assumption of the Connells Group's EBITDA above the amounts forecasted (for each year from 2021 to the assumed dates of exercise) would result in an increase / decrease to the fair value of the liability of £1,874,000 (2019: £1,275,000), with a corresponding increase / decrease to the charge to the Statement of Comprehensive Income for the year. In addition, the fair value of the liability at 31 December 2020 is based on judgement as to when management will exercise their remaining options in the scheme. If it were assumed that management were to exercise all remaining options at the earliest opportunity, the fair value of the liability and the corresponding charge to the Statement of Comprehensive Income would decrease by £1,315,000 (2019: not applicable as the 2019 liability was based on the assumption that all remaining options would be exercised at the earliest opportunity). If it were assumed that management were to exercise all remaining options at the latest opportunity, the fair value of the liability and the corresponding charge to the Statement of Comprehensive Income would decrease by £280,000 (2019: increase by £119,000).

#### **j) Impairment of financial assets**

Impairment loss allowances are recognised for expected credit losses (ECLs) on amounts due from Group undertakings. ECLs are an unbiased probability-weighted estimate of the present value of credit losses, taking account of forward-looking information that includes a range of possible economic outcomes. ECLs are measured as the difference between contractual cash flows and expected cash flows, discounted at the asset's effective interest rate. The carrying amount of the asset is reduced through a provision account and the amount of the loss is recognised in the Statement of Comprehensive Income.

IFRS 9 requires an impairment loss allowance to be recognised at an amount equal to either 12-month ECLs ('stage 1' ECLs) or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are ECLs that result from default events possible within 12 months of the reporting date. 'Stage 2' ECLs are lifetime ECLs that are recognised where there has been a significant increase in credit risk of the financial instrument and 'stage 3' ECLs are lifetime ECLs that are recognised where the financial instrument is considered to be credit impaired, i.e. when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Such events include, but are not limited to, a breach of contract such as a default.

## Notes to the Financial Statements (*continued*)

### 2. Profit from operations

The loss from operations has been arrived at after charging amounts relating to external auditor remuneration. The remuneration of the Company's former external auditor KPMG, up until the date of their resignation on 29 April 2019, is set out below:

	2020 £000	2019 £000
Auditor's and their associates' remuneration (excluding VAT):		
- Non-audit services	-	8

The remuneration of the Company's current external auditor, Ernst & Young LLP (EY), from the date of their appointment on 10 May 2019, is set out below:

	2020 £000	2019 £000
Auditor's and their associates' remuneration (excluding VAT):		
- Audit of Company statutory accounts	18	13
- Audit of other Group companies	-	3

### 3. Administrative expenses

	2020 £000	2019 £000
Movement in fair value of liability of subsidiary management incentive scheme (note 12)	1,214	1,831
Other administrative expenses	723	259
	<b>1,937</b>	<b>2,090</b>

All employees are employed by the parent undertaking and provide services to Skipton Group companies. As a result, their services have been included in amounts recharged to the Company by the parent undertaking and are included in other administrative expenses.

Amounts paid to the Directors of the Company in 2020 in respect of services to the Company and its subsidiaries were £276,000 (2019: £321,000). The Directors' remuneration is paid solely by the ultimate parent undertaking, Skipton Building Society.

### 4. Investment income

	2020 £000	2019 £000
Dividend income	22,392	14,569
	<b>22,392</b>	<b>14,569</b>

### 5. Finance costs

	2020 £000	2019 £000
Interest payable to parent undertaking	870	638
	<b>870</b>	<b>638</b>

## Notes to the Financial Statements (*continued*)

### 6. Related party transactions

The Company has related party relationships with other entities in the Skipton Group as detailed below.

All transactions are priced on an arm's-length basis.

#### a) Net interest

	2020		2019	
	Parent undertaking £000	Subsidiary undertakings £000	Parent undertaking £000	Subsidiary undertakings £000
Interest payable	(870)	-	(638)	-
<b>Total</b>	<b>(870)</b>	<b>-</b>	<b>(638)</b>	<b>-</b>

#### b) Recharge of services

	2020		2019	
	Parent undertaking £000	Subsidiary undertakings £000	Parent undertaking £000	Subsidiary undertakings £000
Management recharge	53	-	49	-
<b>Total</b>	<b>53</b>	<b>-</b>	<b>49</b>	<b>-</b>

#### c) Outstanding balances

	2020		2019	
	Parent undertaking £000	Subsidiary undertakings £000	Parent undertaking £000	Subsidiary undertakings £000
Amounts due to the parent undertaking	(14,120)	-	(40,716)	-
Amounts due to subsidiary undertakings	-	(1)	-	(1)
Amounts due from subsidiary undertakings	-	16,661	-	12,341
<b>Total</b>	<b>(14,120)</b>	<b>16,660</b>	<b>(40,716)</b>	<b>12,340</b>

There are no provisions in respect of recharges of services by related parties either at 31 December 2020 or at 31 December 2019. In respect of outstanding loans to or from related parties, no provision (2019: £4,316,000) is held against the amount owed by Skipton Investments Limited at 31 December 2020 of £16,661,000 (2019: £16,657,000). Further details are provided in note 8 to the Financial Statements.

Compensation to key management personnel is included in the recharge.

## Notes to the Financial Statements *(continued)*

### 7. Taxation

	2020 £000	2019 £000
Current tax charge	786	58
Deferred tax credit (note 13)	(597)	(818)
<b>Tax charge / (credit)</b>	<b>189</b>	<b>(760)</b>

A reconciliation between the tax charge on profit before tax at the standard rate of UK corporation tax to the actual tax charge / (credit) is as follows:

	2020 £000	2019 £000
Profit on ordinary activities before tax	24,691	12,932
Tax calculated at standard UK corporation tax rate of 19% (2019: 19%)	4,691	2,457
Effects of:		
Non-taxable income	(5,075)	(3,508)
Expenses not deductible for tax purposes	333	382
Tax rate changes	269	(9)
Other	(12)	(1)
Adjustments to tax expense in respect of prior periods	(17)	(81)
<b>Income tax charge / (credit)</b>	<b>189</b>	<b>(760)</b>

The effect of non-taxable income in the table above on the current and prior year tax charge relates mainly to dividends receivable from subsidiary undertakings of £22,392,000 (2019: £14,569,000).

### 8. Trade and other receivables

	2020 £000	2019 £000
Non-interest bearing amounts owed by subsidiary undertakings	16,661	12,341
	<b>16,661</b>	<b>12,341</b>

The amounts owed by subsidiary undertakings are repayable on demand, interest free and are not past due. A provision of £nil (2019: £4,316,000) is held against the amount owed by Skipton Investments Limited at 31 December 2020 of £16,661,000 (2019: £16,657,000).

### 9. Other assets

	2020 £000	2019 £000
At 1 January	17,847	23,048
Gain recognised in Statement of Comprehensive Income	790	1,091
Contingent consideration received	(6,409)	(6,292)
<b>At 31 December</b>	<b>12,228</b>	<b>17,847</b>

## Notes to the Financial Statements *(continued)*

### 9. Other assets *(continued)*

The contingent consideration relates to the sale of HML in 2014, as described in note 10 to the Financial Statements, and is classified as held at fair value through profit or loss (FVTPL). This asset is classified as being held at Level 3 in the fair value hierarchy on the basis that one or more significant inputs into the valuation of the asset are not based on observable market data.

### 10. Investments in subsidiary undertakings

	2020 £000	2019 £000
Cost		
At 1 January	80,713	80,013
Additions	-	700
<b>At 31 December</b>	<b>80,713</b>	<b>80,713</b>
Impairment		
At 1 January	206	206
At 31 December	206	206
<b>Net book value at 31 December</b>	<b>80,507</b>	<b>80,507</b>

For a full listing of the Company's significant shareholdings in other entities, including its controlling interests in its subsidiaries, see note 19.

As described in note 1i), the Company reviews the carrying value of its investments in subsidiary undertakings at each reporting date. During the year the Company recognised no impairment (2019: £nil) against the carrying value of its investments in subsidiary undertakings.

Profit on disposal of subsidiary undertakings during the year was £790,000 (2019: £1,091,000).

The sale of HML to Computershare in 2014 included contingent consideration totalling £32,543,000, which was dependent on HML's performance over a period following the disposal. The profit recognised in the year of £790,000 (2019: £1,091,000), comprises the unwind of the discounted cash flows. The third instalment was received by the Company in May 2020 of £6,409,000 and the contingent consideration asset stands at £12,228,000 at 31 December 2020 (31 December 2019: £17,847,000).

### 11. Trade and other payables

	2020 £000	2019 £000
Amounts owed to parent undertaking	14,120	40,716
Amounts owed to subsidiary undertaking	1	1
Accruals	44	142
	<b>14,165</b>	<b>40,859</b>

The amounts owed to the parent undertaking and to the subsidiary undertaking (being total financial liabilities) are repayable on demand.

## Notes to the Financial Statements (*continued*)

### 12. Other liabilities

	2020 £000	2019 £000
Fair value of liability of subsidiary management incentive scheme	4,460	3,814
	<b>4,460</b>	<b>3,814</b>

Three members of Connells Limited senior management purchased equity shares in that company in 2014 or 2019. At the same time, the Group issued options to these shareholders to require SGHL to purchase their shareholdings in Connells Limited at some future dates. At the end of 2020, all three options remain outstanding, with the maximum option length being seven years from 31 December 2020. In accordance with IFRS 2 *Share-based Payment*, this is a cash-settled scheme in the Accounts, with the fair value of the liability being spread over the period to exercise. The fair value of the liability is subsequently remeasured at each reporting date with any changes in fair value recognised in the Income Statement.

The movement in the fair value of the liability of the subsidiary management incentive scheme is summarised below:

	2020 £000	2019 £000
At 1 January	3,814	10,553
Exercise of share options during the year	(568)	(9,270)
Share options issued in the year	-	700
Movement in fair value of the scheme recognised in the Statement of Comprehensive Income	1,214	1,831
<b>At 31 December</b>	<b>4,460</b>	<b>3,814</b>

### 13. Deferred tax liability

Deferred tax is calculated on temporary differences under the statement of financial position asset and liability method, using the enacted tax rate expected to apply when these differences reverse.

The movement in the deferred tax liability during the year was as follows:

	2020 £000	2019 £000
At 1 January	2,518	3,336
Deferred tax credit to the Statement of Comprehensive Income (note 7)	(597)	(818)
<b>At 31 December</b>	<b>1,921</b>	<b>2,518</b>

Deferred tax liabilities are attributable in full to the HML contingent consideration, as described in note 10 to these Financial Statements.

### 14. Share capital

Allotted, issued and fully paid:

	2020 £000	2019 £000
58,161,438 ordinary shares of £1 each	58,161	58,161

## Notes to the Financial Statements (*continued*)

### 15. Management of capital

	2020	2019
	£000	£000
<b>Capital</b>		
Share capital	58,161	58,161
Retained earnings	30,147	5,645
<b>Total</b>	<b>88,308</b>	<b>63,806</b>

Capital is considered to be the audited reserves and ordinary share capital in issue. The Company's objective when managing its capital is to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for its shareholder.

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.

### 16. Financial instruments

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

The key financial risks faced by the Company are market risk, credit risk and liquidity risk and these are monitored on a regular basis by management.

#### **Market risk**

Market risk is the risk arising from fluctuations in values of assets or liabilities from changes in market prices. Market risk primarily comprises currency risk and interest rate risk:

- **Currency risk** - Currency risk is considered to be low as any foreign currency transactions are immediately swapped into Sterling by the parent company.

The Company has indirect investments in its subsidiary undertakings Jade Software Corporation Limited and Northwest Investments NZ Limited, which are denominated in New Zealand Dollars. The currency fluctuations in relation to these investments are recognised in the parent entity's translation reserve.

- **Interest rate risk** - The Company is exposed to movements in interest rates on intra-Group balances, which arises due to the interest rate on such balances being linked to the Bank Base Rate, and monitors this exposure on a continuous basis, however the impact of interest rate risk on the Company is not material.

#### **Credit risk**

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due and makes provision for impairment as set out in note 1j). Management monitors and carefully manages its exposure to credit risk on an ongoing basis.

The carrying value and ageing of amounts due from Group undertakings are included in note 8 (all such amounts are repayable on demand and are not past due). Considerations in determining the carrying value of the contingent consideration asset are detailed in note 1e) and note 10. In considering credit risk on the contingent consideration asset, the Company has taken into account the credit worthiness of the counterparty.

The maximum exposure to credit risk for financial assets is represented by the carrying amount of each financial asset.



## Notes to the Financial Statements (*continued*)

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

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Liquidity is managed by the Company's ultimate parent undertaking, Skipton Building Society, on a Group basis, and full details are contained within the Group Annual Report and Accounts.

All of the Company's financial liabilities are represented by amounts due to the ultimate parent undertaking and amounts due to subsidiary undertakings, which are repayable on demand as disclosed in note 11. Consequently no table of contractual cash flows has been disclosed.

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

### 17. Adoption of new and revised International Financial Reporting Standards

The Company adopted the following amendments to existing accounting standards during the year, none of which have had an impact on these Financial Statements:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)

#### *Standards issued but not yet effective*

The Company notes a number of new accounting standards which will be effective for future reporting periods, none of which have been early adopted in preparing these Financial Statements nor are expected to have a material impact on these Financial Statements.

### 18. Subsequent events

In November 2020 the Company committed to a £6m investment in a start-up challenger bank, Commercial and Northern Ltd trading as B-North, in exchange for a 13.3% shareholding in the business. The investment is conditional upon B-North successfully raising £20m of capital under a Series A fund raise and obtaining Prudential Regulation Authority (PRA) regulatory approval to commence trading. The investment would be expected to be held as an equity share investment at fair value.

On 31 December 2020, Connells Limited, one of the Company's major subsidiaries, announced that it had reached agreement with the board of Countrywide plc to acquire the entire share capital and voting rights of Countrywide by means of a scheme of arrangement. Countrywide is a property services group with over 600 branches across the UK. In line with scheme of arrangement and UK Takeover Code rules, a shareholder vote took place on 15 February 2021 which voted in favour of the transaction and therefore completion now requires the sanction of the scheme of arrangement by the Court and approval by the FCA. Completion is expected to occur by the end of the first quarter of 2021.

There have been no other material subsequent events between 31 December 2020 and the approval of these Financial Statements.

## Notes to the Financial Statements *(continued)*

### 19. Investments in other entities

At 31 December 2020 the Company held significant investments in the following entities:

Company name	Nature of business	Registered office address	Class of shares held	Ownership 31.12.2020	Ownership 31.12.2019
Allguard Legal Services Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
AMG North East Limited	Property asset management	13-21 High Street, Guildford, Surrey, GU1 3DG	Ordinary	100.00%	100.00%
AMG Projects Limited	Property asset management	13-21 High Street, Guildford, Surrey, GU1 3DG	Ordinary	100.00%	100.00%
Bailey Computer Services Limited*	Dormant former provider of IT services	The Bailey, Skipton, North Yorkshire, BD23 1DN	Ordinary	100.00%	100.00%
Burchell Edwards (Midlands) Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Chancery Law Services Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Connells Estate Agents Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Connells Financial Services Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Connells Limited*	Estate agents	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary (including shares not entitled to a dividend)	99.83%	99.81%
Connells Residential	Residential estate agents	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Connells Survey & Valuation Limited	Residential surveyor and valuator	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Conveyancing Direct Limited	Licensed conveyancers	Windmill Road, St. Leonards-on-Sea, East Sussex, TN38 9BY	Ordinary	100.00%	100.00%
Executry Services Scotland Limited	Dormant	4 <sup>th</sup> Floor, 115 George Street, Edinburgh, EH2 4JN	Ordinary	100.00%	100.00%
Gascoigne Halman (Holdings) Limited	Holding company	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Gascoigne Halman Group Limited	Holding company	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	82.75%	82.75%

## Notes to the Financial Statements *(continued)*

### 19. Investments in other entities *(continued)*

Gascoigne Halman Limited	Residential estate agents	42 Alderley Road, Wilmslow, Cheshire, SK9 1NY	Ordinary	100.00%	100.00%
Gascoigne Halman Private Finance Limited	Advising on and arranging financial products	42 Alderley Road, Wilmslow, Cheshire, SK9 1NY	Ordinary	100.00%	100.00%
Hatched.co.uk Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
HatchedEPC.co.uk Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Heritage Family Estates Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Hockleys Professional Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
IHLS Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
In Home Legal Services Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Interest Only Solutions Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Jade Direct UK Limited	Dormant	5 Fleet Place, London, England, EC4M 7RD	Ordinary	100.00%	100.00%
Jade Software Corporation (NZ) Limited	Provider of software development services	5 Sir Gil Simpson Drive, Christchurch, New Zealand	Ordinary	100.00%	100.00%
Jade Software Corporation Limited	Provider of software development services	5 Sir Gil Simpson Drive, Christchurch, New Zealand	Ordinary	99.98%	99.98%
Jade Software Corporation Pty Limited	Provider of software development services	Level 12, 409 St Kilda Road, Melbourne, Victoria 3004, Australia	Ordinary	100.00%	100.00%
Jade Software Corporation UK Limited	Provider of software development services	5 Fleet Place, London, England, EC4M 7RD	Ordinary	100.00%	100.00%
Jade Software Corporation USA	Provider of software development services	200 South 10 <sup>th</sup> Street, Suite 1600, Richmond, Virginia, VA 23219	Ordinary	100.00%	100.00%
Just Wills Group Limited	Will writing	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%

## Notes to the Financial Statements *(continued)*

### 19. Investments in other entities *(continued)*

Just Wills Holdings Limited	Will writing	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Just Wills Limited	Will writing	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Kevin Henry Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Legal Services Probate Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Legal Services UK Limited	Dormant	c/o MacRoberts LLP, 60 York Street, Glasgow, Scotland, G2 8JX	Ordinary	100.00%	100.00%
NHMH Direct Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Northwest Investments (NZ) Limited	Software developer	C/- Bell Gully, Level 22 Vero Centre, 48 Shortland Street, Auckland, New Zealand	Ordinary	100.00%	100.00%
Pattison Lane Estate Agents Limited	Residential estate agents	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	95.00%	95.00%
Peter Alan Black Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Peter Alan Limited	Residential estate agents	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Porter Glenny Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Porter Glenny New Homes Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Protection Helpline Limited	Advising on and arranging financial products	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Redstone Wills Limited	Will writing and associated services	Windmill Road, St. Leonards-On-Sea, East Sussex, TN38 9BY	Ordinary	100.00%	100.00%
RMS Estate Agents Limited	Residential estate agency	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	95.00%	95.00%
RMS Mortgage Services Limited	Advising on and arranging financial products	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%

## Notes to the Financial Statements *(continued)*

### 19. Investments in other entities *(continued)*

Roberts & Co Property Management Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Sequence (UK) Limited	Residential estate agency	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Sharman Quinney Holdings Limited	Residential estate agency	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	95.00%	95.00%
Skipton Business Finance Limited*	Provider of debt factoring services	The Bailey, Skipton, North Yorkshire, BD23 1DN	Ordinary	100.00%	100.00%
Skipton Financial Services Limited*	Financial adviser	The Bailey, Skipton, North Yorkshire, BD23 1DN	Ordinary	100.00%	100.00%
Skipton Investments Limited*	Holding company	The Bailey, Skipton, North Yorkshire, BD23 1DN	Ordinary	100.00%	100.00%
Skipton Trustees Limited*	Provider of will writing services	The Bailey, Skipton, North Yorkshire, BD23 1DN	Ordinary	100.00%	100.00%
Stan Collins & Co Ltd	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
The Asset Management Group Limited	Property asset management	13-21 High Street, Guildford, Surrey, GU1 3DG	Ordinary	75.00%	75.00%
The New Homes Group Limited (formerly Spaul Limited)	Estate agents	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
The Universal Trust Corporation	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
The Willmaster (Storage) Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
The Willmaster Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
TNHG Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
White Space Property Group Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Willcraft Services Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Yorkshire Factors Limited	Dormant	The Bailey, Skipton, North Yorkshire, BD23 1DN	Ordinary	100.00%	100.00%

## Notes to the Financial Statements *(continued)*

### 19. Investments in other entities *(continued)*

Your Mortgage Cloud Limited	Dormant	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%
Zeus Financial Services Limited	Insurance agent	Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN	Ordinary	100.00%	100.00%

\* The Company holds a direct investment in these entities. The remaining entities are held indirectly through the ownership of its directly held investments.

### 20. Ultimate parent undertaking

The Company is a 100% owned subsidiary of its ultimate parent undertaking, Skipton Building Society, which is registered in the United Kingdom. A copy of the Group Annual Report and Accounts into which the results of this Company are consolidated will be available from 17 March 2021 at [www.skipton.co.uk/about-us](http://www.skipton.co.uk/about-us) or on request from:

The Secretary  
Skipton Building Society  
The Bailey  
Skipton  
North Yorkshire  
BD23 1DN