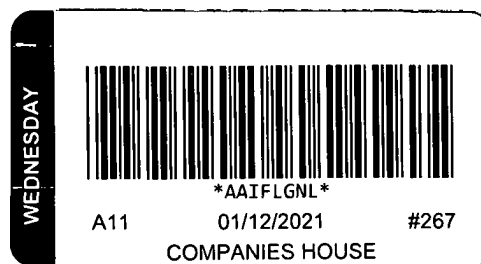


SDL Surveying Limited (Registered number: 02411812)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the year Ended 31 March 2021
For
SDL Surveying Limited**



SDL Surveying Limited (Registered number: 02411812)

**Contents of the Financial Statements
For the Year Ended 31 March 2021**

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SDL Surveying Limited (Registered number: 02411812)

**Company Information
for the Year Ended 31 March 2021**

DIRECTORS:	GP Brewster I J Fergusson S P Jackson C J Webber
SECRETARY:	S K Tuck
REGISTERED OFFICE:	3-4 Regan Way Chetwynd Business Park Chilwell Nottingham Nottinghamshire NG9 6RZ
REGISTERED NUMBER:	02411812 (England and Wales)
AUDITOR:	KPMG LLP St Nicholas House 31 Park Row Nottingham NG1 6FQ

**Strategic Report
for the Year Ended 31 March 2021**

REVIEW OF BUSINESS

Our primary strategy is to deliver a best-in-class Panel Management capability to provide efficient, professional property valuations for residential properties to UK lenders. We continue to grow the size of our operations by increasing volume through outsourced Panel Management contracts whilst maintaining support for our existing clients.

The Coronavirus pandemic had a significant impact on the UK Housing market during FY21 with New Purchase Transaction volumes being significantly down in the first half of the financial year before recovering in second half. This recovery was undoubtedly assisted by the government's decision to provide a temporary reduction to stamp duty. Supported by our leading technology platforms, we have responded well to the pandemic by delivering a seamless transition to home working for operational staff. The development of our property desktop valuation solution meant we were able to successfully minimise disruption to our service delivery and pipeline at a time when travel restrictions were in place.

Despite the challenges of the past 12 months, overall volumes and revenues in our surveying business increased thanks to significant panel management wins. SDL Surveying is the sole panel manager for a number of the leading UK Lenders.

The underlying operating performance of the business has remained strong. As a result of panel management wins, our market share of volumes under management has continue to increase – up from an estimated 13% in FY20 to 14% in the current year. Turnover growth of 11% (to £26.9m) has been further supported by our success in developing our In-house Surveyor business. As at 31 March 2021 we had 107 surveyors, which reflect an increase of 19%.

We continue to work hard on service delivery, with the average time to complete a valuation now at 5 days. Where they are provided, SDL Surveying continues to perform strongly in all the Lender service league tables.

As at 31 March 2021, the business had net assets of £1.8m, £0.5m higher than 31 March 2020 as the business continues to strengthen its balance sheet.

The business will continue to invest in both its platforms and industry leading technology to maintain its service delivery, win additional panel volumes, and to deliver further operational efficiencies.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's revenues and profits are substantially dependent on the volume of housing transactions in the UK residential property market. During recent years, and despite the immediate impact of the Coronavirus pandemic, the mortgage market has been stable, but remains cyclical and subject to changes in consumer confidence. The Company has a focus on retaining key customer relationships through high levels of customer service, which has enabled it to compete successfully in a difficult market.

The Company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

**Strategic Report
for the Year Ended 31 March 2021**

PRINCIPAL RISKS AND UNCERTANTIES - Continued

The long term impact of the pandemic presents a potential risk to the UK Housing Market stability and volumes. The Company's focus on retaining key customer relationships and the maintaining of its ability to effectively manage step changes in volumes will be a key feature in managing the risks as they arise.

Financial KPIs and Other KPIs

	FY21	FY20
Total Panelled Volumes	203,603	195,586
Turnover	£26.9m	£24.3m
EBITDA before Exceptionals	£1.38m	£2.32m
EBITDA margin	5.3%	9.5%
Estimated Market Share	14%	13%

ON BEHALF OF THE BOARD:



.....
S P Jackson - Director

Date: 3 August 2021

**Report of the Directors
for the Year Ended 31 March 2021**

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021 (2020: £Nil).

FUTURE DEVELOPMENTS

We continue in our strategy to grow the business through market share gains driven by our best-in-class service delivery and investment in supporting technology.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

G P Brewster
I J Fergusson
S P Jackson
C J Webber

Other changes in directors holding office are as follows:

C J Anderton – resigned 27 July 2020

RESULTS

The profit for the year, after taxation, amounted to £486,112 (2020: £1,238,861)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

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

ON BEHALF OF THE BOARD:



.....
S P Jackson - Director

Date: 3 August 2021

**Statement of Directors' Responsibilities
for the Year Ended 31 March 2021**

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

Company law requires the directors to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the Independent Auditor to the Members of SDL Surveying Limited

Opinion

We have audited the financial statements of SDL Surveying Limited ("the company") for the year ended 31 March 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Report of the Independent Auditor to the Members of SDL Surveying Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes;
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited incentives, rationalizations and opportunities to fraudulently adjust revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of some of the Company-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

Report of the Independent Auditor to the Members of SDL Surveying Limited

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Report of the Independent Auditor to the Members of SDL Surveying Limited

Other information

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**Report of the Independent Auditor to the Members of
SDL Surveying Limited**

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Craig Parkin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Date: 3 August 2021

SDL Surveying Limited (Registered number: 02411812)

**Profit and Loss Account and Other Comprehensive Income
for the Year ended 31 March 2021**

		2021	2020
	Notes	£	£
TURNOVER	4	26,905,381	24,266,239
Cost of sales		<u>(10,137,264)</u>	<u>(8,382,596)</u>
GROSS PROFIT		16,768,117	15,883,643
Depreciation and amortisation		(767,196)	(636,597)
Administrative expenses	7	(15,944,514)	(13,870,627)
Other operating income	5	<u>530,722</u>	<u>140,280</u>
OPERATING PROFIT		587,129	1,516,699
Profit on sale of fixed assets		-	7,459
Interest receivable	8	107,437	-
Interest payable and similar expenses	9	<u>(59,459)</u>	<u>(180,602)</u>
PROFIT BEFORE TAX	10	635,107	1,343,556
Tax on profit	11	<u>(148,995)</u>	<u>(104,695)</u>
PROFIT FOR THE FINANCIAL YEAR		486,112	1,238,861
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>486,112</u>	<u>1,238,861</u>

Statement of Financial Position
31 March 2021

		2021		2020	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	13		875,390		1,123,290
Tangible Assets	14		1,619,544		1,266,713
Investments	15		202,500		202,500
			<u>2,697,434</u>		<u>2,592,530</u>
CURRENT ASSETS					
Debtors	16	4,454,266		3,008,332	
Cash at bank and in hand		<u>1,007,599</u>		<u>1,119,203</u>	
		5,461,865		4,127,535	
CREDITORS					
Amounts falling due within one year	17	<u>(4,842,939)</u>		<u>(4,177,082)</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>618,925</u>		<u>(49,547)</u>
TOTAL ASSETS			<u>3,316,359</u>		<u>2,542,956</u>
CREDITORS					
Amounts falling due after more than one year	18		(1,121,603)		(937,544)
PROVISIONS FOR LIABILITIES	20		(370,319)		(267,087)
NET ASSETS			<u>1,824,437</u>		<u>1,338,325</u>
CAPITAL AND RESERVES					
Called up share capital	21		10,001		10,001
Share premium	22		2,499,999		2,499,999
Merger reserve	22		(12,239,892)		(12,239,892)
Retained earnings	22		11,554,329		11,068,217
SHAREHOLDERS' FUNDS			<u>1,824,437</u>		<u>1,338,325</u>

The financial statements were approved by the Board of Directors on 3 August 2021 and were signed on its behalf by:



S P Jackson – Director

SDL Surveying Limited (Registered number: 02411812)

**Statement of Changes in Equity
for the Year Ended 31 March 2021**

	Called up share capital	Retained earnings	Share premium	Capital contribution	Merger reserve	Total equity
Balance at 1 April 2019	10,000	9,829,356	-	2,500,000	(12,239,892)	99,464
Profit for the year	-	1,238,861	-	-	-	1,238,861
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	1,238,861	-	-	-	1,238,861
Issue of share capital	1	-	2,499,999	(2,500,000)	-	-
Balance at 31 March 2020	10,001	11,068,217	2,499,999	-	(12,239,892)	1,338,325
Profit for the year	-	486,112	-	-	-	486,112
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	486,112	-	-	-	486,112
Balance at 31 March 2021	10,001	11,554,329	2,499,999	-	(12,239,892)	1,824,437

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

1. STATUTORY INFORMATION

SDL Surveying Limited (the "Company") is a private company, limited by shares, registered in England and Wales. The registered number is 02411812 and the registered address is 3&4 Regan Way, Chilwell, Nottingham, NG9 6RZ.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Mortgage and Surveying Services Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Mortgage and Surveying Services Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its registered office.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Basis of preparation - continued

As the consolidated financial statements of Mortgage and Surveying Services Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

There are no new or amended standards becoming applicable in the near future which will have a material effect on these financial statements. Management will continue to assess the impact of new and amended Standards and Interpretations on an ongoing basis.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The ultimate controlling party, Mortgage and Surveying Services Limited, has restructured its operations in the year through the sale of the majority of its loss making property related services.

Accordingly, from 7 December 2020, the Mortgage and Surveying Services Group ("the Group") only includes those entities which are focussed on the provision of mortgage network, panel management and surveying.

While the initial effect of the first coronavirus lockdown was significant, the Group adapted quickly to allow employees to work from home, providing services remotely wherever possible. Following the end of that lockdown period the housing market has bounced back strongly in terms of both price and volume and the business has been able to deliver strong results throughout both the summer and the second national lockdown.

The group is funded by external bank debt and shareholder loan notes.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Going concern - continued

Despite the strong results subsequent to the first lockdown period, the directors took the decision to secure additional bank funding of £9.1m and additional shareholder funding of £3.5m in order to create additional working capital headroom, settle deferred liabilities arising from government and staff support during the initial lockdown and support the re-organisation of the group.

The directors have prepared detailed cash flow and covenant compliance forecasts for the group for the period of at least twelve months from the date of signing these financial statements. Net debt levels, servicing costs, working capital and covenant requirements are closely monitored and managed in accordance with the Group's objectives, policies and processes, and these have each been considered as part of these forecasts.

These forecasts have considered a severe but plausible downside scenario where there is a significant reduction in the volume of transactions across the housing market over the next 12 months, without assuming any reduction in fixed costs.

The directors note that these forecasts were prepared as part of the refinancing in December 2020 and actual results over the last three months of the financial year and subsequently have exceeded the downside scenario. The latest forecasts for the 12 month period after the approval of these accounts show an increased headroom given the Group performance has exceeded the budget prepared as part of the refinancing.

Based on the forecasts prepared; the trading since the year end; the recent Group restructuring; the additional funding raised; and the covenant headroom provided in the updated borrowing terms, the Directors continue to believe that it remains appropriate to prepare these accounts on the going concern basis.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Turnover comprises panel management fees and administration charges exclusive of value added tax. Panel management fees were recognised when the date had been agreed with the client. Administration charges and survey fees were recognised once the job they related to had been completed.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Government Grants

The Group has elected to present grants related to income as other operating income.

The group has utilised the Coronavirus Job Retention scheme in the year, the total amount received in the year was £382,362 (2020: £Nil).

Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Motor vehicles – 25% straight line

Fixtures and fittings – 25% straight line

Right-of-use assets – straight line over the term of the lease

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 the Profit and Loss Account and Other Comprehensive Income.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Impairment excluding stocks and deferred tax assets

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Impairment excluding stocks and deferred tax assets - continued

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are accounted for in accordance with IFRS 9.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Impairment excluding stocks and deferred tax assets – continued

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

(iv) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Impairment excluding stocks and deferred tax assets – continued

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss account and Other Comprehensive Income, 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 the 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.

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.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

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

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

Interest payable

Interest payable is charged to the Profit and Loss Account and Other Comprehensive Income 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.

Employee and director costs

As of October 2019, all employee and director related costs are incurred directly by SDL Surveying Limited. Prior to this payroll costs were incurred by SDL Group Services Limited, a former subsidiary of Mortgage and Surveying Services Limited.

Payroll costs recharged from SDL Group Services Limited are recognized as a recharge within administration expenses and as such are shown in administrative expenses within the Profit and Loss Account and Other Comprehensive Income and not disclosed as salary or director costs in the notes.

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 that are readily convertible to known amounts of cash with insignificant risk of change in value.

IFRS 16: Leases (See note 19)

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

IFRS 16: Leases (See note 19) - continued

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'creditors' in the statement of financial position.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES – continued

IFRS 16: Leases (See note 19) - continued

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets (assets with a value of less than £5,000) and short-term leases (i.e. leases of 12 months or less). The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Non-derivative financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequently to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment loss

Short term debtors are measured at transaction price, less 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.

Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In recognising the lease liability on additions the Directors have had to make certain assumptions in respect of the value. In particular they have estimated the interest rate implicit in the lease to be between 4.5% and 5%. If this interest rate was increased by 1% for all leases the value of the asset and liability would reduce by £82,018

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

4. TURNOVER

The following is a description of the principal activities from which the Company generates its revenue in line with IFRS 15. For further detail on the accounting policy for the current year please see note 2.

- Panel management fees: The Company recognises fees at the point the survey has been completed and the report provided to the customer. Cash is received from commercial customers on terms which are normal for this type of transaction.
- Administration fees: The Company recognises revenue once the survey it relates to has been completed with cash being received on normal commercial terms.

All turnover was generated in the United Kingdom.

	2021	2020
	£	£
Turnover		
Panel management	25,255,532	22,196,849
Administration charge	1,649,849	2,069,390
	<u>26,905,381</u>	<u>24,266,239</u>

5. OTHER OPERATING INCOME

	2021	2020
	£	£
Government grants	382,362	-
Other operating income	148,360	140,280
Total	<u>530,722</u>	<u>140,280</u>

Government grants relate to the Coronavirus Job Retention Scheme.

Other operating income represents management services provided to related entities.

6. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	12,180,207	8,023,470
Social security costs	1,329,732	939,865
Other pension costs	352,921	236,567
	<u>13,862,860</u>	<u>9,199,902</u>

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

6. EMPLOYEES AND DIRECTORS – continued

The average number of employees during the year was as follows:

	2021	2020
Administrative	<u>258</u>	<u>169</u>

Total director's remuneration for the year was:

	2021	2020
	£	£
Directors remuneration	<u>612,638</u>	<u>256,245</u>
Wages and Salaries	521,942	217,111
Social security costs	69,063	28,771
Other pension costs	<u>21,633</u>	<u>10,364</u>
	<u>612,638</u>	<u>256,245</u>

Effective October 2019 all direct employees' and director costs relating to SDL Surveying Limited are now incurred by the Company. Prior to this payroll costs were incurred by SDL Group Services Limited, a former subsidiary of Mortgage and Surveying Services Limited.

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

	2021	2020
	£	£
Remuneration for qualifying services	257,144	120,028
Company pension contributions to defined contribution schemes	<u>12,617</u>	<u>5,884</u>
	<u>269,761</u>	<u>125,912</u>

7. EXCEPTIONAL COSTS

	2021	2020
	£	£
Exceptional costs	<u>44,238</u>	<u>166,927</u>

Notes to the Financial Statements
for the Year Ended 31 March 2021

7. EXCEPTIONAL COSTS - continued

Administration expenses include exceptional costs relating to extra audit fees from the prior years internal restructuring. (2020: Administration expenses include exceptional items relating to an internal restructuring undertaken during the year).

8. INTEREST RECEIVABLE

	2021 £	2020 £
Intercompany interest receivable	107,437	-
	<u>107,437</u>	<u>-</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Intercompany interest payable	-	121,910
Interest on Lease liabilities	59,459	58,692
	<u>59,459</u>	<u>180,602</u>

10. PROFIT BEFORE TAXATION

Operating profit for the period is stated after charging the following items:

	2021 £	2020 £
Depreciation and amortisation	767,196	636,597
Expenses related to short-term leases	57,776	55,679
Expenses related to low-value assets	67,802	32,751
Defined contribution pension cost	352,921	302,043

Notes to the Financial Statements
for the Year Ended 31 March 2021

11. TAXATION

Analysis of tax expense

	2021 £	2020 £
Current tax:		
Tax	129,943	(29,376)
Adjustments for prior year	23,885	-
Total current tax	153,828	(29,376)
Deferred tax (Origination and reversal of temporary difference)	(17,280)	144,385
Adjustment for prior year	12,447	(6,848)
Effect of tax rate change	-	(3,466)
Total deferred tax	(4,833)	134,071
Total tax expense in Profit and Loss Account and Other Comprehensive Income	148,995	104,695

Factors affecting the tax expense

The tax assessed for the year is higher (2020 – lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2020 £
Profit before income tax	635,107	1,343,556
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 – 19%)	120,669	255,276
Effects of:		
Fixed asset differences	345	8,146
Expenses not deductible for tax purposes	1,345	51,029
R&D expenditure credits	(9,696)	(22,485)
Deferred tax rate differences	-	(3,469)
Group relief	-	(176,954)
Adjustments for prior periods	36,332	(6,848)
Tax expense	148,995	104,695

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

11. TAXATION - continued

UK corporation rate of 25% (effective 1 April 2023) was announced on 05 March 2021 and substantively enacted on 10 June 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset/(liability) at 31 March 2021 has been calculated at 19% (2020: 19%).

12. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>30,000</u>	<u>35,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent Company.

13. INTANGIBLE ASSETS

	Software Development £
COST	
At 1 April 2020	2,270,754
Additions	108,770
At 31 March 2021	<u>2,379,524</u>
AMORTISATION	
At 1 April 2020	1,147,464
Amortisation for the year	356,670
At 31 March 2021	<u>1,504,134</u>
NET BOOK VALUE	
At 31 March 2021	<u>875,390</u>
At 31 March 2020	<u>1,123,290</u>

Notes to the Financial Statements
for the Year Ended 31 March 2021

14. TANGIBLE ASSETS

	Fixtures and fittings	Right-of- use assets	Totals
	£	£	£
COST			
At 1 April 2020	392,202	1,282,659	1,674,861
Additions	40,808	722,549	763,357
At 31 March 2021	<u>433,010</u>	<u>2,005,208</u>	<u>2,438,218</u>
DEPRECIATION			
At 1 April 2020	260,433	147,715	408,148
Depreciation for the year	90,110	320,416	410,526
At 31 March 2021	<u>350,543</u>	<u>468,131</u>	<u>818,674</u>
NET BOOK VALUE			
At 31 March 2021	<u>82,467</u>	<u>1,537,077</u>	<u>1,619,544</u>
At 31 March 2020	<u>131,769</u>	<u>1,134,944</u>	<u>1,266,713</u>

For further disclosure of right-of-use assets refer to note 19.

Notes to the Financial Statements
for the Year Ended 31 March 2021

15. INVESTMENTS

	Shares in group undertakings £	Interest in associate £	Totals £
COST			
At 1 April 2020			
And 31 March 2021	<u>200,000</u>	<u>2,500</u>	<u>202,500</u>
NET BOOK VALUE			
At 31 March 2021	<u>200,000</u>	<u>2,500</u>	<u>202,500</u>
At 31 March 2020	<u>200,000</u>	<u>2,500</u>	<u>202,500</u>

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following

Subsidiary

JV Limited

Registered office: 3 & 4 Regan Way, Chilwell, Nottingham, NG9 6RZ

Nature of business: Surveying

Class of shares	% holding
Ordinary	100.00

	2021
	£
Aggregate capital and reserves	<u>200,000</u>

Associated company

Sesame Bankhall Valuations Services Limited

Registered office: Pixham End, Dorking, Surrey, RH4 1QA

Nature of business: Panel management

Class of shares	% holding
Ordinary	25.00

	31/12/20
	£
Aggregate capital and reserves	<u>790,212</u>

Notes to the Financial Statements
for the Year Ended 31 March 2021

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,924,048	2,219,783
Amounts owed by group undertakings	1,041,026	275,227
Other debtors	580	50,000
Corporation tax	-	29,375
Prepayments	488,610	433,947
	<u>4,454,266</u>	<u>3,008,332</u>

All amounts owed by group undertakings are interest free and repayable on demand apart from a loan to Mortgage and Surveying Services Limited totalling £884,112 (2020: £217,785) on which interest is charged at 7.5%.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Lease liabilities	363,319	201,213
Trade creditors	1,503,290	1,619,539
Amounts owed to group undertakings	200,900	378,329
Corporation tax	136,200	-
Social security and other taxes	471,301	674,492
VAT	565,706	588,498
Accruals and deferred income	1,602,223	715,011
	<u>4,842,939</u>	<u>4,177,082</u>

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

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Lease liabilities	1,121,603	937,544
	<u>1,121,603</u>	<u>937,544</u>

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

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

19. LEASING AGREEMENTS

Right-of-use assets

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as tangible assets (see note 14):

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Balance at 31 March 2020	780,411	225,305	129,229	1,134,945
Additions to right-of-use assets	62,549	544,819	115,181	722,549
Depreciation charge for the year	(90,445)	(206,200)	(23,772)	(320,417)
Balance at 31 March 2021	752,515	563,924	220,638	1,537,077

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	£
2021	
Interest expense on lease liabilities	59,459
Expenses relating to short-term leases	57,776
Expenses relating to leases of low-value assets accounted, excluding short-term leases of low-value assets	67,802
	£
2020	
Interest expense on lease liabilities	58,692
Expenses relating to short-term leases	55,679
Expenses relating to leases of low-value assets accounted, excluding short-term leases of low-value assets	32,751

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

20. PROVISION FOR LIABILITIES

	2021	2020	
	£	£	
Deferred tax	106,613	111,446	
Other provisions	263,706	155,641	
	<u>370,319</u>	<u>267,087</u>	
	Deferred	PI	Total
	Tax	Provision	
	£	£	£
Balance at 1 April 2020	111,446	155,641	267,087
Provided/(Utilised) in the year	(4,833)	108,065	103,232
Balance at 31 March 2021	<u>106,613</u>	<u>263,706</u>	<u>370,319</u>

The PI Provision relates to potential liabilities that could occur from incorrect survey reports being issued.

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and (liabilities) are attributable to the following:

	2021	2020
	£	£
Accelerated capital allowances	<u>(106,613)</u>	<u>(111,446)</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
10,001	Ordinary shares	£1	<u>10,001</u>	<u>10,001</u>

1 Ordinary share of £1 was allotted as fully paid at a premium of £2,499,999 during the prior year.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

22. RESERVES

Share premium – The share premium account is used to record the aggregate amount or value of premium paid when the Company's shares are issued at a premium.

Capital contribution – The capital contribution reserve is used to record contributions from shareholders which are not intended to be re-paid. During March 2019, the company received a contribution of £2,500,000 from its immediate parent, Mortgage and Surveying Services Limited. On 1 October 2019 shares were issued to Mortgage and Surveying Services Limited which converted the capital contribution to share capital and share premium.

Merger reserve – This relates to the acquisition of trade and assets of JV Limited.

Retained Earnings – This reserve relates to the cumulative retained earnings less amounts distributed to be re-paid.

23. RELATED PARTY DISCLOSURES

Sesame Bankhall Valuation Services Limited is an associated company with some common directors. J&E partnership has partners who have an interest in J&E Nominees Limited, a shareholder in Mortgage and Surveying Services Limited which is the Company's ultimate parent company. Transactions with these Related Parties are summarised below:

	2021 £	2020 £
Sesame Bankhall Valuations Services Limited		
Panel management charges	1,649,849	2,069,390
Sales	9,567,085	10,101,136
Management recharges	68,280	98,280
Amount due from related party	1,417,637	1,036,115
J&E Partnership		
Management charges made	(207,851)	(376,282)
Panel fees charged from J&E	(159,714)	(187,350)
Management charges received	29,051	42,000
Amount due (from) / to related party	<u>(21,256)</u>	<u>84,679</u>

The Company has taken advantage of the relief available under FRS101.8(k) in respect of the Related Party Disclosure and does not disclose transactions with wholly owned entities that are fellow group companies.

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

24. ULTIMATE CONTROLLING PARTY

The Company is a subsidiary undertaking of Mortgage and Surveying Services Limited. The results of the Company are included in the financial statements of Mortgage and Surveying Services Limited, incorporated in England and Wales. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from 3 – 4 Regan Way, Chilwell, Nottingham, NG9 6RZ. In the opinion of the directors of Mortgage and Surveying Services Limited there is no ultimate controlling party.

25. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £352,921 (2020: £302,043). Contributions totalling £nil (2020: £nil) were payable to the fund at the balance sheet date.