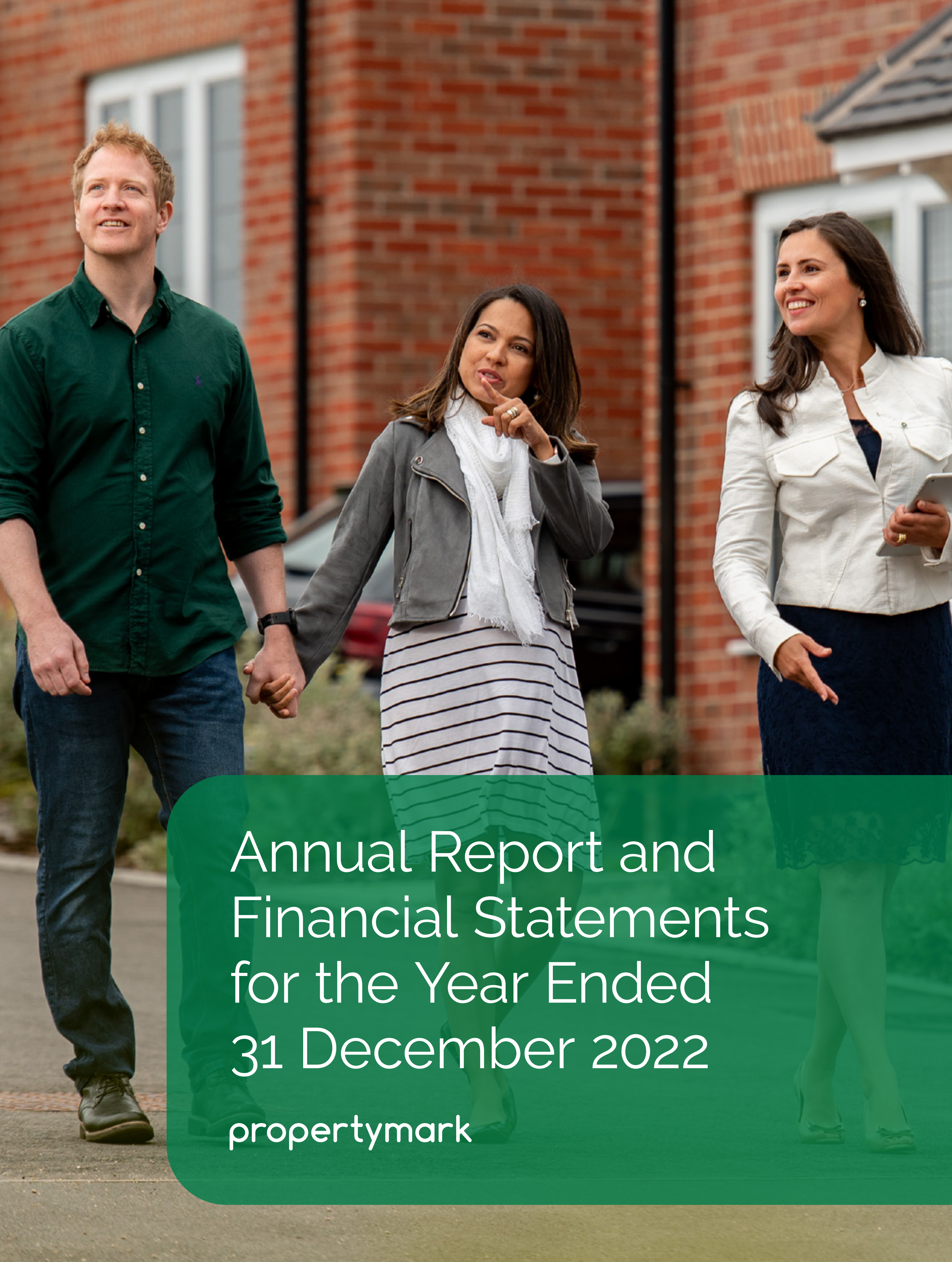


Annual Report and Financial Statements for the Year Ended 31 December 2022

propertymark

COMPANY INFORMATION

DIRECTORS

V J Bannister
N Emerson
N A Heathcote
P J Hemsley
K A McArthur
J Paul
R L Selwyn
S E Wilkinson
M L Liyanage
M Sears

REGISTERED NUMBER 00897907

REGISTERED OFFICE

Arbon House
6 Tournament Court
Edgehill Drive
Warwick
Warwickshire
CV34 6LG

INDEPENDENT AUDITOR

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

CONTENTS

NON-EXECUTIVE CHAIR'S FOREWORD

2021 was a year of laying the foundations and 2022 has been a year of implementation.

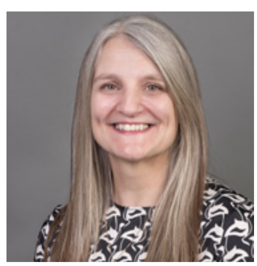
When I first set up the Transformation Programme, the vastness of the work and its ambition was somewhat daunting. To be standing here 3 years on, having completed the projects successfully, professionalised the organisation, improved its standing in the industry and attracted extremely positive sentiment from members, stakeholders and the media, it is immensely satisfying and rewarding. I feel very proud.

The change delivered by the organisation could not have happened if we had not had the support and tremendous efforts of all our staff and our volunteer network and I would like to thank all those involved as we have all achieved this together, as One Propertymark.

The work has been diverse and includes embedding a new Business Strategy that puts members at the heart of everything we do, the implementation of a new Corporate Governance Framework, Risk Management Framework and Regulatory Regime, implementation of a new IT system, the modernisation of Propertymark's qualifications offering, the restructuring of our internal teams and Regional Executive Network, improved content and format of our regional meetings and conferences, embarking on an extensive consumer awareness campaign with Phil Spencer's Move IQ and fostering a more open and transparent culture and communications which was further enhanced by the creation of an in-house PR and Campaigns Team.

Whilst we have had a keen focus on transformation throughout that period, we have not forgotten the day to day needs of our members and have worked against a backdrop of Covid, stamp duty holidays and increasing legislation for the sector, to continue to deliver a full suite of membership services including fact sheets, training, webinars and legal helplines which we know our members value as key benefits.

There is still much work to do to build on the progress to date and the organisation will continue to evolve and improve. As I pass the baton over to a new Chair at the end of my term in June, I can only feel excitement for what I may see from Propertymark in the future as you all work together to professionalise the whole of the property sector.



Nicky Heathcote
Non-Executive Chair

CEO'S FOREWORD

As Nicky has set out, this year was a year of implementation, building on the foundations of last year.

During the year much focus was placed on aligning the sales and lettings Regional Executive Network and saw recruitment into the additional positions that had been created, seeing our volunteer network grow to a healthy 80 plus people. These are important roles that assist our members in their local area.

We have had a successful start with our far-reaching consumer campaign to educate and inform the consumer on the benefits of using a Propertymark Protected agent in partnership with Phil Spencer and his consumer engagement platform Move IQ. So far we have achieved over 1million consumer interactions.

Propertymark Qualifications recognised exceptional learners across eight categories along with formal presentations to more than 100 learners at our biggest ever awards ceremony at the prestigious British Museum. And we held a very successful NAEA National Conference.

Keeping to our Business Strategy commitment to champion all our divisions however big or small, we launched the first ever NAVA and Commercial Market Reports which will provide valuable insight and learning from the Auction and Commercial sector of the industry and complement the existing sales and lettings reports.

A new members Facebook group and forum was introduced and is growing rapidly in numbers and increasing member engagement.

We have seen an extensive increase in our share of industry voice in terms of both trade and national press and media. The team have averaged 513 pieces of coverage per month, a 264% increase from previous year averages, with a peak of 964 in October and we are proud that we won the In-house Team of the Year Award at the Property Press Awards.

During the period we have also had significant success in raising our profile and changing Government's thinking. The key areas of focus have been:

i. Economic Crime
ii. Energy Efficiency
iii. Reforming the Private Rented Sector
iv. Reforming the Home Buying and Selling Process
v. Regulating Property Agents

Our Policy and Campaigns team have built strong relationships, based on credibility and evidence-based arguments, with departments across the UK Government and administrations in Scotland, Wales and Northern Ireland.

Towards the end of 2022, Propertymark made preparations with Scottish Association of Landlords, to lodge a judicial review against the Scottish Government's Cost of Living legislation which prevented landlords from raising rents and regaining possession. This unprecedented course of action which is ongoing, came about as a result of unparalleled legislative restrictions on landlords.

Over the period, we have delivered the new Level four multidiscipline qualification which has been well

CEO'S FOREWORD

received by learners. A remote invigilation system and new CRM system was also delivered in February 2023 which now means learners have access to a seamless digital journey.

We have remained the leading industry provider of qualifications, with the organisation registering 4000 new candidates throughout 2022 and a further 200 apprentices registered for the Junior Estate Agent Standard end point assessment scheme during the year.

At the 2022 Annual General Meeting we adopted changes to our Corporate Governance Framework and Articles of Association which also led to a review and modernisation of our Conduct and Membership Rules. We simplified and aligned routes to membership across all of our divisions which included evolving Propertymark Inventories membership into an accreditation.

Following the review of our Compliance function, the team has undergone expansion and is now working under an even more robust Audit Framework, new risk model and data analysis processes. The additional resource has also led to us being able to provide a new service for members, 'Calm About Compliance' which was launched in Q4 2022.

Our Disciplinary Panel has been refreshed and we have established a new Fitness Panel to consider declarations in connection with 'Fit and Proper' person declarations. The introduction of a new Regulatory Board to follow in 2023.

Propertymark has engaged more openly with industry suppliers which has increased the number of relationships we have within the sector. The increased income generated through these additional partnerships is planned to provide members with free access to regional conferences throughout 2023.

The work I have highlighted could not have been delivered without our dedicated team of people who have not been immune to the current economic challenges and as such Propertymark awarded all its staff with a cost of living payment to support them through these hard economic times.

As Nicky highlighted, there is still much to do, and I too look forward to working with the new Chair to take the organisation to yet another level in the future.

Nathan Emerson
CEO, Propertymark

AGENDA FOR THE PROPERTYMARK ANNUAL GENERAL MEETING, 11AM 29 JUNE 2023

11am 29 June 2023 Delta Marriott, Warwick, CV34 6RE

Nicky Heathcote
Nathan Emerson
Sarah Bunting
Simon Thomson
Greg Tsuman
Michael Holden

1. Welcome from the Chair
2. CEO Opening Remarks
3. Minutes of the Annual General Meeting 17 June 2022
4. Election results
   - NAEA Propertymark Member Elected Board Director
   - ARLA Propertymark Member Elected Board Director
   - ARLA Propertymark Vice President
   - NAEA Propertymark Vice President
5. Presidential Speeches
6. Resolution procedures
7. Ordinary resolutions
8. Any other business

AGM closes

MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING, 17 JUNE 2022

Minutes of a Propertymark Annual General Meeting, held Friday 17 June 2022 at 11:00 at the M40 Warwick Hotel

PRESENTERS

Nicky Heathcote, (NH) – Chair of the Propertymark Board
Nathan Emerson (NE) – Chief Executive Officer
Sarah Bunting (SB) – Head of Finance
Stephen McCarron (SMc) – NAEA Propertymark President
David Votta (DV) – ARLA Propertymark President
Simon Thompson (ST) – Mi-Voice

ATTENDEES

MEMBERS, DIRECTORS AND PROXIES

David Votta
Clive Buckland
Eleanor Bateman
Errol Dyer
Greg Tsuman
Hadley Easterlow
Jan Hÿtch
Jason Lee
Katie Griffin
Liana Loporto-Browne
Louise Johnson
Mark Bentley
Mark Hayward
Maxine Fothergill
Michael Sears
Mish Liyanage
Natalie Barton
Nathan Emerson
Simon Wilkinson
Stephen McCarron
Stuart Collar-Brown
Taj Gill
Tim Green
Toby Leek
Valerie Bannister
Dharmesh Patadia – Proxy Form
Marcus Arundell – Proxy Form
Richard Hancock – Proxy Form

NON-MEMBERS (including staff, visitors, advisors and press)

Nicky Heathcote
Karen McArthur
Paul Hemsley
Catherine Moss
Deeya Ray
Simon Thomson
Rachel Hartley
Jacqui Coburn
Susanne Shepherd
Felicity Humphrey
Mandy Tsang-Wetherald
Kate Bargery
Emma Alaball
Sophia Alichisty

1. WELCOME

The Chair welcomed members to Propertymark's 2022 Annual General Meeting and declared the meeting open as a quorum was present. The Notice of the meeting dated 26 May 2022 was taken as read, there were no objections raised from the floor. The Chair proceeded to detail the format for the 2022 AGM and advised that legal advisors were present to answer any technical queries that might arise from the proposed resolutions.

2. CHIEF EXECUTIVE OFFICER'S OPENING REMARKS

Having been in the role for over one year NE could now see with clarity the movement of his three key focus areas: reputation, stability and results.

The 2021 operating year was still affected by the impact of the Coronavirus (COVID-19) pandemic, however whilst other sectors were hampered by a further lockdown, the housing market continued to stay open and members continued to thrive in what remained a very buoyant market despite the end of the Stamp Duty Land Tax Relief and the low level of stock availability.

Propertymark's Business Strategy is now advancing well, with the delivery focused on the four strategic pillars. 2021 was very much a year of review, structural change and building the foundations for the introduction of new and improved services which will be implemented from 2022 onwards. NE proceeded to detail the achievements under each strategic pillar:

i. Valued Membership Service:

Following the initiation of the Membership Proposition Review, and the creation of the Industry Steering Group, the organisation has started to evolve its membership offering based on the feedback received from members.

In line with the recommendations, the Regional Executive network has been restructured and the content and format of regional meetings and conferences changed. Additional support has been introduced to all of the Regional Executives so that they can take a lead role at their regional events and be more interactive with members in their region.

Despite the challenges of a further lockdown earlier in the year, Propertymark successfully reintroduced face to face meetings and events which included the much-awaited national ARLA Propertymark Conference in December 2021. This was oversubscribed and it provided some great networking opportunities and informative sessions to keep members up to date with legislation and business best practice.

Feedback from all the events has been highly positive, Propertymark will strive to continue to improve as an organisation, and endeavour to keep adapting the events to provide the best possible experience to its members.

One of the next phases of the Membership Proposition Review is the exploration of a new company/corporate membership which will enable businesses to register as Propertymark members in their own right. Propertymark will consult with small, medium and large businesses to ensure it will have the right offering in place and aim to complete the work during 2022.

Whilst there has been a keen focus on transformation throughout the period, Propertymark has not forgotten the day to day needs of its members and has continued to deliver a full suite of membership services including fact sheets, training, webinars and legal helplines which it knows its members value as key benefits.

Putting members truly at the heart of everything Propertymark does has had a positive impact on membership numbers which have grown throughout the year.

ii. Being the Recognised Industry Voice:

Propertymark continues to be the leading professional body for property agents and the collective voice of its members. To optimise its position of influence, it has invested heavily in expanding its Policy Team to become one of the largest of its kind within the sector. In addition, a dedicated in-house PR and Press Team has been established that not only has a full understanding of the needs of its members but has taken great strides in expanding Propertymark's reach with both regional and national media outlets.

New Policy and Comms Forums have been introduced whereby Regional Executives and Advisory Panel members provide market insight and feed directly into responses to the pressing issues its members are facing. These forums ensure Propertymark remains relevant and truly understand the impacts and consequences that government policy decisions can have on its members.

During the period Propertymark has also had significant success in raising the profile and changing Government's thinking in a number of key areas including:

- Published Propertymark's The Future of Renting - position paper ahead of the UK Government's plans to legislate to reform private renting in England.
- Propertymark's campaigning helped to secure a £65 million support package from the UK Government for councils in England to aid low-income earners in rent arrears in the private rented sector.
- Propertymark gave evidence to House of Lords COVID-19 Committee's Towns and Cities Inquiry and to the Committee for Communities in Northern Ireland on the Private Tenancies Bill.
- Launched a research report Lagging behind: energy efficiency in low-viability properties raising concerns over the affordability of retrofitting properties and highlighting those residents in the North of England will be the hardest hit.
- Propertymark worked with the UK Government on the new mortgage guarantee scheme which involved the Housing Minister and Chancellor.
- Our research as published in our Leasehold: A Life Sentence Report was referenced in Parliament by Baroness Andrews during the Second Reading of the Leasehold Reform (Ground Rent) Bill to highlight issues around ground rents and unreasonable service charges.

- Collaborated with the Welsh Revenue Authority on a public engagement campaign regarding Land Transaction Tax.
- Provided AML guidance for FATF (Financial Action Task Force) on risk assessment and mitigation, internal controls and governance, and training and awareness.
- Partnered with Smart Energy GB for the launch of Smart Meter Awareness Week.
- Launched Propertymark's first parliamentary newsletter to 935 UK Parliamentarians.
- Propertymark responded to 26 consultations from governments and inquiries across the UK.
- Produced 16 pieces of guidance for members including FAQ documents and guides on Renting with Pets and Energy Efficiency- preparing the private rented sector for the future.

Policy Team members and key senior people within Propertymark sit on a variety of influential cross sector and government working groups and forums, where it leverages its influence to represent members and the sector's interests.

Alongside that, the Public Relations team have been instrumental in enhancing Propertymark's profile and digital footprint with both the trade and national press. This combined with more relevant tailored marketing campaigns and a focus on proactive engagement with members and the media has led to a noticeable uplift in positive sentiment towards the organisation.

iii. Recognised Industry Standards:

As a professional body, it is of the greatest importance that Propertymark sets and maintains the highest possible standards for its members and that it continues to invest in the provision of high-quality qualifications.

Over the period, Propertymark Qualifications have been developing a remote invigilation system so that members can take examinations at home or in the office and a new CRM system to improve the end-to-end learner journey. The Level 3 and 4 qualifications have been redesigned to provide a more modern offering and the aspiration is to release these initiatives into the market in 2022. The online investment was much needed given that the physical examination centres Propertymark Qualifications has traditionally used remained closed for part of the period due to COVID which affected the ability to award qualifications.

Propertymark Qualifications has remained the leading industry provider of qualifications, with the organisation registering 6,537 new candidates throughout 2021 and a further 235 apprentices registered for the Junior Estate Agent Standard end point assessment scheme during the year.

The highlight of the qualifications calendar was the prestigious Qualifications Awards which saw the highest level of nominations ever received. The achievements of its most successful learners were celebrated at a formal presentation ceremony in London.

All Propertymark members strive to achieve the highest standards possible, however for members to realise the full opportunities of their membership, it is important that the consumer understands the benefits of using a professional Propertymark member. During 2021 the organisation has worked closely with Phil Spencer, a celebrated property media personality, to put in place plans to reinforce the Propertymark brand to the consumer, which will increase consumer recognition in the medium term and differentiate its members within the marketplace.

In order to continually raise standards Propertymark has embarked on a full review of its Compliance function and GDPR requirements. The recommendations will be implemented throughout 2022 which will further strengthen the compliance and audit programmes and provide a robust regulatory framework. This will strengthen Propertymark's position further as it continues to advocate the benefits of introducing the Regulation of Property Agents (ROPA) and how Propertymark is well positioned to become a Designated Regulatory Body in any new regulatory regime.

iv. Future Proofing Propertymark:

During 2021 Propertymark has implemented the new ARCA IT system and a new interactive website. Members now directly benefit from an improved membership gateway, giving access to a member dashboard which allows the user to tailor their individual membership experience. It greatly enhances the organisation's performance management, member engagement and payment gateways.

To ensure the organisation is operating both efficiently and effectively, Propertymark has completed a full review of key contracts and renegotiated terms which are more favourable for the organisation and its members.

Throughout the year Propertymark staff have slowly returned to the office following the lifting of the COVID restrictions and are now operating under a new hybrid Working from Home Policy. Recent years have been difficult for everyone not least its staff and their Health and Well Being is of the utmost importance. Propertymark has introduced a whole programme of staff initiatives together with a new Propertymark People Group and mental health first aiders.

The organisation continues to foster an open and transparent culture with both the CEO and Chair being very visible and approachable. For example, all staff town hall sessions have been held and engagement with the Advisory Panels, Regional Executive Network and external stakeholders across the sector has been increased.

3. MINUTES OF THE 2021 ANNUAL GENERAL MEETING

The minutes of the 2021 Annual General Meeting held on 14 June 2021 were circulated to members in advance of the meeting and no comments or questions relating to the minutes had been received or were raised at the meeting. The Chair declared the minutes a true and accurate record of that meeting.

4. BOARD DIRECTOR, PRESIDENT ELECT AND VICE PRESIDENT ELECTION RESULTS

The elections had been independently administered by Mi-Voice and Simon Thompson (ST) Director of Mi-Voice was invited to declare the results as follows:

NAEA Propertymark Vice President: ST advised that there was only one candidate and the successful candidate is Toby Leek (TL).

ARLA Propertymark President Elect: there were three candidates; Sian Hemming-Metcalfe, Darshan Sunger and Greg Tsuman. The successful candidate is Greg Tsuman (GT).

Two Member Elected Board Director positions: ST advised that there were two candidates and the successful candidates are Michael Sears (MS) and Mish Liyanage (ML).

The Chair congratulated the new appointees and advised that:

Katie Griffin (KG) would be stepping down as a Director from the Propertymark Board as she had now served two terms and thanked her for her valuable input over the last eight years. KG received a round of applause from the audience.

Trevor Palethorpe is the new President for the National Association of Valuers and Auctioneers (NAVA).

Anthony Meadowcroft is the new President for NAEA Propertymark Commercial.

The Chair advised that both of these positions would become member elected positions in the future.

5. PRESIDENTIAL SPEECHES

The Chair invited Stephen McCarron (SM), President, NAEA Propertymark to the stage:

STEPHEN MCCARRON (SM), NAEA PROPERTYMARK PRESIDENT:

SM stated that it was a huge honour to undertake the role of President and congratulated his counterpart for ARLA Propertymark, David Votta. Congratulations were also offered to those newly elected and SM stated that he looked forward to fostering a close working relationship with both NAVA and Commercial.

SM has over 30 years of experience in estate agency having worked his way up through the ranks. Passed over for promotion and driven by a desire to succeed and helping people, SM took the bold step in 1997 to set up his own estate agency business with his wife. Along the way there have been many successes but also challenges and membership of NAEA Propertymark has proved invaluable during such times.

SM detailed the range of member benefits provided and the value for money of membership. The Propertymark Board was seen as visionary with a defined strategic plan to grow the organisation and ensure it is fit for purpose in the future.

As President, SM's focus will be around raising standards and encouraging the younger generation to view estate agency as a good career path. SM will continue to be the conduit for membership to the Propertymark Board and thanked his esteemed colleagues who had already trodden this path before him.

DAVID VOTTA (DV) SPEECH, ARLA PROPERTYMARK PRESIDENT:

DV stated that it was a real honour to accept the role of President and thanked both outgoing Presidents for the sterling work they have achieved in raising awareness of the role of the Presidential Team. DV welcomed GT the newly elected President Elect to the team and was excited to be embarking on a journey with SM, someone that he greatly respects.

Membership of Propertymark has been a source of great benefit both during DV's role in the corporate world and as an independent agent. There has been an incredible transformation going on behind the scenes in Propertymark as the organisation strives to deliver on its four strategic pillars and the huge increase in media coverage has strengthened Propertymark's voice in the industry. The Private Rented Sector (PRS) continually evolves and the organisation needs to be abreast of all legislative changes to assist their members.

DV would like to promote the benefits of Propertymark membership not only to existing but to new potential members so they fully utilise the benefits at their disposal for the benefit of a better PRS. DV would also like to inspire people to seek a career in the industry and believes that great things can be achieved if we step out of our 'comfort zone.'

6. RESOLUTION PROCEDURES

The Chair provided details on the process for voting on the resolutions and advised that no questions had been received ahead of the meeting. The members in the room were advised that if they wanted to ask questions on any of the resolutions being proposed to do so by stating their name and if they were acting as a proxy.

Voting

i. Members are entitled to vote, either in person or by proxy on the resolutions being proposed

ii. Resolutions 1 and 2 are being proposed as ordinary resolutions, for each of those resolutions to be passed, more than 50% of the votes cast must be in its favour.

iii. Resolution 3 is being proposed as a special resolution, for the resolution to be passed, at least 75% of the votes cast must be in its favour.

iv. Each resolution is to be decided on a show of hands unless a poll is validly demanded, before or on the declaration of the result, in accordance with the Company's articles of association.

7. ORDINARY RESOLUTIONS

RESOLUTION 1 - APPROVAL OF THE ANNUAL REPORT AND ACCOUNTS

Resolution 1 set out in the Notice as an ordinary resolution relates to the approval of the Company's annual report and accounts for the year ending December 2021. It was noted that in the pack of papers for the meeting members will have received a copy of the audited accounts.

Sarah Bunting, Head of Finance reported that Propertymark had fulfilled all its audit obligations to its approved auditors Haysmacintyre and proceeded to provide an overview of the financial performance of the Propertymark Group.

The consolidated Group accounts for the year ended 31 December 2021 and had been audited by Haysmacintyre.
The Propertymark Group is made up of three companies:

Propertymark Ltd, limited by guarantee, Propertymark Qualifications Ltd, 100% subsidiary of Propertymark Ltd and Money Shield Ltd, a 51% subsidiary of Propertymark Ltd. Money Shield is now fully consolidated into the Group accounts and the remaining shares are owned by The Tenancy Deposit Scheme Limited.

A full year audit was undertaken in March 2022 and SB was pleased to report that there were no outstanding audit issues, all work had been completed and the accounts had been reviewed and signed off by both Haysmacintyre and the Directors. This followed a full review process where the auditors had reported all of their findings to the Directors.

There were no qualifications or outstanding control points resulting from the audit and once adopted, the accounts were ready for filling at Companies House.

This last year, as is the case for so many other businesses, has continued to be a challenging time to adapt to the periods of full or partial Covid lockdown and Propertymark continues to review ways of working to meet the business needs whilst maintaining financial stability and still focusing on the approved strategy and direction of travel for the organisation.

Propertymark is constantly reforecasting to adapt the business model so that it meets the changing environment and member's needs.

SB presented the consolidated group accounts for the year ended 31 December 2021.

Key Performance Indicators of Propertymark:

- The first KPI is that of Membership numbers. These have shown an increase of 2.9% up to 17,700 members and is a trend which continues in 2022.

- The second key financial measure is that of cash at bank and in hand. This has decreased by £99K in 2021 due to the investment in membership related projects and services, along with the investment in the ARCA IT CRM system. This will provide for a strong financially sustainable base to allow for continued investment into future membership related projects and services.

- A surplus of £277K has been recorded in 2021 which is reflective of a change in the way the business adapted and operated post COVID restrictions - reducing its costs wherever possible and changing work practices to be able to supply valued online courses as well as starting to reintroduce the face-to-face events later in the year. The postponed 2020 ARLA Propertymark Annual Conference took place in December 2021 and is reflected in the figures increasing income and associated costs.

- Net Assets has increased from the prior year due to the surplus already mentioned and now stands at £4.64M. Propertymark continues to focus on supporting members.

Statement of Income:

The consolidated statement of income represents a trading report of the organisation over the whole of 2021. There are several factors driving the change in surplus when you compare 2021 to 2020:

- Turnover has increased by 13.4% primarily due to the ARLA Propertymark Conference income of £560K being reflected in the current year accounts along with continued growth in demand for the courses and events having adapted virtual platforms to deliver courses and maintain income generation.

- Cost of sales have also increased as expected in 2021 by £761K. This again is primarily due to the associated ARLA Propertymark Conference costs of £501K and an associated increase in costs relating to the increase in qualifications activity.

- Administrative expenses have increased by £644K. The main drivers being increased activity compared to 2020 along with the additional staffing and costs associated with the implementation of the new CRM system.

Balance Sheet:

Referring to the Balance Sheet as of 31st December 2021 for the Group.

- Fixed Assets, the only material additions to the fixed assets this year have been investment into the new IT system. This is reflected in the Intangible Asset line.

- Debtors have reduced by £43K over the year primarily due to a reduction in trade debtors due to changing the invoicing process under the new CRM system; offset by additional accrued income due to awaiting the final invoice for the ARLA Propertymark Conference; the balance being made up from the movement in other debtors and prepayments.

- Creditors have decreased overall in 2021 by £320K. This is being driven by a decrease in deferred income from membership and CMP, due to the change in processes as above; accruals have increased mainly due to the additional costs anticipated with the ARLA Propertymark Conference yet to be charged; movements in other creditors, provisions and tax and social security costs.

- The provision line has increased by £35K. The CMP provision relates to any potential CMP claims after year end and is £152K at the year end and the indirect taxes provision relates to any interest penalties that may arise from HMRC and amounts to £123K.

- Overall these factors have contributed to a growth in Net Assets of £277K.

Surplus/Deficit:

Although not a statutory requirement, the figures were provided to give extra clarification to the accounts with the surplus figures split down by company within the group.

- Propertymark Ltd is driving the overall surplus for the year with a positive contribution of £364K.

- Propertymark Qualifications has recorded a loss for 2021 of £126K. Sales increased compared to 2020 due to exam centres reopening post covid restriction negated partly by an increase in associated exam costs and an increase in overall administration costs. The company does however have strong reserves which helps to absorb this loss.

- Money Shield Ltd made a surplus in the period of £39K with an increase of members to 540 at the year end.

As no questions had been submitted ahead of the meeting regarding the Accounts and none were offered from the floor SB proposed the acceptance of Resolution 1 as an ordinary resolution. Three proxy votes had been received and all were in favour of the resolution. A show of hands in favour of the resolution was requested from the floor.

It was declared that Resolution 1 was passed by the necessary majority on a show of hands as an ordinary resolution.

ORDINARY RESOLUTION 2

Resolution 2 set out in the Notice as an ordinary resolution relates to the appointment of Haysmacintyre as auditor and the authorisation of the auditor's remuneration by the Audit and Risk Committee.

As no questions had been submitted ahead of the meeting and none were offered from the floor, SB proposed the acceptance of Resolution 2 as an ordinary resolution. Three proxy votes had been received and all were in favour of the resolution. A show of hands in favour of the resolution was requested from the floor.

It was declared that Resolution 2 was passed by the necessary majority on a show of hands as an ordinary resolution.

8. SPECIAL RESOLUTION

Resolution 3 set out in the Notice as a special resolution relates to the approval of the adoption of new Articles of Association of the Company in substitution for and to the entire exclusion of the existing Articles of association.

The Chair detailed that over the past year Propertymark had undertaken a review of its Corporate Governance Framework and compliance function. In the summer of 2021, a new Audit and Risk Committee and a new Nominations and Remuneration Committee were established to support the main Propertymark Board. Both are chaired by two new Non-Executive Directors and each committee has three Member Elected Board Directors within its membership. The structure of the Qualifications Governing Body has also been changed so that, as an awarding body, it has a more appropriate level of oversight and independence.

2022 will see the implementation of a new Regulatory Board and a new Fitness Panel and the adoption of new modernised Articles of Association for Propertymark Qualifications Limited and also the formalisation of the divisional Advisory Panels within its Governance Framework. The Advisory Panels are made up from the membership and are extremely important to the organisation, as they are used to test new ideas and gain valuable up to date market insight. They also act as a conduit for the Regional Executive Networks, who are all property professionals from across the four nations and have their ears on the ground within their regions. The Chair often refers to information gleaned from those meetings when in discussions with stakeholders and government, so from a personal perspective, is very grateful to have those forums in place.

The Governance Review also looked at Propertymark's Articles of Association to ensure they are fit for purpose and truly reflect how the organisation operates. In the current Articles, the language is very antiquated and refers to items you would not normally see in a company's Articles. A company's Articles of Association should set out how the organisation and the Board will operate, anything else should feature in the various levels of the company's Corporate Governance Framework – such as its Conduct and Membership Rules and Terms of Reference for its Board and supporting committees.

With this in mind, Propertymark engaged the services of legal advisors and set to work to modernise the language and procedures in the Articles and to incorporate best practice. This led to a fundamental re-write of the Articles of Association, which meant it was difficult to offer a line-by-line comparison between the current and the new Articles, as a result The Chair highlighted some of the changes which may be of interest to the members today.

The main change is the modernisation of the language and procedures, the new Articles now set out more clearly the objects of the organisation and how it and the Board should operate. They now provide for meetings to be held electronically, something the members liked when the Government put temporary legislation in place during covid to allow AGMs to be held online.

Propertymark have now incorporated standard wording around the general provisions with regards to meeting proceedings, votes, powers and conflicts of interest so these now align with current company law and are more robust.

Based on the legal advice, the company have also changed the quorum for general meetings to five people, previously this was twenty. Whilst the advice was to reduce to two people as it allows for flexibility and is in line with best practice, Propertymark are proposing five people as it felt that two was a little too low, and five was more appropriate.

The second main change is that the Articles have been updated so they reflect how the organisation actually operates on the ground. For example, since re-defining the CEO role last year, the Chair role has moved from an Executive Chair position to a more independent Non-Executive Chair role, the new Articles now reflect this. They also formalise the new CEO position as a directorship, giving flexibility for the terms of the appointment to be decided by the Board.

A provision has been introduced for the Board to determine any remuneration for Member Elected Directors. Currently the Articles only allow for remuneration of the Non-Executive Directors, including the Chair. The Member Elected Directors can only be compensated if they undertake an executive role.

Over the past few years, there have been incidents where directors have undertaken work that is over and above their normal duties as a director, taking them away from their businesses for, in some cases, not an insignificant amount of time. Whilst the organisation has been very grateful for their additional support, the Articles have curtailed any ability for the company to compensate them for the extra time they have given, for their expertise or any impact on them personally. This seems unfair, so the introduction of this provision gives the organisation the ability to give a level of remuneration if needed going forward.

As a matter of good governance, it was noted that no director will be involved in any decisions regarding their own remuneration. This is the case currently with regards to the Chair, the Non-Executive Directors, the CEO and any of the directors who have undertaken executive roles. The Chair is very clear that any conflicts of interest will be managed appropriately if this provision is adopted.

As previously mentioned, there are also references in the current Articles to items normally included elsewhere in an organisation's Corporate Governance Framework, most notably their Conduct and Membership Rules. So, the third main change is that Propertymark have omitted those elements from the new Articles as a matter of best practice. This includes things such as who is eligible to be a member, classes of membership, membership applications and termination of membership. Where elements remain relevant, these have been moved to the Conduct and Membership Rules.

References to advisory forums and branches have been removed as again they should be incorporated into the wider Corporate Governance Framework. As mentioned earlier, the Advisory Panels are being formally incorporated within the framework and the Panels now have a standard set of Terms of Reference across all divisions. The Chair was pleased to advise that the Presidential Team positions now have their own class of membership within the Rules which rightly elevates the importance of these roles.

Concluding, the Chair gave a strong assurance that any elements removed from the Articles have been reviewed to see if they are still relevant and where this is the case, they have been incorporated elsewhere in the Corporate Governance Framework. The AGM pack included a copy of the amended Conduct and Membership Rules so that members can also see the changes made there.

Propertymark's role is to uphold the highest standards and these modern set of Articles of Association will complement the changes it has made to Propertymark's Corporate Governance Framework so far and the Board are very confident that this will further professionalise the organisation and stand the organisation in good stead if the Regulation of Property Agents (ROPA) is taken forward as anticipated by the government.

As no questions had been submitted ahead of the meeting regarding the new Articles of Association of the Company and none were offered from the floor the Chair proposed the acceptance of Resolution 3 as a special resolution. Three proxy votes had been received and all were in favour of the resolution. A show of hands in favour of the resolution was requested from the floor.

It was declared that Resolution 3 was passed by the necessary majority on a show of hands as a special resolution.

9. ANY OTHER BUSINESS

There were no questions from the floor and the Chair advised that no questions had been submitted ahead of the meeting.

The Chair thanked everyone for attending and declared the 2022 Annual General Meeting of Propertymark closed at 11:50.

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic Report of the company and the group for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

Propertymark is the leading professional body for property agents, with over 17,000 memberships, our practicing agents help people to buy, sell and rent their homes every day.

Launched in February 2017, Propertymark combined five different associations (ARLA, NAEA, NAVA, ICBA and APIP) under a single brand. This brought together professional agents from across the sector including lettings, sales, auctioneers, valuers, commercial and inventories.

Our core objectives are to uphold recognised industry standards, provide valued membership benefits and be the leading industry voice.

Propertymark sets high professional standards for its members through adherence to a Code of Conduct and Rules, including maintaining client money accounts and obligatory Client Money Protection cover where relevant. Members must also afford consumers access for resolution of disputes through one of the Approved Redress Schemes.

The drive to improve standards is also achieved through the provision of Propertymark Qualifications which offers a range of formal Ofqual recognised accreditations at different levels. We also deliver industry-leading training programs and enforce mandatory Continuing Professional Development.

Propertymark provides a continuous source of guidance, advice and research through a comprehensive program of workshops, conferences and events. Our expanding series of webinars, blogs, fact sheets and integrated regional networks support all the professional disciplines within our membership regardless of their size.

The gathering of in-depth research and industry insight enables Propertymark to advocate and lobby on behalf of our members across the UK nations, making us one of the leading voices within the property sector and a go to organisation for Government on policy issues. This involves liaising closely with those Government departments that have responsibilities for the Housing sector or where their remit touch on member business, including the Department for Levelling Up Housing and Communities (DLUHC), HM Treasury and HM Revenue and Customs.

Direct communication is also maintained with the National Trading Standards Estate and Letting Agents Team (NSLEAT) which has an overall compliance responsibility within the sector. In addition there is further active participation in industry groups and working parties. This demonstrates that Propertymark is a credible and influential voice which drives positive change and protects members through explaining Government direction, assessing the potential impact of emerging legislation and enabling members to prepare in advance of market developments.

OPERATIONAL REVIEW

Having come through the Coronavirus (COVID-19) pandemic, the 2022 operating year returned to normal trading conditions.

Our Business Strategy is now well on the way to delivery and focused around our four strategic pillars. 2022 was very much a year of implementing the outcomes of the reviews undertaken in 2021.

VALUED MEMBERSHIP SERVICE

During the year much focus was placed on aligning the sales and lettings Regional Executive Network and saw recruitment into the additional positions that had been created, seeing our volunteer network grow to a healthy 80 plus people. These are important roles that assist our members in their local area.

We held our first full multi discipline Regional Executive Training days incorporating the divisional Advisory Panel meetings. These are valuable days for the Regional Executives to come together to receive training and also share their knowledge and expertise with their peers across all divisions.

We held a highly successful NAEA Propertymark Conference which was hosted by TV personality and industry expert Phil Spencer with whom Propertymark has entered into a substantial partnership which will see members directly promoted to the consumer through his consumer engagement platform Move IQ. This spearheads the first stage of a multiyear, wide reaching consumer campaign, to educate and inform the consumer on the benefits of using a Propertymark Protected agent. This has seen over 1million consumer interactions to date.

In 2023 we will aspire to provide members with free access to full sized regional conferences and for the organisation to undertake its first ever multi discipline national conference.

Propertymark Qualifications recognised over 100 learners over an expanded number of award categories with formal presentations at an awards ceremony at the prestigious British Museum. This was the largest celebration of Qualifications ever held within Propertymark and sets the stage for further expansion in the coming years.

Within our Business Strategy we have been clear that we will champion all divisions however big or small and as part of that commitment we have launched the first NAVA and Commercial Market Reports which will provide valuable insight and learning from the Auction and Commercial sector of the industry to complement the existing sales and lettings reports.

Work has continued on the Membership Proposition Review and the exploration of a new Company/Corporate membership which will enable businesses to register as Propertymark members in their own right. The implementation requires IT improvements and structural changes therefore implementation will take place during 2023.

A new members Facebook group and forum has been introduced and is growing rapidly in numbers and increasing member engagement.

Putting members truly at the heart of everything we do continues to have a positive impact on membership numbers.

BEING THE RECOGNISED INDUSTRY VOICE

Propertymark continues to be the leading professional body for property agents and the collective voice of its members. To optimise our position of influence, we have invested heavily in expanding our Policy Team to become one of the largest of its kind in the sector.

The in house PR and Press Team is now truly embedded and we have seen an extensive increase in our share of industry voice in terms of both trade and national press and media. The team have averaged 513 pieces of coverage per month, a 264% increase from previous years averages, with a peak of 964 in October. We are proud that they were also shortlisted for the In-House Team of the Year Award for PR Week, a globally recognised prestigious award and won the In-house team of the Year Award at the Property Press Awards recognised alongside other winners from The Times, The Telegraph and The Financial Times.

The new Policy and Comms Forums structure utilising Regional Executives to provide insight and directly feed into our responses to the pressing issues our members face is now embedded. These forums continue to ensure we remain relevant and truly understand the impacts and consequences that government policy decisions can have on agents.

During the period we have also had significant success in raising the profile and changing Government's thinking in a number of key areas including:

- Propertymark lobbying helped secure additional UK Government funding for local authority enforcement in the private rented sector, UK Government standards for the short term lettings industry and the introduction of the Register of Overseas Entities where we ran a virtual workshop with members and Companies House on implementation of the Register.

- Engagement with government departments across the UK including hosting a webinar with the Home Office explaining the changes to Right to Rent, DLUHC's pre-consultation workshops on introducing a decent homes standard for the private rented sector, shaping the material information for property listings rules and meetings with the Chair of the Scrutiny Panel and the Deputy Chief Minister in Jersey regarding the regulation of estate agents.

- Research was published on 'A shrinking private rented sector' working with BBC, which was quoted in the UK Parliament and Scottish Parliament, 'The impact of short-term/holiday lets on UK housing' and 'Cost of Living (Tenant Protection) (Scotland): Letting Agent Insight', which formed the basis of our legal challenge and Judicial Review against the Scottish Government.

- Propertymark gave oral evidence to Scottish Parliament's Local Government, Housing and Planning Committee as well as to the Welsh Parliament's Climate Change, Environment, and Infrastructure Committee and the Welsh Parliament's Local Government and Housing Committee.

- Political engagement with all major political parties, meeting politicians and speaking at the New Statesman and Lloyds Banking Group & Nationwide Building Society fringe at Labour Party Conference.

- Held three roundtable events with Propertymark members and Scottish Government officials to discuss the Draft Rented Sector Strategy and inform our response to the consultation – the Housing Minister and Labour Housing Spokesperson attended.
- Responded to 26 government and parliamentary consultations.
- Produced 16 pieces of separate guidance for members.
- 12 separate briefings were sent to politicians ahead of key Parliamentary debates.
- Propertymark was mentioned 18 times in Parliament.

Policy Team members and key senior people within Propertymark sit on a variety of influential cross sector and government working groups and forums, where we leverage our influence to represent members and the sectors interests with numerous areas of success.

Propertymark along with Scottish Association of Landlords launched a judicial review of the PRS housing policy in Scotland which is the first such action undertaken by the organisation.

RECOGNISED INDUSTRY STANDARDS

As a professional body, it is of the greatest importance that Propertymark continues to set and maintains the highest possible standards for its members and that we continue to invest in providing high quality qualifications provision.

Over the period, we have delivered the new Level 4 multidiscipline qualification which has been well received by learners. A remote invigilation system and new CRM system were delivered however their launch was delayed due to the need for additional API patches between the relevant software systems having to be custom built. We are pleased to say all of the new qualifications systems finally went live in February 2023 which now means learners have access to a seamless digital journey.

We have remained the leading industry provider of qualifications, with the organisation registering 4000 new candidates throughout 2022 and a further 200 apprentices registered for the Junior Estate Agent Standard end point assessment scheme during the year.

At the 2022 Annual General Meeting we adopted changes to our Corporate Governance Framework and Articles of Association which also led to a review and modernisation of our Conduct and Membership Rules. We simplified and aligned routes to membership across all of our divisions which included evolving Propertymark Inventories membership into an accreditation.

Following the review of our Compliance function, the team has undergone expansion and is now working under an even more robust Audit Framework, new risk model and data analysis processes. The additional resource has also led to us being able to provide a new service for members, ‘Calm About Compliance’ which was launched in Q4 2022.

The Disciplinary Panel has been refreshed and we have established a new Fitness Panel to consider declarations in connection with ‘Fit and Proper’ person declarations. 2023 will see the establishment of a new Regulatory Board which will be an independent governing body with oversight of the disciplinary and compliance functions giving it true separation from our membership functions.

FUTURE PROOFING PROPERTYMARK

Propertymark has engaged more openly with industry suppliers which has increased the number of relationships we have within the sector. The increased income generated through these additional partnerships is planned to provide members with free access to regional conference throughout 2023.

Overall employee numbers have expanded considerably throughout the year and currently stands at 79 which has enabled us to enhance the service we provide to our members.

It stands to reason that Propertymark's people are not immune to the current economic challenges and as such Propertymark awarded all staff with a cost of living payment to support them through these hard economic times.

KEY PERFORMANCE INDICATORS

Following considerable expansion and further ongoing investment taking place during the financial year, the group results show a positive surplus of £298K to be utilised towards further enhancing member benefits.

Turnover, measured on a like for like basis, has increased by 5.4% (2021 13.4%) The turnover was £8,386K (2021 £7,957K) and cost of sales £2,819K (2021 £2,682K). Administrative expenses for the group were £5,276K (2021 £5,010K) Cash and bank have increased to £5,469K (2021 £4,281K) providing a strong financial sustainability for future support to our members. Net assets £4,943K (2021 £4,645K) have increased as a result of the current year surplus of £298K.

Membership numbers remained stable this year within 1.5% at 17,477 (2021:17,700)

PRINCIPAL RISK AND UNCERTAINTIES

The economic environment continues to be impacted by the cost of living crisis, rising inflation, interest rates and the war in Ukraine.

2022 continued to see a lack of available stock comparative to demand in both sales and lettings. This led to continued rising of house prices in the first half of the year although signs of softening due to the current economic crisis are now being seen. In the rental sector, landlords are still leaving the market altogether which is further exacerbating supply and continuing to push up rental prices.

There maintains an ongoing issue around staff retention and recruitment in the sector which has continued to force salary increases which is putting pressure on many small and medium sized business.

In a low stock market, it is even more important that the consumer actively chooses to use the services of one of our professional members over those of others. Our joint initiative with Phil Spencer continues to promote the benefits of using a Propertymark agent continuingly increase consumer awareness and enabling us to set a differentiator for our members within the market. The introduction of dedicated social media resource within Propertymark during 2022 has also enhanced our presence across online platforms where the consumer will further recognise and familiarise themselves with our brand.

Propertymark will continue to voice member concerns and influence Government policy making at every level so that we can mitigate against any unintended consequences for our members from any new measures being introduced. Having expanded our Policy and Campaigns Team and embedded our new PR and Press Team we are in a very strong lobbying position. To ensure Propertymark's responses remain evidence based and we are influencing insight across the sector, we will put additional focus on getting as many members as possible to complete our monthly surveys and encouraging our members to feed into other studies such as the BBC's 'Is the private rented sector under attack? Help us defend it'.

Our members strive to maintain high standards and tell us they are keen to see Government introduce the Regulation of Property Agents (ROPA), however it remains uncertain as to when this will happen. This is problematic as the market needs to be able to prepare for its implementation and to plan for the necessary investment that will be needed, not least in qualifying its agents. To help provide that clarity for members, we will be keeping ROPA at the forefront of ministers thinking and pushing to make it a reality by joining forces with like-minded MPs and other professional bodies in the sector and leading a campaign for its introduction.

There are emerging competitors to Propertymark within the qualifications arena. We are engaging with these providers to see how we can work together to increase membership and support overall raising of standards across the industry, Our new modernised and online qualifications offering will ensure Propertymark remains the first choice for the majority of learners

Recruitment remains a difficult environment across many sectors. Maintaining and recruiting good people so that Propertymark can continue to support its members and learn and evolve is critical and remains a key risk. To ensure we have a full understanding of the concerns our people we have designed and are launching a new Employee Engagement Survey and will proactively act on the results.

Despite the considerable volume of acquisitions and mergers throughout the sector, Propertymark membership numbers have remained steady throughout 2022 and the small increase to membership fees will help us to continue investing in member benefits and offset increased operating costs as we move forward.

CORPORATE GOVERNANCE

The group currently has a Management Team made up of a Chief Executive, Head of Operations, Head of Finance, Head of Policy and Campaigns, Head of Qualifications and Head of Marketing & Communications.

The Propertymark Board consists of the Chairperson, three member elected Directors from the sales division, three member elected Directors from the lettings division, two independent Non-Executive Directors and the Group CEO. The Board meets at least once a quarter.

Following a Corporate Governance Review and a Review of the Compliance Department, Propertymark implemented a new Corporate Governance Framework for Propertymark Limited (PM) and also its subsidiary company Propertymark Qualifications Ltd (PMQ) which included:

- Adoption of new Articles of Association for PM and for PMQ.
- Amendments to the Member Code of Conduct and Rules.
- New Propertymark Board and Propertymark Qualifications Governing Body Terms of Reference (ToR) and reporting mechanisms.

- New prospectus and selection process for Non-Executive and Member Elected Directors.
- Establishing a new Fitness Panel with ToR and selection criteria. With a new Regulatory Board to follow in 2023.
- Renaming and new ToR for the divisional Advisory Panels.
- Introducing Presidential Team Terms of Engagement and Commitment Letter and new selection process and induction.

This report was approved
by the board on 16 May 2023
and signed on its behalf.

N. Heathcote

N A Heathcote, Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The surplus for the year, after taxation and minority interests, amounted to £281,614 (2021 - £257,917).

No dividends will be distributed for the year ended 31 December 2022 (2021: £Nil).

DIRECTORS

The directors who served during the year were:

V J Bannister
N Emerson
K L Griffin (resigned 17 June 2022)
N A Heathcote
P J Hemsley
K A McArthur
J Paul
R L Selwyn
S E Wilkinson
M L Liyanage (appointed 17 June 2022)
M A Sears (appointed 17 June 2022)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

MATTERS COVERED IN THE GROUP STRATEGIC REPORT

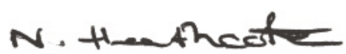
The strategic review and future prospects, principal risks and uncertainties, and the financial key performance indicators are included in the Group Strategic Report.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved
by the board on 16 May 2023
and signed on its behalf.



N A Heathcote, Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMARK LTD

OPINION

We have audited the financial statements of Propertymark Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION 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 Group 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 Group Strategic Report and the 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 28, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, tax legislation regarding payroll, VAT and corporation tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including the CMP provision.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors responsibilities. This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Ian Daniels (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG
18 May 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	8,386,351	7,957,147
Cost of sales		(2,819,273)	(2,682,239)
GROSS SURPLUS		5,567,078	5,274,908
Administrative expenses		(5,276,082)	(5,010,066)
OPERATING SURPLUS	5	290,996	264,842
Interest receivable and similar income	9	14,864	4,617
SURPLUS BEFORE TAXATION		305,860	269,459
Tax on surplus	10	(7,849)	7,673
SURPLUS FOR THE FINANCIAL YEAR		298,011	277,132
SURPLUS FOR THE YEAR ATTRIBUTABLE TO:			
Non-controlling interests		16,397	19,215
Owners of the parent Company		281,614	257,917
		298,011	277,132

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 45 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 £		2021 £	
FIXED ASSETS					
Intangible assets	11		718,039		820,194
Tangible assets	12		1,588,063		1,645,539
			2,306,102		2,465,733
CURRENT ASSETS					
Debtors: amounts falling due within one year	14	1,169,825		1,322,448	
Cash at bank and in hand	15	5,468,937		4,281,214	
		6,638,762		5,603,662	
Creditors: amounts falling due within one year	16	(3,863,969)		(3,150,291)	
NET CURRENT ASSETS			2,774,793		2,453,371
TOTAL ASSETS LESS CURRENT LIABILITIES			5,080,895		4,919,104
PROVISIONS FOR LIABILITIES					
Other provisions	17	(138,311)		(274,531)	
			(138,311)		(274,531)
NET ASSETS			4,942,584		4,644,573
RESERVES					
Profit and loss account	18		4,920,907		4,639,293
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			4,920,907		4,639,293
Non-controlling interests			21,677		5,280
			4,942,584		4,644,573

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 CONTINUED

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2023

N. Heathcote

N A Heathcote, Director

The notes on pages 45 to 62 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 £		2020 £	
FIXED ASSETS					
Intangible assets	11		619,526		792,177
Tangible assets	12		1,588,063		1,645,539
			2,207,589		2,437,716
CURRENT ASSETS					
Debtors: amounts falling due within one year	14	968,302		1,113,936	
Cash at bank and in hand	15	3,342,732		2,024,031	
		4,311,034		3,137,967	
Creditors: amounts falling due within one year	16	(3,475,579)		(2,894,864)	
NET CURRENT ASSETS/ (LIABILITIES)			835,455		243,103
TOTAL ASSETS LESS CURRENT LIABILITIES			3,043,044		2,680,819
PROVISIONS FOR LIABILITIES					
Other provisions	17	(138,311)		(274,532)	
			(138,311)		(274,532)
NET ASSETS			2,904,733		2,406,287
RESERVES					
Profit and loss account	18		2,904,733		2,406,287
			2,904,733		2,406,287

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 CONTINUED

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2023

N A Heathcote, Director

The notes on pages 45 to 62 form part of these financial statements.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The company made a surplus of £216,116 (2021: £357,451) during the year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Profit and loss account £	Non-controlling interests £	Total equity £
At 1 January 2022	4,639,293	5,280	4,644,573
Surplus for the year	281,614	16,397	298,011
AT 31 DECEMBER 2022	4,920,907	21,677	4,942,584

The notes on pages 45 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Profit and loss account £	Non-controlling interests £	Total equity £
At 1 January 2021	4,381,376	(13,936)	4,367,440
Surplus for the year	257,917	19,216	277,133
AT 31 DECEMBER 2021	4,639,293	5,280	4,644,573

The notes on pages 45 to 62 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Profit and loss account £	Total equity £
At 1 January 2022	2,406,287	2,406,287
Surplus for the year	216,116	216,116
AT 31 DECEMBER 2022	2,622,403	2,622,403

The notes on pages 45 to 62 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Profit and loss account £	Total equity £
At 1 January 2021	2,048,836	2,048,836
Surplus for the year	357,451	357,451
AT 31 DECEMBER 2021	2,406,287	2,406,287

The notes on pages 45 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	298,011	277,132
ADJUSTMENTS FOR:		
Amortisation of tangible assets	182,386	104,603-
Depreciation of tangible assets	78,765	91,373
Interest received	(14,864)	(4,617)
Taxation charge	7,849	(7,673)
Decrease/(increase) in debtors	190,861	(43,187)
Increase/(decrease) in creditors	670,393	(322,698)
(Decrease)/increase in provisions	(136,220)	34,968
Corporation tax (paid)/received	(2,803)	10,476
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,274,378	140,377
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	(80,230)	(205,092)
Purchase of tangible fixed assets	(21,289)	(39,094)
Interest received	14,864	4,617
NET CASH FROM INVESTING ACTIVITIES	(86,655)	(239,569)
NET (INCREASE)/DECREASE IN CASH AND CASH EQUIVALENTS	1,187,723	(99,192)
Cash and cash equivalents at beginning of year	4,281,214	4,380,406
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	5,468,937	4,281,214
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	5,468,937	4,281,214

The notes on pages 45 to 62 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	4,281,214	1,187,723	5,468,937
	4,281,214	1,187,723	5,468,937

The notes on pages 45 to 62 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Propertymark Ltd is a private company limited by guarantee and incorporated in England and Wales. Its registered head office is located at Arbon House, 6 Tournament Court, Edgehill Drive, Warwick, Warwickshire, CV34 6LG.

The principal activity of the company and group are detailed in the group strategic report.

The financial statements are presented in Sterling ("£").

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting power of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for the entity as a subsidiary and recognises a non-controlling interest.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before is recognised:

Membership fees are included in the Statement of Comprehensive Income, in the period to which they relate. Advanced payments in respect of membership fees are deferred and recognised over the course of the membership term.

Education and training, publications, seminars and events along with all other income (including entrance fees, conferences and events, CPD training and book sales) are recognised in the Statement of Comprehensive Income in the period in which the services or goods are provided.

Client money protection (CMP) income is in relation to fees received from customers in order to demonstrate that they are Propertymark Protected. This is accounted for in the period to which they relate.

2.4 Going concern

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic review and future prospects section of the Group Strategic report.

After reviewing the group's forecasts and projections for the period ending 30 June 2024, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development - 5 years

Amortisation is charged on intangible assets at the point in which it is classified as available for use.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Leasehold property - 2%
Fixtures and fittings - 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Operating leases: the group as lessee

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

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Interest income

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

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Client Money Protection (CMP) provision:

A provision is made in respect of management's best estimate of the likely exposure in relation to client money protection. In making such an estimate management have, in particular, considered claims that have been notified up to the date of approving these financial statements and their experience of the historic delay in being informed of potential claims.

4. TURNOVER

An analysis of turnover by class of business is as follows:	2022 £	2021 £
Membership fees	3,874,576	3,760,715
Education and training	1,937,567	1,436,757
Publications	55,729	61,388
Seminars and events	461,292	808,678
Client money protection income	1,949,692	1,784,604
Other	107,496	105,005
	8,386,352	7,957,147

All turnover arose within the United Kingdom.

5. OPERATING SURPLUS

The operating surplus is stated after changing:	2022 £	2021 £
Depreciation and amortisation of fixed assets	261,151	195,976
Other operating lease rentals	82,410	83,762

6. AUDITORS' REMUNERATION

During the year, the Group obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	25,000	21,350
Fees payable for the audit of the group's subsidiaries annual financial statements	13,350	11,050
Taxation compliance services	7,000	6,000
Tax advisory	4,460	7,975
All other services		1,400

7. EMPLOYEES

Staff costs were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	2,690,611	2,478,591	2,690,611	2,478,591
Social security costs	280,811	253,393	280,811	253,393
Defined pension contribution scheme	107,000	120,804	107,000	120,804
	3,078,422	2,852,788	3,078,422	2,852,788

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Administration	76	68	76	68

During the year, a total of key management personnel compensation of £627,701 (restated 2021: £669,203) was paid. The directors have updated those who are considered to key management personnel in the current year.

8. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	381,128	354,375
Defined pension contribution scheme	7,744	5,810
	388,872	360,185

The highest paid director received remuneration of £243,484 (2021: £176,950).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,744 (2021: £3,544).

4 directors (2021: 4) have received remuneration in the year.

9. INTEREST RECEIVABLE

	2022 £	2021 £
Other interest receivable	14,864	4,617
	14,864	4,617

10. TAXATION

	2022 £	2021 £
CORPORATION TAX		
Current tax on surplus for the year	7,849	(7,673)
	7,849	(7,673)
TOTAL CURRENT TAX	7,849	(7,673)
DEFERRED TAX		
TOTAL DEFERRED TAX	-	-
TAXATION ON LOSS ON ORDINARY ACTIVITIES	7,849	(7,673)

10. TAXATION (CONTINUED)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:	2022 £	2021 £
Profit on ordinary activities before tax	305,860	269,459
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	58,113	51,197
EFFECTS OF:		
Tax refund		(7,673)
Fixed asset differences	13,461	20,397
Income not taxable	(144,835)	(90,571)
Deferred tax not recognised	81,110	18,977
TOTAL TAX CHARGE FOR THE YEAR	7,849	(7,673)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. INTANGIBLE ASSETS

Group

	Software development £
COST	
At 1 January 2022	924,798
Additions	80,230
At 31 December 2022	1,005,028
AMORTISATION	
At 1 January 2022	104,603
Charge for the year on owned assets	182,386
At 31 December 2022	286,989
NET BOOK VALUE	
At 31 December 2022	718,039
At 31 December 2021	820,194

11. INTANGIBLE ASSETS (CONTINUED)

Company	Software development £
COST	
At 1 January 2022	896,780
Additions	9,735
At 31 December 2022	906,515
AMORTISATION	
At 1 January 2022	104,603
Charge for the year on owned assets	182,386
At 31 December 2022	286,989
NET BOOK VALUE	
At 31 December 2022	619,526
At 31 December 2021	792,177

12. TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Fixtures and fittings £	Total £
COST OR VALUATION			
At 1 January 2022	2,583,238	216,560	2,799,798
Additions	-	21,289	21,289
At 31 December 2022	2,583,238	237,849	2,821,087
DEPRECIATION			
At 1 January 2022	997,855	156,404	1,154,259
Charge for the year on owned assets	42,840	35,925	78,765
At 31 December 2022	1,040,695	192,329	1,233,024
NET BOOK VALUE			
At 31 December 2022	1,542,543	45,520	1,588,063
At 31 December 2021	1,585,383	60,156	1,645,539

12. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Leasehold property £	Fixtures and fittings £	Total £
COST OR VALUATION			
At 1 January 2022	2,583,238	216,560	2,799,798
Additions	-	21,289	21,289
At 31 December 2022	2,583,238	237,849	2,821,087
DEPRECIATION			
At 1 January 2022	997,855	156,404	1,154,259
Charge for the year on owned assets	42,840	35,925	78,765
At 31 December 2022	1,040,695	192,329	1,233,024
NET BOOK VALUE			
At 31 December 2022	1,542,543	45,520	1,588,063
At 31 December 2021	1,585,383	60,156	1,645,539

13. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Propertymark Qualifications Ltd	Limited by guarantee	100%	Awarding body
Money Shield Ltd	Ordinary	51%	Client money protection

Propertymark Ltd has been the sole member of its subsidiary company Propertymark Qualifications Limited, a company limited by guarantee, since incorporation in November 2006, and as such hold no share capital.

In the event of winding up, every member of the company undertakes to contribute to the assets of the company such an amount as may be required not exceeding £10.

Joint venture

Propertymark Limited holds a 50% interest in the voting rights of The Dispute Service Limited, however is not entitled to receive financial benefit as a result of its holding and as such there is no impact on the consolidated results of Propertymark Limited.

14. DEBTORS

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Trade debtors	**766,106**	366,205	**701,529**	326,741
Amounts owed by group undertakings	**-**	-	**29,940**	-
Other debtors	**40,522**	51,514	**40,523**	51,616
Prepayments and accrued income	**363,197**	904,729	**196,310**	735,579
	1,169,825	1,322,448	**968,302**	1,113,936

Amounts owed by group undertakings are unsecured, not subject to interest and are repayable on demand.

15. CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	5,468,937	4,281,214	3,342,732	2,024,031
	5,468,937	4,281,214	3,342,732	2,024,031

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	183,835	133,491	174,002	129,092
Amounts owed to group undertakings	-	-	-	37,944
Corporation tax	7,849	2,803	-	-
Other taxation and social security	116,891	107,804	116,891	107,804
Other creditors	95,316	88,089	63,216	69,809
Accruals and deferred income	3,460,078	2,818,104	3,121,470	2,550,215
	3,863,969	3,150,291	3,475,579	2,894,864

Amounts owed to group undertakings are unsecured, not subject to interest and are repayable on demand.

17. PROVISIONS

Group

	Provision for indirect and other taxes £	CMP provision £	Total £
At 1 January 2022	122,865	151,666	274,531
Charged to profit or loss	-	100,000	100,000
Utilised in the year	(122,865)	(113,355)	(236,220)
AT 31 DECEMBER 2022	-	138,311	138,311

Company

	Provision for indirect and other taxes £	CMP provision £	Total £
At 1 January 2022	122,865	151,666	274,531
Utilised in the year	-	100,000	100,000
Utilised in the year	(122,865)	(113,355)	(236,220)
AT 31 DECEMBER 2022	-	138,311	138,311

Management recognise a provision representing their best estimate of the likely exposure resulting from a review of historical indirect tax procedures and compliance. This was paid in the year ended 31 December 2022.

A provision is made by management representing their best estimate, of any potential pay-out of claims from members of the CMP scheme.

18. RESERVES

Profit and loss account

The profit and loss account includes all current and prior year retained surpluses and deficits.

19. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

20. PENSION COMMITMENTS

The group operates defined contributions pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the group to the fund and amounted to £107,004 (2021: £120,804). No contributions were receivable from (2021: £Nil) the fund at the balance sheet date.

21. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Group and the Company had future minimum lease payments due under non cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Not later than 1 year	**25,300**	82,410	**25,300**	82,410
Later than 1 year and not later than 5 years	**1,920**	17,701	**1,920**	17,701
	27,220	100,111	**27,220**	100,111

22. RELATED PARTY TRANSACTIONS

During the year, N Emerson, a director of the company, provided consultancy services amounting to £18,000 (2021: £12,515). £3,600 was outstanding at 31 December 2022 (2021: £Nil).

R L Selwyn, a director of the company, provided consultancy services amounting to £Nil (2021: £8,125). No amounts were outstanding at 31 December 2022 (2021: £Nil).

There were no other related party transactions in the year.

23. CONTROLLING PARTY

The group is controlled by its board of directors as shown in the directors' report.

propertymark

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