Annual Report and Financial Statements for the Year Ended 31 December 2021

propertymark

COMPANY INFORMATION

DIRECTORS

V J Bannister
N Emerson
K L Griffin
N A Heathcote
P J Hemsley (appointed 30 June 2021)
K A McArthur (appointed 30 June 2021)
J Paul
R L Selwyn
S E Wilkinson

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

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EXECUTIVE CHAIR'S FOREWORD

2021 has seen Propertymark's strategy advancing well. Delivery has continued under our four strategic pillars, with this year very much being one of structural change and laying foundations.

In February we saw the appointment of our new CEO, Nathan Emerson, and the restructuring of our Management Team to include the expertise of our existing Head of Qualifications and Head of Marketing and Communications. We also implemented a new in-house PR and Press Team and expanded our Policy and Campaigns Team. The impact of these changes, together with the embedding of our strategy that puts members truly at the heart of everything we do, has led to a noticeable uplift in positive sentiment towards the organisation and a growth in our membership numbers throughout the year.

We have also initiated a number of key strategic reviews, the recommendations of which will be implemented during 2022 and will include the strengthening of our compliance department and comprehensive Audit Programme.

As Chair, my personal focus has been on reviewing our Corporate Governance Framework and recruiting some new expertise into the boardroom in the form of two new Non-Executive Directors. As a first step to enhancing our governance, we established a new Audit and Risk Committee and a new Nominations and Remuneration Committee in the summer, both chaired by our new Non-Executive Directors and each committee having three member elected Board Directors within its membership. We have also changed the structure of our Qualifications Governing Body 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 proposals to adopt new modernised Articles of Association for both Propertymark and Propertymark Qualifications. All these changes will further professionalise the organisation and stand us in good stead if the Regulation of Property Agents (RoPA) is taken forward as anticipated by Government.

My other main focus has been improving communication and engagement with our staff, ambassadorial network and stakeholders. Staff town hall sessions have been held and Nathan and I now attend the divisional Advisory Panels and the Regional Executive Network meetings where we provide updates and hear directly from our members who are working at the coal face. To complement the work of our Policy and Campaigns Team, we also sit on industry forums across the sector and meet regularly with our key suppliers and stakeholders.

There is no doubt that 2021 was yet another busy year for the property market and despite the current economic challenges, 2022 looks to bring more of the same. I continue to be very proud of Propertymark and our members as we work together to professionalise the whole of the property sector.

Nicky Heathcote
Executive Chair

CEO'S FOREWORD

Having been in the CEO role for just over one year now, we have seen considerable movement in my three key focus areas of reputation, stability and results.

As Nicky referred to, we have implemented new structures and put in place additional resource within key areas such as Policy, PR, and Marketing which has stabilised the organisation and increased our reputational footing within the industry.

On the delivery front, our biggest success during the year was the implementation of our new ARCA IT system and interactive website. A major project, this had suffered some delays due to COVID so it was good to see this delivered and without any major disruptions. Members can now set their preferences and experience a more tailored service from Propertymark. We also have a platform to build and integrate more membership services and structures.

Our technology investment has continued through the year. We have developed a remote invigilation system so that members can take examinations at home or in the office and in addition a new qualifications specific CRM system to improve the end to end learner journey.

We have also redesigned our Level 3 and 4 qualifications to provide a more modern offering and we look to release these initiatives to the market in 2022. We remain 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. With an enhanced qualifications offering and increased interest we can only see this grow in the years to come.

Our Membership Proposition Review has been moving forward and we have started to implement changes. We have restructured our Regional Executive Network and changed the content and format of our regional meetings and conferences. We have also introduced additional support to all of our divisional Regional Executives so that they can take a lead role at the regional events and be more interactive with members in their region.

Despite the challenges of a further lockdown earlier in the year, we successfully reintroduced face to face meetings and events which included our much-awaited national ARLA Propertymark Conference and our prestigious Qualifications Awards in December 2021. Feedback from all the events has been highly positive, however because we strive to continually improve as an organisation, we will endeavour to keep adapting our events to provide the best experience to our members.

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

CEO'S FOREWORD

- 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 that 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.*

Membership has grown by a further 2.9% and despite significant investment we remain in a healthy position having made a surplus of £277k. Cash and bank has decreased to £4,281k which still provides a strong financial base for us to continue to invest and improve our member services. In 2021 we undertook a review of all our key contracts and negotiated more favourable terms, the benefits of which will come through in 2022.

During the period, the usage of our already popular member legal and HR help lines saw considerable increase in demand which outstripped provision. This led to an injection of additional investment to enhance the capabilities of this important members support service.

There is still much more that we need to implement and deliver, however I am confident that with the full support of our staff and our ambassadorial network, we will continue to go from strength to strength in the coming years.

Nathan Emerson
CEO, Propertymark

AGENDA FOR THE FIFTEENTH PROPERTYMARK ANNUAL GENERAL MEETING, 11AM 17 JUNE 2022

11am 17 June 2022 Delta Marriott, Warwick, CV34 6RE

Nicky Heathcote
Nathan Emerson
Sarah Bunting
Simon Thomson
Stephen McCarron
David Votta

1. Welcome from the Chair
2. CEO Opening Remarks
3. Minutes of the Annual General Meeting 30 June 2021
4. Election Results
   - NAEA Propertymark Member Elected Board Directors
   - ARLA Propertymark President Elect
   - NAEA Propertymark Vice President
5. Presidential speeches
6. Resolution procedures
7. Ordinary resolutions
8. Special resolution
9. Any other business

AGM closes

Minutes of a Propertymark Annual General Meeting, held Wednesday 30 June 2021 at 11:00 at the M40 Warwick Hotel/GOTOWEBINAR

PRESENTERS

Nicky Heathcote, (NH) – Executive Chair of the Propertymark Board
Nathan Emerson (NE) – Chief Executive Officer
Sarah Bunting (SB) – Interim Head of Finance
Angela Davey (AD) – ARLA Propertymark President
Liana Loporto (LL) – NAEA Propertymark President
Maxine Fothergill (MF) – ARLA Propertymark President-Elect
Simon Thompson (ST) – Mi-Voice

PROPERTYMARK AGM REPORT

MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING, 30 JUNE 2021

Minutes of a Propertymark Annual General Meeting, held Wednesday 30 June 2021 at 11:00 at the M40 Warwick Hotel/GOTOWEBINAR

PRESENTERS

Nicky Heathcote, (NH) – Executive Chair of the Propertymark Board
Nathan Emerson (NE) – Chief Executive Officer
Sarah Bunting (SB) – Interim Head of Finance
Angela Davey (AD) – ARLA Propertymark President
Liana Loporto (LL) – NAEA Propertymark President
Maxine Fothergill (MF) – ARLA Propertymark President-Elect
Simon Thompson (ST) – Mi-Voice

1. WELCOME

The Chair welcomed members to the fourteenth Annual General Meeting. The Chair acknowledged that this was a different method of delivering the AGM due to the current Coronavirus pandemic, and whilst there was only limited capacity available for people to attend in person, a virtual option had been made available to members. The Chair confirmed that members had access to all relevant papers in advance of the meeting and had been provided the opportunity to vote and submit questions in advance.

2. CHAIR'S OPENING ADDRESS

The Chair acknowledged that 2020 had been a challenging year and during this time Propertymark has been by its members side throughout, providing the relevant guidance and being the industry voice to Government and the media. Propertymark understands the importance that the housing market plays to the wider economy and highlighted how Government gave the green light to the sector to reopen during the first lockdown when so many other businesses remained closed.

Propertymark's new vision and strategy developed by the Board in 2020 was shared by the Chair; members are valued and put at the heart of everything the organisation does.

The vision is to professionalise the whole of the property sector by:

- Being the leading professional body for property agents
- Upholding recognised industry standards
- Providing modern qualifications
- Delivering valued membership benefits
- Being the leading industry voice to drive positive change

The work currently being undertaken in Propertymark is focused on four strategic pillars, providing a clear sense of direction for the organisation:

Pillar 1 is Valued Membership Services:

A cross disciplined Industry Steering Group has been created to conduct a full review of Propertymark's membership proposition and members will be asked to contribute. Propertymark understands that it needs to stay relevant to members and aims to understand and support its members needs by tailoring its services and products for both individual agents and companies.

Pillar 2 is Being the Recognised Industry Voice:

To help members navigate the complicated legislative and political landscape, Propertymark provides the credible and influential voice to Government which ensures tangible changes can be made that both impact and benefit members and the sector. Being THE industry voice is built on a bedrock of membership engagement and feedback and Propertymark will continue to expand and grow the internal Policy and PR Team to further increase the reach and influence it carries.

Pillar 3 is Recognised Industry Standards:

Industry standards are a clear competitive differentiator and members want consumers to differentiate between them and rouge agents. By providing a strong and recognisable symbol of professionalism, underpinned by a robust Code of Practice and a modern qualification offer, Propertymark will continue to support members seeking to gain an accreditation and raise industry standards.

It is also very clear in the intent for Propertymark to play a key role in the future regulatory structure, whenever that comes about.

Pillar 4 is Future Proofing Propertymark:

Propertymark must be agile and adapt to the market in which it operates and is investing in enhancing systems and digital technologies to ensure it has the right infrastructure in place to serve members going forward. It is also important that it looks after its people, particularly in these unprecedented times, and that it fosters a culture of openness and transparency.

3. CHIEF EXECUTIVE OFFICER'S OPENING REMARKS

NE acknowledged that 2020 operating year was dominated by the impact of the Coronavirus (COVID-19) pandemic. As the first lockdown was implemented, Propertymark's main aim was to keep its staff, members and the public safe. Staying open for business was a key priority so that it could continue the work in supporting members and actively help them navigate the evolving Government guidance and legislation, enabling members to stay compliant and keep the nation safe.

Propertymark worked tirelessly to ensure as many staff as possible had the right equipment to facilitate working from home, which in turn considerably reduced the organisation's need to use the Government's Job Retention Scheme and furlough staff. A newly formed COVID Committee also ensured the appropriate risk assessments were in place and that staff health and well-being was being supported and monitored effectively.

Propertymark swiftly adapted to the virtual way of working for both staff and its members and during this time used its influence with Government to positively impact in the following areas:

- Expansion of Business Rates Relief to include Sales and Letting agents, estimated to save in excess of £200,000,000.
- The amendment of the furlough scheme eligibility criteria to include commission payments for agents.

- Stamp duty, LTT and LBTT holidays to stimulate the markets and an extension to allow additional time for sales to complete.
- The housing market reopening earlier than other sectors to allow people to move home and for socially distance property viewings to take place.

During the lockdown period, Propertymark also delivered training to 3,700 participants through small group sessions across 248 dates via a new virtual learning environment and its webinars received in excess of 42,000 views.

Propertymark's examination centres were forced to close during lockdown which affected its ability to award qualifications. However, people within the property sector were still keen to learn and develop which saw the organisation register 6,661 agents who commenced studying towards Propertymark qualifications, with a further 111 apprentices registered for the Junior Estate Agent Standard end point assessment scheme.

During 2020, Propertymark continued to develop its new ARCA IT system and website, however due to the impact of the pandemic, the project was seriously compromised in terms of both deliverability and the overall cost. NE was pleased to advise that ARCA went live on the 17th June and members are now directly benefiting from an improved membership gateway, giving access to a member dashboard which allows the user to tailor their individual membership experience enhancing the organisation's performance management, member engagement and payment gateways.

A major aspect of the support to members are the legal and HR helplines that Propertymark provides to its members which enable robust and focused advice and answers to those individual members contacting these facilities. The legal helpline itself received and dealt with 21,000 calls during 2020 representing a 210% increase since it was introduced responding to a wide range of issues.

The helplines are seen as a considerable benefit and a contributor to driving membership. Propertymark are therefore enhancing the amount of resource available and injecting additional investment into the services.

NE advised that a surplus in the accounts last year enabled Propertymark to reinvest into a number of key areas for the benefit of its members.

Propertymark have already identified the need for its qualifications offering to be modernised, particularly when physical examination centres had to be closed due to COVID-19. Moving forward it is imperative that the organisation can provide more digital and remote qualification services to remain the provider of choice in this ever-competitive market. As a first step, Propertymark Qualifications will be investing heavily in a new remote invigilation and integrated CRM system during 2021.

Propertymark membership numbers have remained relatively static and consequently income from membership fees has been fairly consistent. However, given the uncertainties ahead, it cannot be complacent and must ensure it is delivering a relevant membership offering and truly putting members at the heart of everything it does. It is for this reason the organisation has set up the Membership Proposition Review. With the support of the Industry Steering Group, the Review will help Propertymark understand the needs of its members so that it is able to enhance its offering and aid growth in membership numbers.

Member contact enquiries will also see structural changes during 2021 as the organisation adapt the lessons learned during the pandemic to further improve its service to members. The investment in a new telephony system combined with the creation of an experienced centralised customer services team will improve the member experience and ensure all enquiries are owned, coordinated and responded to expeditiously.

Whilst each UK government has their road map to lifting restrictions, there remains uncertainly and the potential for further lockdown and restrictions which may hamper Propertymark's ability to reintroduce face to face meetings and conferences across the UK. Propertymark is taking a cautious approach and only committing to a 3-month rolling program of events going forward and keeping a hybrid of physical and virtual presence. It is also carefully monitoring the pre-planned ARLA Propertymark conference which is due to take place in December.

It remains uncertain as to when the Regulation of Property Agents regime will be established and whilst that will, for some agents, be a change in approach to conducting business, Propertymark is well equipped to play a significant role in any future regulatory regime.

Health and well-being have been identified as a key issue for the work force across the UK as a result of prolonged home working and national lockdowns. The organisation will continue to provide support to its people and members and be heavily supportive of related charities.

NE thanked all the staff at Arbon House for their commitment to Propertymark and to helping move the organisation forward. There is still much work to do as the organisation continues to evolve, adapt and improve its membership offering and it looks forward to working with the members over the coming months on all of its upcoming initiatives, underpinning its reputation, providing stability and delivering results against our four strategic pillars.

4. MINUTES OF THE THIRTEENTH ANNUAL GENERAL MEETING

The minutes of the Thirteenth Annual General Meeting were circulated to members in advance of the meeting and no comments or questions relating to the minutes had been received. Therefore, The Chair declared the minutes a true and accurate record of that meeting.

5. VICE PRESIDENT ELECTION RESULTS

The elections had been independently administered by Mi-Voice and Simon Thompson (ST) Director of Mi-Voice was invited to announce the results for the two Vice President positions as follows:

ARLA Propertymark Vice President, the successful candidate is Angharad Trueman.

NAEA Propertymark Vice President; ST advised that following the assessment day there was only one candidate and the successful candidate following the vote is Michael Holden.

The Chair congratulated the new appointees and advised that Paul Bridgeman is the new Chair for the National Association of Valuers and Auctioneers (NAVA).

The Chair announced that the Propertymark Board have appointed two new Non-Executive Directors; Paul Hemsley and Karen McArthur who will be joining the organisation in July 2021.

6. PRESIDENTIAL SPEECHES

The Chair invited Angela Davey (AD), President, ARLA Propertymark to the stage and thanked her for her commitment and enthusiasm in promoting the organisation whilst acknowledging the difficult and challenging year during her presidency.

ANGELA DAVEY SPEECH, OUTGOING ARLA PROPERTYMARK PRESIDENT:

AD acknowledged that her Presidency was unique in that in the main it had been a virtual Presidential year having stepped into the role at the height of the Coronavirus pandemic.

AD paid tribute to Propertymark for working tirelessly to support members throughout these challenging times whilst the organisation itself was undergoing some structural change.

As Propertymark embarks on its new vision and strategy AD feels that the organisation is now in the best shape to positively move forward and thrive.

AD detailed that it had been both a challenge and a privilege to have been given the opportunity to serve the membership and to have had input on important changes made for the longevity of the organisation. AD will continue to contribute to the organisation via the ARLA Propertymark Advisory Board and as a Regional Executive for her region in South Wales.

AD concluded by thanking all those that have supported her during an extraordinary year, and invited the new President of ARLA Propertymark, Maxine Fothergill to the stage.

MAXINE FOTHERGILL SPEECH, INCOMING ARLA PROPERTYMARK PRESIDENT:

MF thanked those in attendance and stated that it was an honour for her to be present in the role of President, in doing so she paid tribute to the outgoing President AD and welcomed the newly elected Vice President to the team, Angharad Trueman and that she looked forward to working with her NAEA Propertymark counterpart Liana Loporto-Browne (LL).

MF detailed that during her thirty-three-year career in the industry she had witnessed a sea of change, none more so than the effect of how the Coronavirus has impacted the sector and paid tribute to Propertymark as it continuously guided members through the challenging times.

During her time in the industry, MF became a trainer and is still performing this role today having trained approx. 5000 landlords and agents to date, for her education and knowledge is key. Changing the perception of the industry, MF would like the property sector to be a future career of choice for those starting out in their working lives.
During her Presidency MF intends to reach out to young people to champion careers in the property sector.

MF believes qualifications are the way forward, especially with RoPA on the horizon, and as a practitioner and trainer is working very closely with the Housing and Property Management Trail Blazer Group to ensure apprenticeships in the industry are aligned and relevant to the Private Rented Sector.

As a small business owner, MF feels that small businesses similar to hers can rely on Propertymark to keep them abreast of changing legislation and is the professional body to represent their views.

MF concluded by thanking her fellow ARLA Propertymark Advisory Board members and that she is looking forward to the following 12 months as their President.

LIANA LOPORTO-BROWNE SPEECH, INCOMING NAEA PROPERTYMARK PRESIDENT:

LL detailed how she started her estate agency career as a young 19-year-old in Malta and how one of her greatest achievements was the sale of one of Malta's most prestigious properties. LL learnt a valuable lesson at that young age, to not judge a book by its cover. This deal allowed LL to put a deposit on her first flat and purchase her car of choice.

Following a successful career in Malta, LL moved to London to join a London firm and was struck by how different the attitude to estate agents is by the public. LL wants to make a difference and help promote standards of professionalism which is why she joined Propertymark.

LL showcased that you can be a business owner, parent to two young children and find time to study toward a Level 4 qualification. To this end, during her Presidency, LL wants to support members to make the journey to qualifications as easy as possible.

The pandemic has touched people from all walks of life and detailed the fund-raising event she has organised for the charity Young Minds for young people struggling with mental health issues.

LL concluded by congratulating her counterpart MF on her appointment and thanked everyone present.

7. FINANCIAL UPDATE AND APPROVAL OF ACCOUNTS

Sarah Bunting, Interim Head of Finance provided an overview of the financial performance of the Propertymark Group.

The consolidated Group accounts for the year ended 31 December 2020, had been audited by Haysmacintyre. The Propertymark Group is made up of three companies: Propertymark Ltd, Propertymark Qualifications 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.

An interim remote audit was conducted in November 2020 to allow Haysmacintyre to familiarise themselves with the organisation ahead of the full year end audit undertaken in March and April 2021. 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 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.

SB presented the consolidated group accounts for the year ended 31 December 2020.

Key Performance Indicators of Propertymark:

- The first KPI is that of Membership numbers. These have shown a decrease of 2% which is understandable given the financial uncertainty members have faced over the last year.
- The second key financial measure is that of Cash at bank and in hand. This has increased by £480K. This provides a strong financially sustainable base to allow for continued investment into the membership related projects and services. The launch of the new IT system will enable the organisation to operate more effectively and allow the organisation to manage membership requirements more easily. .
- A pre-tax surplus of £780K compared to a prior year surplus of £226K has been recorded. The surplus is reflective of the way the business adapted and operated during the COVID restrictions reducing its costs wherever possible and changing work practices such as being able to supply valued online courses. There was also the release of CMP and indirect tax provisions contributing to the 2020 surplus. The postponement of the annual conference caused a dip in income and associated costs.
- Net Assets has increased from the prior year due to the surplus already mentioned and now stands at £4.37M. 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 2020.

There are several factors driving the change in surplus when you compare 2020 to 2019: There are several factors driving the change in surplus when you compare 2020 to 2019:

- Turnover overall has decreased by £565K which is a 7% decrease primarily due to events and qualifications activity being significantly curtailed due to the Covid restrictions. Membership fee income has increased due to the timing of the release of deferred fee income along with an increase in CMP income.
- Cost of sales have also decreased as expected in 2020 by £969K. This is due to the curtailment of activities across all areas of the business primarily Qualification costs significantly reduced due to the testing centres being closed and events costs not being incurred.
- The change in activities has resulted in the gross surplus percentage increasing from 62% to 73%.
- Administrative expenses have decreased by £300K. The main driver here are cost savings on travel and subsistence across all areas of the business and savings in other overhead areas such as PR and marketing and the releasing of the indirect tax provisions.

Balance Sheet:
Referring to the Balance Sheet as of 31 December 2020 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 £74K over the year primarily due to a reduction in trade debtors and prepayments. The 2019 prepayments were higher because conference costs received in advance of the event in February 2020.
- Creditors have decreased by £99K. This is being driven by a decrease in accruals due to a reduction in costs as a result of the Covid restrictions in place.
- The provision line has reduced by £65K. The CMP provision relates to any potential CMP claims after year end and the indirect taxes provision relates to any interest penalties that may arise from HMRC.

Overall, these factors have contributed to a growth in Net Assets of £795K.

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 £909K.
- Propertymark Qualifications has recorded a loss for 2020 of £169K. Sales were significantly reduced by £345K due to the closure of testing centres with the impact negated partly by a reduction in the associated Cost of Sales of £157K. The company does however have strong reserves which help to absorb this loss.
- Money Shield Ltd made a surplus in the period of £55K following its first full year of trading in 2020 with 508 members at the year end.

Due to the hybrid nature of the meeting, members had the opportunity to express their voting preference online.
Simon Thompson from Mi-Voice announced the results as follows:

Resolution One – To approve the annual report of the auditors and accounts, together with the Board annual report for the year ended 31 December 2020.

Votes in favour – 320
Votes against – 13
Abstentions – 147

The Chair declared the accounts for the year ended 31 December 2020 as approved.

8. APPOINTMENT OF AUDITORS

Due to the hybrid nature of the meeting, members had the opportunity to express their voting preference online. Simon Thompson from Mi-Voice announced the results as follows:

Resolution Two – To approve Haysmacintyre LLP, registered auditor and chartered accountants, as the auditors of Propertymark for the coming year and to authorise the Board to set their remuneration.
Votes in favour – 330
Votes against – 13
Abstentions – 136

The Chair declared Haysmacintyre as the auditors for Propertymark.

9. ANY OTHER BUSINESS

One question had been submitted as follows:

Question:

"What has happened to the membership of "The Fellowship", the successor to the College of Fellows. Have there been any nominations in particular all the recent Presidents and past Presidents, for membership and have any new members been approved?"

The Chair addressed the question and confirmed that there had been no additional Fellowship members during the reporting year. As detailed at the AGM earlier, Propertymark is undertaking a Membership Review which will be looking at all levels of membership, including Fellowship as part of the review. Propertymark will be reaching out to all relevant stakeholders to help inform its view in the coming weeks.

There were no further questions.

The Chair thanked all for attending both present and online and declared the Fourteenth Annual General Meeting of Propertymark closed at 11:50.

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

Propertymark is the leading professional body for property agents, with 17,700 memberships, our practising 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 property 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, factsheets 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 Ministry for Housing Communities and Local Government (MHCLG), HM Treasury and HM Revenue and Customs.

Direct communication is also maintained with the National Trading Standards Estate and Letting Agents Team (NTSLELAT) 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.

In essence, Propertymark places members at the heart of everything we do.

OPERATIONAL REVIEW

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 our 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.

Our Business Strategy is now advancing well, with the delivery focused on our 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.

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, we have restructured our Regional Executive Network and changed the content and format of our regional meetings and conferences. We have also introduced additional support to all of our divisional Regional Executives so that they can take a lead role at the regional events and be more interactive with members in their region.

Despite the challenges of a further lockdown earlier in the year, we successfully reintroduced face to face meetings and events which included our much-awaited national ARLA Propertymark Conference in December 2021, which was not only oversubscribed, it provided some great networking opportunities and informative sessions to keep our members up to date with legislation and business best practice.

Feedback from all the events has been highly positive, however because we strive to continually improve as an organisation, we will endeavour to keep adapting our events to provide the best possible experience to our 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. We will consult with small, medium and large businesses to ensure we have the right offering in place and aim to complete the work during 2022.

Whilst we have had a keen focus on transformation throughout the period, we have not forgotten the day to day needs of our members and have continued 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.

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

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 within the sector. In addition, we have also established a dedicated in house PR and Press Team who not only have a full understanding of the needs of our members, have taken great strides in expanding our reach with both regional and national media outlets.

We have also introduced new Policy and Comms Forums whereby our Regional Executives and Advisory Panel members provide market insight and feed directly into our responses to the pressing issues our members are facing. These forums ensure we remain relevant and truly understand the impacts and consequences that government policy decisions can have on our 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:

- 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 that 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 we leverage our influence to represent members and the sectors interests.

Alongside that, the PR 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 our members and the media has led to a noticeable uplift in positive sentiment towards the organisation.

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 we continue to invest in the provision of high quality qualifications.

Over the period, we 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. We have also redesigned our Level 3 and 4 qualifications to provide a more modern offering and we look to release these initiatives into the market in 2022. This online investment was much needed given that the physical examination centres Propertymark has traditionally used remained closed for part of the period due to COVID which affected our ability to award qualifications.

We have 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 our prestigious Qualifications Awards which saw the highest level of nominations ever received. We celebrated the achievements of our most successful learners at a formal presentation ceremony in London.

All our 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 we have 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 our members within the market place.

In order to continually raise standards we have also embarked on a full review of our Compliance function and GDPR requirements. The recommendations will be implemented throughout 2022 which will further strengthen our compliance and audit programmes and provide a robust regulatory framework. This will strengthen our position further as we continue 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.

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, we have completed a full review of our key contracts and renegotiated terms which are more favourable for the organisation and its members.

Throughout the year our people 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 our staff and their Health and Well Being is of the utmost importance to us. That is why we have introduced a whole programme of staff initiatives together with a new Propertymark People Group and mental health first aiders.

We have continued to foster an open and transparent culture with both the CEO and Chair being very visible and approachable. For example, we have held all staff town hall sessions and increased our engagement with the divisional Advisory Panels, Regional Executive Network and external stakeholders across the sector.

KEY PERFORMANCE INDICATORS

Membership numbers increased this year by 2.9% to 17,700 (2020:17,200) and that trend continues into 2022.

Following considerable expansion and investment taking place during the financial year, and a moderate increase in member fees, the group was left with a positive surplus of £277k which will be utilised towards further enhancing member benefits.

Turnover, measured on a like for like basis, has increased by 13.4% (2020 decreased 7%). The turnover was £7,951k (2020 £7,012k) and cost of sales £2,682k (2020 £1,921k). Administrative expenses for the group was £5,010k (2020 £4,366k). Cash at bank have decreased to £4,281k (2020 £4380k) which still provides strong financial sustainability for future support to our members. Net assets £4,645k (2020 £4,367k) have increased as a result of the current year surplus of £277k.

PRINCIPAL RISK AND UNCERTAINTIES

The economic environment for the nation and for all businesses across the globe is still impacted by COVID but is now also heightened by a cost of living crisis, rising inflation, the effects of BREXIT taking hold and the war in Ukraine.

During the pandemic, the property sector remained resilient compared to many other sectors, however there have been some concerns around the lack of available stock in both sales and lettings. In the rental sector, there are reports of landlords leaving the market altogether or moving to short term lets in their quest to avoid increased legislative requirements. In sales, there is an increasing drive to mandate the provision of more upfront information to better inform buyers and reduce the risk of sales falling through. There is also a growing issue around staff retention and recruitment in the sector as a whole, which has forced salary increases and agents to rethink their operating model and employee policies.

These are a wide and complex range of issues. It is therefore apparent that the guidance and support Propertymark provides to its members needs to also be broad and cover business related advice as well as legislative updates. Having already introduced changes to event sessions, a 2022 mid-year review of our regional events will ensure we are tailoring our content to the most relevant and up to date issues for our members which will serve to retain our current membership and to attract more non-members to our events, giving us the potential to move them into membership.

The implementation of a new dedicated Customer Service Team in 2022 and further recommendations from the Membership Proposition Review will also improve the support and experience we can provide to current and new members.

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 to promote the benefits of using a Propertymark agent will increase consumer awareness and set a differentiator within the market. The introduction of dedicated social media resource within Propertymark during 2022 will 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 likeminded MPs and other professional bodies in the sector and leading a campaign for its introduction.

The implementation of recommendations following our Governance Review, Review of Compliance and GDPR Review in 2022 will put us in an even stronger position to realising our ambition to become a Designated Regulatory Body. New technological advances in our qualifications area will also see us at the forefront of our competitors when agents are making educational choices in order to meet the qualification requirements of ROPA.

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. A new programme of people initiatives has been introduced, together with a comprehensive salary benchmarking exercise and a hybrid working from home policy. In consultation with our people, work has also begun on embedding a new set of organisational values which will complement the open and transparent culture that has been fostered throughout 2021.

The last year has been a period for laying the foundations for the changes Propertymark needs to make if we want to continue growing the membership as we did in 2021. As we move forward, implementing the recommendations of the various reviews undertaken during 2021 will be key to our success and long term sustainability.

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 movement of additional key senior people into the Team during 2021 has strengthened the expertise and collaboration and communication across the organisation.

The Propertymark Board consists of the Chairperson, three member elected Directors from the sales division, three member elected Directors from the lettings division and two independent Non-Executive Directors.

The Board meets at least once a quarter. Additional monthly meetings were introduced during the COVID period and these have continued to ensure decisions around the transformation programme could happen at pace. As the change initiatives increasingly move into business as usual, the occurrence of these will be considered on a month-by-month basis going forward.

2021 saw the appointment of two new Non-Executive Directors and the establishment of a new Audit & Risk Committee and a Nomination & Remuneration Committee to support the Board. These committees are each chaired by the two Non-Executive Directors and each committee has three member elected Board Directors within its membership.

We have also changed the structure of our Qualifications Governing Body so that, as an Awarding Body, it has a more appropriate level of oversight and independence.

Following a Corporate Governance Review and a Review of Compliance, Propertymark will be introducing a new Corporate Governance Framework in 2022 which will see the proposal of a new modernised set of Articles of Association for Propertymark at the 2022 Annual General Meeting, the formulisation of our Advisory Panels within our governance structures and the establishment of a new Regulatory Board and Fitness Panel. The adoption of new modernised Articles of Association for Propertymark Qualifications Limited is also proposed.

This report was approved
by the board on 17 May 2022
and signed on its behalf.

N. Heathcote

N A Heathcote, Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

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 £257,917 (2020 - £768,239).

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

DIRECTORS

The directors who served during the year were:

V J Bannister
N Emerson
K L Griffin
N A Heathcote
P J Hemsley (appointed 30 June 2021)
K A McArthur (appointed 30 June 2021)
J Paul
R L Selwyn
S E Wilkinson
H R Herniman (resigned 22 February 2021)
T J Balcon (resigned 15 February 2021)

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 and the Group'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 and the Group's auditors are aware of that information.

This report was approved
by the board on 17 May 2022
and signed on its behalf.

N. Heathcote

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 2021, 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 2021 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 25, 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.

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
17 May 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	7,951,050	7,011,966
Cost of sales		(2,682,239)	(1,921,223)
GROSS SURPLUS		5,268,811	5,090,743
Administrative expenses		(5,010,066)	(4,365,720)
Other operating income	5	6,097	44,424
OPERATING SURPLUS	6	264,842	769,447
Interest receivable and similar income	10	4,617	10,056
SURPLUS BEFORE TAXATION		269,459	779,503
Tax on surplus	11	7,673	15,917
SURPLUS FOR THE FINANCIAL YEAR		277,132	795,420
SURPLUS FOR THE YEAR ATTRIBUTABLE TO:			
Non-controlling interests		19,215	27,181
Owners of the parent Company		257,917	768,239
		277,132	795,420

There was no other comprehensive income for 2021 (2020:£NIL).
The notes on pages 42 to 59 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 £		2020 £	
FIXED ASSETS					
Intangible assets	12		792,177		719,705
Tangible assets	13		1,673,556		1,697,818
			2,465,733		2,417,523
CURRENT ASSETS					
Debtors: amounts falling due within one year	15	1,322,449		1,279,262	
Cash at bank and in hand	16	4,281,214		4,380,406	
		5,603,663		5,659,668	
Creditors: amounts falling due within one year	17	(3,150,291)		(3,470,186)	
NET CURRENT ASSETS			2,453,372		2,189,482
TOTAL ASSETS LESS CURRENT LIABILITIES			4,919,105		4,607,005
PROVISIONSFORLIABILITIES					
Other provisions	18	(274,531)		(239,563)	
			(274,531)		(239,563)
NET ASSETS			4,644,574		4,367,442
RESERVES					
Profit and loss account	19		4,639,295		4,381,378
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			4,639,295		4,381,378
Non-controlling interests			5,279		(13,936)
			4,644,574		4,367,442

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 CONTINUED

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 May 2022.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 May 2022

N. Heathcote

N A Heathcote, Director

The notes on pages 42 to 59 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 £		2020 £	
FIXED ASSETS					
Intangible assets	12		792,177		719,705
Tangible assets	13		1,645,539		1,697,818
			2,437,716		2,417,523
CURRENT ASSETS					
Debtors: amounts falling due within one year	15	1,113,936		1,315,816	
Cash at bank and in hand	16	2,024,031		1,864,867	
		3,137,967		3,180,683	
Creditors: amounts falling due within one year	17	(2,894,864)		(3,309,807)	
NET CURRENT ASSETS/ (LIABILITIES)			243,103		(129,124)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,680,819		2,288,399
PROVISIONSFORLIABILITIES					
Other provisions	18	(274,532)		(239,563)	
			(274,532)		(239,563)
NET ASSETS			2,406,287		2,048,836
RESERVES					
Profit and loss account			2,406,287		2,048,836
			2,406,287		2,048,836

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 CONTINUED

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 May 2022.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 May 2022

N A Heathcote, Director

The notes on pages 42 to 59 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 £357,451 (2020: £909,367) during the year.

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	4,381,378	(13,936)	4,367,442
Surplus for the year	257,917	19,215	277,132
AT 31 DECEMBER 2021	4,639,295	5,279	4,644,574

The notes on pages 42 to 59 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Profit and loss account £	Non-controlling interests £	Total equity £
At 1 January 2020	3,613,139	(41,117)	3,572,022
Surplus for the year	768,239	27,181	795,420
AT 31 DECEMBER 2020	4,381,378	(13,936)	4,367,442

The notes on pages 42 to 59 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 42 to 59 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Profit and loss account £	Total equity £
At 1 January 2020	1,139,470	1,139,470
Surplus for the year	909,366	909,366
AT 31 DECEMBER 2020	2,048,836	2,048,836

The notes on pages 42 to 59 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	277,132	795,420
ADJUSTMENTS FOR:		
Amortisation of tangible assets	104,603	-
Depreciation of tangible assets	91,373	85,347
Government grants	(6,097)	(44,424)
Interest received	(4,617)	(10,056)
Taxation charge	(7,673)	(15,917)
(Increase)/decrease in debtors	(43,187)	74,594
(Decrease) in creditors	(322,698)	(98,237)
Increase/(decrease) in provisions	34,968	(65,308)
Corporation tax received	10,476	14,667
NET CASH GENERATED FROM OPERATING ACTIVITIES	134,280	736,086
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	(177,075)	(297,514)
Purchase of tangible fixed assets	(67,111)	(12,863)
Government grants received	6,097	44,424
Interest received	4,617	10,056
NET CASH FROM INVESTING ACTIVITIES	(233,472)	(255,897)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(99,192)	480,189
Cash and cash equivalents at beginning of year	4,380,406	3,900,217
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	4,281,214	4,380,406
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	4,281,214	4,380,406
	4,281,214	4,380,406

The notes on pages 42 to 59 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	4,380,406	(99,192)	4,281,214
	4,380,406	(99,192)	4,281,214

The notes on pages 42 to 59 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2023, 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 Other operating income

Government grant income relates to the Coronavirus Job Retention Scheme (CJRS) and is recognised as receivable in line with the period that the relevant expense has been incurred.

2.6 Intangible assets

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

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

The estimated useful lives range as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Software development - 5 years

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

2.7 Tangible fixed assets

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

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

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.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.12 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.

2.13 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.

2.14 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.

2.15 Interest income

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

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2.17 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 acquire 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.

Provision for indirect and other taxes:

Management have recognised a provision representing their best estimate, of the likely exposure resulting from a review of historical indirect tax procedures and compliance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. TURNOVER

An analysis of turnover by class of business is as follows:	2021 £	2020 £
Membership fees	3,760,715	3,877,984
Education and training	1,436,757	1,085,499
Publications	61,388	36,984
Seminars and events	808,678	339,448
Client money protection income	1,784,604	1,628,887
Other	98,908	43,164
	7,951,050	7,011,966

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2021 £	2020 £
Government grants	6,097	44,424
	6,097	44,424

6. OPERATING SURPLUS

The operating surplus is stated after charging:	2021 £	2020 £
Depreciation of tangible fixed assets	195,976	85,347
Other operating lease rentals	83,762	89,639

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. AUDITOR'S REMUNERATION

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	21,350	19,500
Fees payable to the Group's auditor and its associates for the audit of the Subsidiaries annual financial statements	11,050	10,000
FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
Taxation compliance services	6,000	5,500
Tax advisory	7,975	12,600
All other services	1,400	11,800
	15,375	29,900

8. EMPLOYEES

Staff costs were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,478,591	2,255,828	2,478,591	2,255,828
Social security costs	253,393	231,273	253,393	231,273
Defined pension contribution scheme	120,804	86,340	120,804	86,340
	2,852,788	2,573,441	2,852,788	2,573,441

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Administration	68	65	68	65

During the year, a total of key management personnel compensation of £504,768 (2020: £570,399) was paid.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	354,375	181,053
Defined pension contribution scheme	5,810	542
	360,185	181,595

The highest paid director received remuneration of £176,950 (2020: £64,084)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,544 (2020: £Nil).

6 directors (2020: 4) have received remuneration in the year.

10. INTEREST RECEIVABLE

	2021 £	2020 £
Other interest receivable	4,617	10,056
	4,617	10,056

11. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on surplus for the year	(7,673)	(15,917)
	(7,673)	(15,917)
TOTAL CURRENT TAX	(7,673)	(15,917)
DEFERRED TAX		
TOTAL DEFERRED TAX	-	-
TAXATION ON LOSS ON ORDINARY ACTIVITIES	(7,673)	(15,917)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	269,459	779,503
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	51,197	148,106
EFFECTS OF:		
Tax refund	(7,673)	(15,917)
Fixed asset differences	20,397	24,628
Income not taxable	(90,571)	(187,334)
Deferred tax not recognised	18,977	14,600
TOTAL TAX CHARGE FOR THE YEAR	(7,673)	(15,917)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. INTANGIBLE ASSETS

Group and Company	Software development £
COST	
At 1 January 2021	719,705
Additions	177,075
At 31 December 2021	896,780
AMORTISATION	
Charge for the year on owned assets	104,603
At 31 December 2021	104,603
NET BOOK VALUE	
At 31 December 2021	792,177
At 31 December 2020	719,705

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Fixtures and fittings £	Total £
COST OR VALUATION			
At 1 January 2021	2,583,238	177,466	2,760,704
Additions	-	67,111	67,111
At 31 December 2021	2,583,238	244,577	2,827,815
DEPRECIATION			
At 1 January 2021	955,015	107,871	1,062,886
Charge for the year on owned assets	42,840	48,533	91,373
At 31 December 2021	997,855	156,404	1,154,259
NET BOOK VALUE			
At 31 December 2021	1,585,383	88,173	1,673,556
At 31 December 2020	1,628,223	69,595	1,697,818

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Leasehold property £	Fixtures and fittings £	Total £
COST OR VALUATION			
At 1 January 2021	2,583,238	177,466	2,760,704
Additions	-	39,094	39,094
At 31 December 2021	2,583,238	216,560	2,799,798
DEPRECIATION			
At 1 January 2021	955,015	107,871	1,062,886
Charge for the year on owned assets	42,840	48,533	91,373
At 31 December 2021	997,855	156,404	1,154,259
NET BOOK VALUE			
At 31 December 2021	1,585,383	60,156	1,645,539
At 31 December 2020	1,628,223	69,595	1,697,818

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. 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.

15. DEBTORS

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Trade debtors	**366,205**	859,886	**326,741**	776,833
Amounts owed by group undertakings	**-**	-	**-**	258,141
Other debtors	**51,515**	87,979	**51,616**	84,789
Prepayments and accrued income	**904,729**	331,397	**735,579**	196,053
	1,322,449	1,279,262	**1,113,936**	1,315,816

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Cash at bank and in hand	**4,281,214**	4,380,406	**2,024,031**	1,864,867
	4,281,214	4,380,406	**2,024,031**	1,864,867

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Trade creditors	**129,092**	113,953	**129,092**	113,953
Amounts owed to group undertakings	**-**	-	**37,944**	-
Corporation tax	**2,803**	-	**-**	-
Other taxation and social security	**107,804**	83,000	**107,804**	83,000
Other creditors	**92,488**	11,588	**69,809**	7,589
Accruals and deferred income	**2,818,104**	3,261,645	**2,550,215**	3,105,265
	3,150,291	3,470,186	**2,894,864**	3,309,807

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

18. PROVISIONS

Group

	Provision for indirect and other taxes £	CMP provision £	Total £
At 1 January 2021	122,865	116,695	239,560
Charged to profit or loss	-	42,990	42,990
Utilised in the year	-	(8,019)	(8,019)
AT 31 DECEMBER 2021	122,865	151,666	274,531

Company

	Provision for indirect and other taxes £	CMP provision £	Total £
At 1 January 2021	122,865	116,695	239,560
Utilised in the year	-	42,990	42,990
Utilised in the year	-	(8,019)	(8,019)
AT 31 DECEMBER 2021	122,865	151,666	274,531

Management recognise a provision representing their best estimate, of the likely exposure resulting from a review of historical indirect tax procedures and compliance.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

19. RESERVES

Profit and loss account

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

20. 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

21. CAPITAL COMMITMENTS

At 31 December 2021 the Group and Company had capital commitments as follows:

	Group 2021 £	Group 2020 £
Contracted for but not provided in these financial statements	-	67,740
	-	67,740

The costs relate to contractual obligations associated with development of a new IT system as capitalised within intangible assets.

22. 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 £120,804 (2020: £86,340). No contributions were receivable from (2020: £Nil) the fund at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Not later than 1 year	**82,410**	75,954	**82,410**	75,954
Later than 1 year and not later than 5 years	**17,701**	85,940	**17,701**	85,940
	100,111	161,894	**100,111**	161,894

24. RELATED PARTY TRANSACTIONS

During the year, N Emerson, a director of the company, provided consultancy services amounting to £12,515 (2020: £26,400). No amounts were outstanding at 31 December 2021 (2020: £Nil).

K L Griffin, a director of the company, was paid a £4,746 honorarium for presidential service provided in the year (2020: £Nil). No amounts were outstanding at 31 December 2021 (2020: £Nil).

R L Selwyn, a director of the company, provided consultancy services amounting to £8,125 (2020: £Nil). No amounts were outstanding at 31 December 2021 (2020: £Nil).

There were no other related party transactions in the year.

25. CONTROLLING PARTY

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

propertymark

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