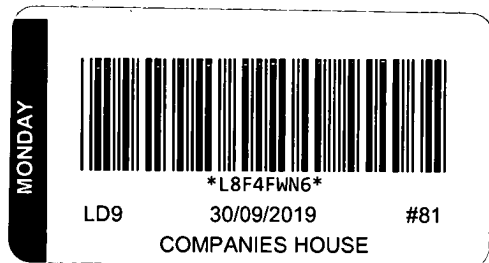


Registration number: 01837522

# Balanus Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



**Balanus Limited**  
**(Registration number: 01837522)**

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**Balanus Limited**  
**(Registration number: 01837522)**

**Company Information**

<b>Directors</b>	Himanshu Raja Gareth Williams
<b>Company secretary</b>	Oakwood Corporate Secretary Ltd
<b>Registered office</b>	Greenwood House 1st Floor 91-99 New London Road Chelmsford Essex CM2 0PP
<b>Independent auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

**Balanus Limited**  
**(Registration number: 01837522)**

**Strategic Report for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

**Business review**

The principal activity of the company is that of an intermediate holding company of subsidiaries of the Countrywide plc group.

The company reported an operating loss before exceptional items for the financial year to 31 December 2018 of £106,000 (2017: loss of £24,000).

Exceptional costs of £115.7 million were incurred during the year (2017: £Nil) in respect of impairment charges against investments in subsidiaries, which aligned to the wider assessment of discounted cash flows in the Countrywide plc group consolidated financial statements in 2018.

The company had net liabilities of £2.6 million at 31 December 2018 (2017: net assets of £113.7 million).

The company did not receive any dividends from subsidiaries during the year (2017: £Nil).

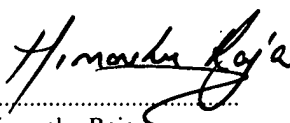
The company intends to continue to act as an investment holding company during the forthcoming year.

Given the nature of the company's activities, the directors believe that key performance indicators are not necessary or appropriate for an understanding of the company's specific development, performance or the position of its business.

**Principal risks and uncertainties**

The principal risks and uncertainties of the company, including financial risk and management, are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the company, are disclosed on pages 38 to 42 of Countrywide plc's annual report for the year ended 31 December 2018.

Approved by the Board on 27 September 2019 and signed on its behalf by:

  
.....  
Himanshu Raja  
Director

**Balanus Limited**  
**(Registration number: 01837522)**

**Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the audited financial statements for the year ended 31 December 2018.

**Principal activities and future developments**

The company is an intermediate holding company of subsidiaries of the Countrywide plc group. There have been no changes in the company's activities in the year under review and no future change in activity is anticipated.

**Dividends**

The directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: £Nil).

**Financial risk management**

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out on a group basis by the finance department of Countrywide plc, the ultimate parent undertaking. The board provides principles for overall risk management, as well as specific areas such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

*(a) Market risk*

*(i) Foreign exchange risk*

The company operates within the United Kingdom and all of the company's transactions are in sterling.

*(ii) Cash flow and fair value interest rate risk*

As the company has no significant interest bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

*(b) Credit risk*

The principal activity of the company is a holding company for a group of businesses. Credit risk is therefore considered to be low.

*(c) Liquidity risk*

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

Cash balances are managed through Countrywide plc's group treasury arrangement and cash outflows can be predicted with reasonable accuracy. Credit risk within the group treasury function is also mitigated by maintaining a list of accepted deposit institutions whose credit ratings are kept under review.

**Directors of the company**

The directors of the company who held office during the year and up to the date of signing the financial statements were as follows:

Himanshu Raja

Gareth Williams

**Balanus Limited**  
**(Registration number: 01837522)**

**Directors' Report for the Year Ended 31 December 2018 (continued)**

**Going concern**

The company is a subsidiary of Countrywide plc and operates as part of the wider Countrywide plc group (the "Group").

The Group finances its operations through a £125 million committed revolving credit facility and undertakes treasury management activities centrally, including the funding of any short term working capital obligations as they fall due; syndicated across a group of six lenders, expiring in September 2022. The company, along with fellow subsidiaries, has given a joint and several liability guarantee in respect of this facility, amounting to £85 million at 31 December 2018 (£100 million at 30 June 2019).

There are two principal financial covenants relating to the Group's debt that test the ratio of net debt relative to Group adjusted EBITDA and interest cover. In addition, the Group's information covenants keep the lender group apprised of the Group's performance, including forecasts for income statement, balance sheet and cash flow liquidity.

As part of the Countrywide plc Board's assessment of going concern and ongoing liquidity, forecasts were prepared for the three years to December 2021. These forecasts included sensitivities on a variety of downside scenarios including future property transaction volumes, which recognise the uncertain UK political and Brexit environment, and options to mitigate the effects of these downside scenarios. These sensitivities have been used in assessing the Group's forecast compliance with its leverage and interest covenants over the three years and to assess liquidity.

In light of market uncertainty, during the first half of 2019 the Group has taken a series of actions across the business to reduce discretionary costs and overheads. This has underpinned the delivery of the Group's first half performance and gives the Board confidence in the outlook for the full year. The Board fully expects the Group to be in compliance with its leverage and interest covenants in 2019. For 2020 and 2021, the forecast scenarios assumed a continuing impact from the uncertain political and Brexit environment and in these scenarios the headroom on the leverage covenants reduced in 2020. In response to this, the Group has developed a series of further cost action plans to mitigate the downside risks.

At the same time, the Group agreed new leverage covenant levels in July 2019 which gives the Group the financial flexibility to execute its turnaround. The interest covenant level was deemed to be appropriate relative to current and anticipated levels of headroom throughout the plan period.

Having assessed the Group's liquidity outlook on the basis of the above projections and sensitivities, ongoing enhanced liquidity monitoring and the mitigating actions available to the Group, the Board concluded that the Group has sufficient headroom compared to its available borrowing facility.

The directors of the company have confirmed that, after due consideration, including the above factors relating to the Group's ability to continue as a going concern, and in light of the commitment by the company's ultimate parent company to fund any short term working capital commitments, the company will be able to meet its liabilities when they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**Directors' liabilities**

The company has made qualifying third party indemnity provisions (as defined in the Companies Act 2006) for the benefit of its directors during the year. These provisions were in force during the financial year and remain in force at the date of this report.

**Balanus Limited**  
**(Registration number: 01837522)**

**Directors' Report for the Year Ended 31 December 2018 (continued)**

**Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Disclosure of information to the auditors**

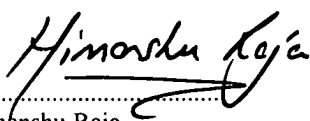
All directors at the date of approval of the Directors' Report confirm that:

- as far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Reappointment of auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint will be proposed at the Annual General Meeting.

Approved by the Board on 27 September 2019 and signed on its behalf by:

  
.....  
Himanshu Raja  
Director

**Balanus Limited**  
**(Registration number: 01837522)**

**Independent auditors' report to the members of Balanus Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Balanus Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Income Statement, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.



**Balanus Limited**  
**(Registration number: 01837522)**

**Independent auditors' report to the members of Balanus Limited (continued)**

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Balanus Limited**  
**(Registration number: 01837522)**

**Independent auditors' report to the members of Balanus Limited (continued)**

**Responsibilities for the financial statements and the audit (continued)**

*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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Christopher Burns (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

30 September 2019

**Balanus Limited**  
**(Registration number: 01837522)**

**Income Statement for the Year Ended 31 December 2018**

	Note	2018 £'000	2017 £'000
Other income		42	56
Administrative expenses		<u>(148)</u>	<u>(80)</u>
Operating loss before exceptional items		(106)	(24)
Exceptional items	7	<u>(115,710)</u>	<u>-</u>
Operating loss	6	(115,816)	(24)
Finance costs	8	<u>(401)</u>	<u>(347)</u>
Loss before taxation		(116,217)	(371)
Taxation on loss	9	<u>74</u>	<u>64</u>
Loss for the financial year		<u><u>(116,143)</u></u>	<u><u>(307)</u></u>

The above results were derived from continuing operations.

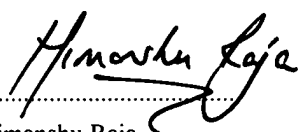
A statement of other comprehensive income has not been prepared as there was no other comprehensive income for the year other than that included in the results above.

**Balanus Limited**  
(Registration number: 01837522)

**Balance Sheet as at 31 December 2018**

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Property, plant and equipment	10	76	175
Investments in subsidiaries	11	10,326	126,036
Investments in joint ventures	11	4,554	4,554
Available-for-sale financial assets	12	-	87
		<u>14,956</u>	<u>130,852</u>
<b>Current assets</b>			
Trade and other receivables	13	125	162
Deferred tax assets	9	1	1
Cash and cash equivalents		<u>2</u>	<u>-</u>
		128	163
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	14	<u>(17,657)</u>	<u>(17,348)</u>
Net current liabilities		<u>(17,529)</u>	<u>(17,185)</u>
Net (liabilities)/assets		<u>(2,573)</u>	<u>113,667</u>
<b>Capital and reserves</b>			
Called up share capital	15	16,913	16,913
Share premium account		37,014	37,014
Capital redemption reserve		3,256	3,256
Merger reserve		37,875	37,875
Profit and loss account		<u>(97,631)</u>	<u>18,609</u>
Total shareholders' (deficit) / funds		<u>(2,573)</u>	<u>113,667</u>

The financial statements on pages 9 to 34 were approved by the Board of Directors on 27 September 2019 and signed on its behalf by:

  
.....  
Himanshu Raja  
Director

**Balanus Limited**  
(Registration number: 01837522)

**Statement of Changes in Equity for the Year Ended 31 December 2018**

	Share capital	Share premium	Capital redemption reserve	Merger reserve	Profit and loss account	Total shareholders' (deficit) / funds
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2017	16,913	37,014	3,256	37,875	18,916	113,974
Loss for the financial year	-	-	-	-	(307)	(307)
Total comprehensive expense	-	-	-	-	(307)	(307)
Audited balance at 31 December 2017 as originally presented	16,913	37,014	3,256	37,875	18,609	113,667
Change in accounting policy	-	-	-	-	(97)	(97)
Restated total equity at 1 January 2018 (a)	16,913	37,014	3,256	37,875	18,512	113,570
Loss for the financial year	-	-	-	-	(116,143)	(116,143)
Total comprehensive expense	-	-	-	-	(116,143)	(116,143)
Balance at 31 December 2018	16,913	37,014	3,256	37,875	(97,631)	(2,573)

(a) Restated from prior year following the adoption of IFRS 9 (see note 2)

**Balanus Limited**  
**(Registration number: 01837522)**

**Notes to the Financial Statements for the Year Ended 31 December 2018**

**1 General information**

Balanus Limited ('the company') is an intermediate holding company of subsidiaries of the Countrywide plc group.

The company is a private company limited by share capital which is incorporated and domiciled in the UK. The address of its registered office is Greenwood House, 1st Floor, 91-99 New London Road, Chelmsford, Essex, CM2 0PP.

**2 Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Countrywide plc, the company's ultimate holding company in the United Kingdom, produces a consolidated cash flow statement and is included in the consolidated financial statements. Consequently the company has taken advantage of the exemption not to produce its own cash flow statement.

The company is a wholly owned subsidiary of Countrywide plc and is included in the consolidated financial statements of Countrywide plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

**Balanus Limited**  
**(Registration number: 01837522)**

**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**2 Significant accounting policies (continued)**

**Summary of disclosure exemptions**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1
  - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - (i) 10(d), (statement of cash flows)
  - (ii) 16 (statement of compliance with all IFRS)
  - (iii) 38A (requirement for minimum of two primary statements, including cash flow statements)
  - (iv) 38B-D (additional comparative information)
  - (v) 40A-D (requirements for a third statement of financial position)
  - (vi) 111 (cash flow statement information)
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

**Balanus Limited**  
**(Registration number: 01837522)**

**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**2 Significant accounting policies (continued)**

**Going concern**

The company is a subsidiary of Countrywide plc and operates as part of the wider Countrywide plc group (the "Group").

The Group finances its operations through a £125 million committed revolving credit facility and undertakes treasury management activities centrally, including the funding of any short term working capital obligations as they fall due; syndicated across a group of six lenders, expiring in September 2022. The company, along with fellow subsidiaries, has given a joint and several liability guarantee in respect of this facility, amounting to £85 million at 31 December 2018 (£100 million at 30 June 2019).

There are two principal financial covenants relating to the Group's debt that test the ratio of net debt relative to Group adjusted EBITDA and interest cover. In addition, the Group's information covenants keep the lender group apprised of the Group's performance, including forecasts for income statement, balance sheet and cash flow liquidity.

As part of the Countrywide plc Board's assessment of going concern and ongoing liquidity, forecasts were prepared for the three years to December 2021. These forecasts included sensitivities on a variety of downside scenarios including future property transaction volumes, which recognise the uncertain UK political and Brexit environment, and options to mitigate the effects of these downside scenarios. These sensitivities have been used in assessing the Group's forecast compliance with its leverage and interest covenants over the three years and to assess liquidity.

In light of market uncertainty, during the first half of 2019 the Group has taken a series of actions across the business to reduce discretionary costs and overheads. This has underpinned the delivery of the Group's first half performance and gives the Board confidence in the outlook for the full year. The Board fully expects the Group to be in compliance with its leverage and interest covenants in 2019. For 2020 and 2021, the forecast scenarios assumed a continuing impact from the uncertain political and Brexit environment and in these scenarios the headroom on the leverage covenants reduced in 2020. In response to this, the Group has developed a series of further cost action plans to mitigate the downside risks.

At the same time, the Group agreed new leverage covenant levels in July 2019 which gives the Group the financial flexibility to execute its turnaround. The interest covenant level was deemed to be appropriate relative to current and anticipated levels of headroom throughout the plan period.

Having assessed the Group's liquidity outlook on the basis of the above projections and sensitivities, ongoing enhanced liquidity monitoring and the mitigating actions available to the Group, the Board concluded that the Group has sufficient headroom compared to its available borrowing facility.

The directors of the company have confirmed that, after due consideration, including the above factors relating to the Group's ability to continue as a going concern, and in light of the commitment by the company's ultimate parent company to fund any short term working capital commitments, the company will be able to meet its liabilities when they fall due. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



**Balanus Limited**  
**(Registration number: 01837522)**

**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**2 Significant accounting policies (continued)**

**New standards, amendments and interpretations**

The following new standards effective for the first time for the financial year beginning on or after 1 January 2018 have had a material impact on the company.

***IFRS 9 'Financial instruments'***

IFRS 9 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities.

***Classification and measurement***

The company has applied the requirements of IFRS 9 to instruments owned at 1 January 2018 and has not applied the requirements to instruments that had already been derecognised prior to 1 January 2018. Comparative amounts have not been restated.

As at the date of initial application of IFRS 9, the company has elected to apply the fair value through profit or loss option for all of its non-controlling equity interests that were classified as available-for-sale under IAS 39. There is no impact on the classification and measurement of the other financial assets, and no change in the accounting for financial liabilities, held by the company.

***Impairment***

The impairment model under IFRS 9 reflects expected credit losses, as opposed to only incurred credit losses under IAS 39. Under the impairment approach under IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses, which will be updated at each reporting date.

As at 1 January 2018, the company reviewed and assessed existing financial assets, amounts due from customers and group undertakings, for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk.

A provision of £97,000 has been recognised against retained earnings in respect of amounts owed by Group undertakings. The additional loss allowance recognised upon the initial application of IFRS 9 resulted entirely from a change in the measurement attribute of the loss allowance relating to the financial assets. The provision against amounts owed by Group undertakings takes into account the financial position of the counterparties and reflects the estimated discounting in respect of the likely timing of future receipts against balances that are technically repayable on demand.

	<b>Provision against amounts owed by group undertakings £'000</b>
At 31 December 2017 calculated under IAS 39	-
Amounts restated through retained earnings	(97)
<b>Opening loss allowance at 1 January 2018 under IFRS 9</b>	<b>(97)</b>

**Balanus Limited**  
(Registration number: 01837522)

**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**2 Significant accounting policies (continued)**

The table below shows the impact of the adoption of IFRS 9 is shown on the balance sheet as at 1 January 2018.

<i>Balance sheet (extract)</i>	<b>31 December 2017</b>		<b>1 January 2018</b>
	<b>As previously reported</b>	<b>Impact of IFRS 9</b>	<b>Restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Current assets</b>			
Trade and other receivables	162	(97)	65
<b>Impact on total assets</b>	162	(97)	65
<b>Capital and reserves</b>			
Profit and loss account	18,609	(97)	18,512
<b>Impact on total shareholders' funds</b>	18,609	(97)	18,512

**Property, plant and equipment**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

**Depreciation**

Depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Land and buildings - 50 years

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

**Investments in subsidiaries**

Investments in subsidiaries are held at historical cost less provision for impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**Balanus Limited**  
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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**2 Significant accounting policies (continued)**

**Financial assets**

*Classification*

The company classifies its financial assets as financial assets at amortised cost and financial assets at fair value through profit or loss. The classification depends on the purpose and business model for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*Financial assets at amortised cost*

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. Financial assets at amortised cost comprise mainly cash and cash equivalents and trade and other receivables.

*Recognition and measurement*

Regular purchases and sales of financial assets are recognised on the trade date: the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial assets at amortised cost are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

*Impairment of financial assets*

The company applies the IFRS 9 simplified approach to measuring expected credit losses. In determining the expected credit losses for these assets, the company has taken into account the historical default experience and the financial position of the counterparties, in estimating the likelihood of default of each of these financial assets occurring within their loss assessment time horizon.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

*Previous accounting policy for impairment of trade receivables*

In the prior year, impairment provisions were recognised when there was objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company would be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net of provisions, such provisions are recorded in a separate provision account with the loss being recognised within other operating costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits held on call with banks.

**Share capital**

Ordinary shares are classified as equity.

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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**2 Significant accounting policies (continued)**

**Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the company intends to settle the balances on a net basis.

**Exceptional items**

Certain items are presented separately in the income statement as exceptional where, in the judgement of the directors, they need to be disclosed separately by virtue of their nature, size or incidence to obtain a clear and consistent presentation of the company's underlying business performance.

**Dividends**

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

**Operating leases**

Payments under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**3 Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are addressed below.

*Exceptional items*

Certain items are presented separately in the income statement as exceptional where, in the judgement of the directors, they need to be disclosed separately by virtue of their nature, size or incidence in order to obtain a clear and consistent presentation of the company's underlying business performance. Further details of material, non-recurring items the directors have disclosed as exceptional items are disclosed in note 7.

*Impairment of investments in subsidiaries and intercompany receivables*

Determining whether the value of investments in subsidiaries and intercompany receivables are impaired requires an estimation of their recoverable value. Calculating the future cash flows of the business requires the use of significant judgements and estimates, including: the achievability of long-term business plans and future cash flows which are dependent upon circumstances both within and outside of management's control; the discount rates applied; and the macroeconomic assumptions underlying the process.

**4 Other income**

The analysis of the company's other income for the year is as follows:

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Rent receivable	25	15
Other income	17	41
	<u>42</u>	<u>56</u>

**5 Directors' remuneration**

None of the directors received any emoluments for their services as directors during 2018 (2017: £Nil). The company has no employees (2017: Nil).

**Balanus Limited**  
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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**6 Operating loss**

Arrived at after charging:

	2018 £'000	2017 £'000
Depreciation expense	5	5
Auditors' remuneration for audit work	<u>8</u>	<u>8</u>

The fees payable for the audit of the company's financial statements are £8,000 (2017: £8,000). There are no non-audit fees paid to the company's auditors.

**7 Exceptional items**

	2018 £'000	2017 £'000
<i>Exceptional costs</i>		
Impairment of investment in subsidiaries (note 11)	<u>115,710</u>	<u>-</u>

Significant progress has been made with the Countrywide plc group (the "Group") strategy and turnaround plan during the year. However, the continued subdued external environment and the deterioration in trading, which became apparent after conclusion of the 2018 business planning process that underpinned the 2017 impairment review, resulted in impairment charges taken at the group consolidated level during 2018. Cash flows driving the impairment review align to the latest three-year strategy and turnaround plan that has been scrutinised and endorsed by the Group's Board.

Aligned to the above wider impairment assessment, the company incurred impairment charges of £115,710,000 (2017:£Nil) against investments in subsidiaries.

**8 Finance costs**

	2018 £'000	2017 £'000
Finance costs	<u>401</u>	<u>347</u>

**Balanus Limited**  
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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**9 Tax on loss**

Tax credit included in income statement:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax on losses for the year	(71)	(64)
Adjustments in respect of prior years	(3)	-
<b>Total current tax credit</b>	<u>(74)</u>	<u>(64)</u>

The tax credit for the year differs from (2017: differs from) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Loss before taxation	(116,217)	(371)
Loss before taxation multiplied by the rate of corporation tax in the UK of 19% (2017: 19.25%)	(22,081)	(72)
Effects of:		
Impairment of investment in subsidiaries	21,985	-
Impairment of non-current assets	18	-
Other expenses not deductible	6	7
Permanent difference relating to depreciation not deductible	1	1
Adjustments in respect of prior years	(3)	-
<b>Total taxation credit</b>	<u>(74)</u>	<u>(64)</u>

The changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

The relevant deferred tax balances have been re-measured using rates applicable to when the balances are expected to unwind.

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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**9 Tax on loss (continued)**

**Deferred tax**

The provision for deferred tax consists of the following deferred tax assets:

	2018 £'000	2017 £'000
Deferred tax asset at 1 January and 31 December	1	1
Deferred tax asset expected to unwind within one year	-	-
Deferred tax asset expected to unwind after one year	1	1
	<u>1</u>	<u>1</u>

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets to the extent that it is probable that these assets will be recovered through future taxable profits.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

	2018 Asset £'000	Charged to income £'000
<b>Origination and reversal of temporary differences</b>		
Capital allowances	1	-
Total	<u>1</u>	<u>-</u>

	2017 Asset £'000	Charged to income £'000
<b>Origination and reversal of temporary differences</b>		
Capital allowances	1	-
Total	<u>1</u>	<u>-</u>

There are no unused tax losses (2017: Nil).

Deferred tax assets have not been recognised in respect of unused capital losses of £14.8m (2017: £14.8m). There is no expiry date attributable to these unrecognised deferred tax assets, but no assets have been recognised as there are currently no expectations of offsetting income streams arising, with the exception of the value noted below where an identical liability would also be recognised.



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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**10 Property, plant and equipment**

	<b>2018</b>
	<b>Land and buildings</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	260
<b>Accumulated depreciation</b>	
At 1 January 2018	85
Charge for the year	5
Impairment charge	94
At 31 December 2018	184
<b>Net book amount</b>	
At 31 December 2018	76
At 31 December 2017	175

All depreciation and impairment charges are treated as an expense in the income statement.

The Countrywide plc group (the "Group") undertook an assessment of the recoverable values of cash generating units (CGUs) against their carrying values in June 2018. This review resulted in an impairment charge being taken in the company of £94,000 against freehold property due to impairments identified elsewhere within the Group exceeding the intangible and tangible asset carrying values of that CGU, which triggered an impairment of the company's assets that supported the CGU.

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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**11 Investments**

**Shares in subsidiary undertakings and joint ventures**

The company owns the whole of the issued and fully paid share capital of its subsidiary undertakings, all of which are incorporated in the United Kingdom.

Principal subsidiary undertakings and joint venture undertakings of the company are presented below:

Subsidiary or joint venture	Country of incorporation	Proportion of ordinary shares held by the company	Direct / indirect	Active / dormant
Countrywide Estate Agents	UK	100%	Direct	Active
Countrywide Principal Services Limited	UK	100%	Direct	Active
Slater Hogg Mortgages Limited	UK	100%	Direct	Active
Countrywide Surveyors Limited	UK	100%	Direct	Active
Countrywide Property Lawyers Limited	UK	100%	Direct	Active
TM Group (UK) Limited	UK	33%	Direct	Active

A full list of subsidiary and joint venture undertakings at 31 December 2018 is included within the appendix. The appendix on pages 27 to 34 forms part of these financial statements.

	2018			2017		
	Shares in subsidiary undertakings	Joint ventures	Total	Shares in subsidiary undertakings	Joint ventures	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January	126,036	4,554	130,590	126,036	4,554	130,590
Impairment charge	(115,710)	-	(115,710)	-	-	-
At 31 December	10,326	4,554	14,880	126,036	4,554	130,590

During the year the company received dividends of £Nil (2017: £Nil) from subsidiary undertakings and dividends of £Nil (2017: £Nil) from joint ventures.

Impairments arising during the year align to the wider assessment of the Countrywide plc group discounted cash flows, resulting in impairments undertaken at the half year against assets in the consolidated financial statements and revisited at the year end.

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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**12 Financial assets previously classified as available-for-sale financial assets**

	2018	2017
	£'000	£'000
At 1 January	-	122
Amortisation of debentures	-	(35)
At 31 December	<u>-</u>	<u>87</u>

Debentures (2017: £87,000) have been reclassified as prepayments in 2018.

**13 Trade and other receivables**

	2018	2017
	£'000	£'000
Amounts owed by group undertakings	-	97
Group relief receivable	73	64
Prepayments	52	-
Other receivables	<u>-</u>	<u>1</u>
	<u>125</u>	<u>162</u>

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are considered past due once they have passed their contracted due date. Trade receivables are reviewed for impairment by taking into account the historical default experience and the financial position of the counterparties to estimate the likelihood of default. Trade receivables are written off when there is no reasonable expectation of recovery.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The amount owed is stated net of a provision of £97,000 (2017: £Nil) which reflects the estimated discounting in respect of the likely timing of future receipts against balances that are technically repayable on demand.

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**Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

**14 Trade and other payables**

	2018 £'000	2017 £'000
Amounts owed to group undertakings	17,649	17,340
Accruals and other payables	<u>8</u>	<u>8</u>
	<u>17,657</u>	<u>17,348</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Balances with Countrywide Group plc are subject to interest at base rate plus 2.25%. Other balances are interest free.

**15 Called up share capital**

**Allotted, called up and fully paid shares**

	2018 £'000	2017 £'000
338,260,000 (2017: 338,260,000) ordinary shares of £0.05 each	<u>16,913</u>	<u>16,913</u>

**16 Contingent liabilities**

The company, along with other fellow subsidiaries, has given a joint and several liability guarantee in respect of the bank borrowings of Countrywide plc, amounting to £85 million at the year end (2017: £210 million).

**17 Parent and ultimate parent undertaking**

The immediate parent undertaking is Countrywide Group plc. The ultimate parent undertaking and ultimate controlling party is Countrywide plc, a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. Countrywide plc is the parent undertaking of the only group of undertakings to consolidate these financial statements. The consolidated financial statements of Countrywide plc can be obtained from Greenwood House, 1st Floor, 91-99 New London Road, Chelmsford, Essex, CM2 0PP.

**18 Events after the reporting period**

During July 2019, Countrywide plc, the ultimate parent undertaking and ultimate controlling party, agreed an amended covenant package relating to the revolving credit facility with its lender partners which provides the Countrywide plc group of companies with the financial flexibility to continue to execute the turnaround plan as noted in the Directors' Report.

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**Appendix**

**Related undertakings of the company as at 31 December 2018**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to incorporation note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
A3 Countrywide Limited	2	UK	100%	Indirect	Dormant
Abbotts Estate Agents Ltd	2	UK	100%	Indirect	Dormant
Accord Properties Limited	2	UK	100%	Indirect	Dormant
Acornsrl Limited	2	UK	100%	Indirect	Dormant
Aeromind Limited	3	UK	100%	Indirect	Dormant
Alan de Maid Limited	2	UK	100%	Indirect	Dormant
Alan Harvey Property Services Limited	2	UK	100%	Indirect	Dormant
Anderson Estate Agents Limited	2	UK	100%	Indirect	Dormant
APW Holdings Limited	2	UK	100%	Indirect	Dormant
APW Management (Cobham) Limited	2	UK	100%	Indirect	Dormant
APW Management (Esher) Limited	2	UK	100%	Indirect	Dormant
APW Management (Sunninghill) Limited	2	UK	100%	Indirect	Dormant
APW Management (Weybridge) Limited	2	UK	100%	Indirect	Dormant
APW Management Services Limited	2	UK	100%	Indirect	Dormant
Ashton Burkinshaw (Franchising) Limited	2	UK	100%	Indirect	Dormant
Subsidiary or joint venture	2	UK	100%	Indirect	Dormant
Austin & Wyatt Limited	2	UK	100%	Indirect	Dormant
Avon Property (Wilts) Limited	2	UK	100%	Indirect	Dormant
Bairstow Eves Countrywide Limited	2	UK	100%	Indirect	Dormant
Bairstow Eves Limited	2	UK	100%	Indirect	Dormant
Barrys (Surrey) Limited	2	UK	100%	Indirect	Dormant
Beresford Adams Limited	2	UK	100%	Indirect	Dormant
Blundells Property Services Limited	2	UK	100%	Indirect	Dormant
Bridgfords Countrywide Limited	2	UK	100%	Indirect	Dormant
Bridgfords Limited	2	UK	100%	Indirect	Dormant
Buckell & Ballard Limited	2	UK	100%	Indirect	Dormant
Bullock and Lees (Christchurch) Limited	2	UK	100%	Indirect	Dormant
Bureau Properties Limited	1	UK	100%	Indirect	Dormant
CAG Overseas Investments Limited	2	UK	100%	Direct	Dormant
Capital Fine Homes Limited	2	UK	100%	Indirect	Dormant
Cardinal Mortgage Service Limited (The)	2	UK	100%	Indirect	Dormant

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**Appendix (continued)**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to incorporation note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
Carol Whyte Property Management Limited	5	UK	100%	Indirect	Dormant
Carson & Company Estate Agents Limited	2	UK	100%	Indirect	Dormant
Castle Moat at Taunton Limited	2	UK	100%	Indirect	Dormant
Cathedral Lettings and Management Limited	2	UK	100%	Indirect	Dormant
CEA Holdings Limited	2	UK	100%	Direct	Dormant
Chamberlains Lettings Limited	2	UK	100%	Indirect	Dormant
Chamberlains SGS Holdings Limited	2	UK	100%	Indirect	Dormant
Chappell & Matthews Limited	2	UK	100%	Indirect	Dormant
Chattings Limited	2	UK	100%	Indirect	Dormant
CHK (Cobham) Ltd	2	UK	100%	Indirect	Dormant
CHK (Esher) Limited	2	UK	100%	Indirect	Dormant
Cliftons International Ltd	2	UK	100%	Indirect	Dormant
Copleys of York Limited	2	UK	100%	Indirect	Dormant
Cosec Management Services Limited	6	UK	100%	Indirect	Dormant
Countrywide Conveyancing Limited	2	UK	100%	Indirect	Dormant
Countrywide Corporate Property Services Limited	7	UK	100%	Indirect	Dormant
Countrywide Estate Agents	1	UK	100%	Direct	Active
Countrywide Estate Agents (South) Limited	1	UK	100%	Direct	Dormant
Countrywide Estate Agents FS Limited	2	UK	100%	Direct	Dormant
Countrywide Estate Agents Nominees Limited	2	UK	100%	Indirect	Dormant
Countrywide Financial Services (South) Limited	2	UK	100%	Indirect	Dormant
Countrywide Home Movers Services Limited	2	UK	100%	Indirect	Dormant
Countrywide Mortgage Services Limited	2	UK	100%	Direct	Dormant
Countrywide North Limited	2	UK	100%	Indirect	Dormant
Countrywide Part Exchange Solutions Limited	2	UK	100%	Indirect	Dormant
Countrywide Principal Services Limited	4	UK	100%	Direct	Active
Countrywide Property Auctions Limited	1	UK	100%	Indirect	Dormant
Countrywide Property Care Solutions Limited	2	UK	100%	Indirect	Dormant

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**Appendix (continued)**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
Countrywide Property Lawyers Limited	8	UK	100%	Direct	Active
Countrywide Relocation Solutions Limited	2	UK	100%	Indirect	Dormant
Countrywide Repossession Solutions Limited	2	UK	100%	Indirect	Dormant
Countrywide Residential Investments Limited	2	UK	100%	Indirect	Dormant
Countrywide Residential Lettings Limited	1	UK	100%	Indirect	Dormant
Countrywide Surveyors Limited	1	UK	100%	Direct	Active
CRL Company Directors Limited	6	UK	100%	Indirect	Dormant
CRL Company Secretaries Limited	6	UK	100%	Indirect	Dormant
Curtis and Bains Limited	2	UK	100%	Indirect	Dormant
Dickinson Harrison Limited	2	UK	100%	Indirect	Dormant
Duck & Hedges Group Ltd	2	UK	100%	Indirect	Dormant
Duck & Hedges Limited	2	UK	100%	Indirect	Dormant
Edinburgh Property Letting Limited	5	UK	100%	Indirect	Dormant
Entwistle Green Limited	2	UK	100%	Indirect	Dormant
Executive Property Services Residential Limited	2	UK	100%	Indirect	Dormant
Faron Sutaria & Company Limited	2	UK	100%	Indirect	Dormant
Finders Keepers Limited	2	UK	100%	Indirect	Dormant
Fitz-Gibbon Limited	2	UK	100%	Indirect	Dormant
Ford Property Services Limited	2	UK	100%	Indirect	Dormant
Frank Innes Countrywide Limited	2	UK	100%	Indirect	Dormant
Freeman Forman Letting Limited	2	UK	100%	Indirect	Dormant
Freeman Forman Limited	2	UK	100%	Indirect	Dormant
Fulfords Estate Agents Limited	2	UK	100%	Indirect	Dormant
Gascoigne Pees Estate Agents Limited	2	UK	100%	Indirect	Dormant
Gatlink Limited	2	UK	100%	Indirect	Dormant
Gertingpet Limited	2	UK	100%	Indirect	Dormant
Gilpro Management Limited	5	UK	100%	Indirect	Dormant
Greene & Co Maintenance Limited	2	UK	100%	Indirect	Dormant
Grosvenor Private Clients Limited	2	UK	100%	Indirect	Dormant
Hamptons Estates Limited	1	UK	100%	Indirect	Dormant
Hamptons Professional Limited	2	UK	100%	Indirect	Dormant
Harecastle Limited	6	UK	100%	Indirect	Dormant

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**Appendix (continued)**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to incorporation note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
Harrisons Estate Agents Limited	2	UK	100%	Indirect	Dormant
Harvey Donaldson & Gibson Limited	9	UK	100%	Indirect	Dormant
HCW Estate Agents Limited	2	UK	100%	Indirect	Dormant
HCW Group Limited	2	UK	100%	Indirect	Dormant
HCW Insurance Services Limited	2	UK	100%	Indirect	Dormant
Hetheringtons	2	UK	100%	Indirect	Dormant
Hetheringtons Estate Agents Limited	1	UK	100%	Indirect	Dormant
Holmes Pearman Limited	2	UK	100%	Indirect	Dormant
Home From Home Limited	2	UK	100%	Indirect	Dormant
Housemans Management Company Limited	6	UK	100%	Indirect	Dormant
Housemans Management Secretarial Limited	6	UK	100%	Indirect	Dormant
Howunalis Limited	2	UK	100%	Indirect	Dormant
Howuncea	2	UK	100%	Indirect	Dormant
Howunsay	2	UK	100%	Indirect	Dormant
Hurst Independent Financial Services Limited	2	UK	100%	Indirect	Dormant
Ian Peat Property Management Limited	2	UK	100%	Indirect	Dormant
Ikon Consultancy Limited	2	UK	100%	Indirect	Dormant
Interlet Property Management Limited	2	UK	100%	Indirect	Dormant
IPCS Group Services Limited	2	UK	100%	Indirect	Dormant
Isite.UK.Com Limited	2	UK	100%	Indirect	Dormant
JAM Advisors Limited	11	UK	100%	Indirect	Active
JK Lettings Limited	2	UK	100%	Indirect	Dormant
John Curtis Lettings & Management Limited	2	UK	100%	Indirect	Dormant
John Curtis Limited	2	UK	100%	Indirect	Dormant
John D Wood & Co. (Residential & Agricultural) Limited	12	UK	100%	Indirect	Dormant
John D Wood & Co. Plc	2	UK	100%	Indirect	Dormant
John Frances Limited	2	UK	100%	Indirect	Dormant
John Francis (Wales) Limited	2	UK	100%	Indirect	Dormant
JP & Brimelow (Lettings & Property Management) Limited	2	UK	100%	Indirect	Dormant
Kean Kennedy Ltd	9	UK	100%	Indirect	Dormant



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**Appendix (continued)**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
Kilroy Estate Agents Limited	2	UK	100%	Direct	Dormant
King & Chasemore Limited	2	UK	100%	Indirect	Dormant
Knights of Bath Limited	2	UK	100%	Indirect	Dormant
Knightsbridge Estate Agents and Valuers Limited	2	UK	100%	Indirect	Dormant
Labyrinth Management Limited	6	UK	100%	Indirect	Dormant
Lampons Residential Limited	2	UK	100%	Indirect	Dormant
Land and New Homes Countrywide Limited	2	UK	100%	Indirect	Dormant
Lanes Land Limited	2	UK	100%	Indirect	Dormant
Lanes Property Agents (Cheshunt) Limited	2	UK	100%	Indirect	Dormant
Leasehold Legal Services Limited	2	UK	100%	Indirect	Dormant
Leasemanco Limited	6	UK	100%	Indirect	Dormant
Let Lucas Rental Specialists Limited	2	UK	100%	Indirect	Dormant
Let Verde Limited	2	UK	100%	Indirect	Dormant
Letmore Group Ltd	2	UK	100%	Indirect	Dormant
Letmore Lettings Ltd	2	UK	100%	Indirect	Dormant
Letmore Management Ltd	2	UK	100%	Indirect	Dormant
Lets - Cover Limited	2	UK	100%	Indirect	Dormant
Letters of Distinction Limited	2	UK	100%	Indirect	Dormant
Lifestyle Management (York) Co. Limited	2	UK	100%	Indirect	Dormant
Lighthouse Property Services Ltd	2	UK	100%	Indirect	Dormant
London & Country Property Auctions Limited	1	UK	100%	Indirect	Dormant
LS1 Limited	2	UK	100%	Indirect	Dormant
Maitlands Lettings Limited	2	UK	100%	Indirect	Dormant
Mann & Co (Kent) Limited	2	UK	100%	Indirect	Dormant
Mann & Co. Limited	2	UK	100%	Indirect	Dormant
Mann Countrywide Limited	2	UK	100%	Indirect	Dormant
Merchant Executive Properties Limited	5	UK	100%	Indirect	Dormant
Merchant Lettings (Ayrshire) Limited	5	UK	100%	Indirect	Dormant
Merchant Lettings (Edinburgh) Limited	5	UK	100%	Indirect	Dormant
Merchant Lettings (Paisley) Limited	5	UK	100%	Indirect	Dormant
Merchant Lettings Limited	5	UK	100%	Indirect	Dormant
Merchant Maintenance Limited	5	UK	100%	Indirect	Dormant

**Balanus Limited**  
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**Appendix (continued)**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
Michael Rhodes Property Management Limited	2	UK	100%	Indirect	Dormant
Mid Cornwall Letting Limited	2	UK	100%	Indirect	Dormant
Miller Estate Agents Limited	2	UK	100%	Indirect	Dormant
Milton Ashbury (Property Agents) Limited	2	UK	100%	Indirect	Dormant
Modernmode Limited	2	UK	100%	Indirect	Dormant
Morris Dibben Limited	2	UK	100%	Indirect	Dormant
Mountford Limited	2	UK	100%	Indirect	Dormant
Nest Lettings & Management Limited	2	UK	100%	Indirect	Dormant
New Homes Mortgage Solutions Limited	2	UK	100%	Indirect	Active
New Space (Derby) Limited	2	UK	100%	Indirect	Dormant
New Space Margate Ltd	2	UK	100%	Indirect	Dormant
Ohmes Limited	2	UK	100%	Indirect	Dormant
Palmer Snell Limited	2	UK	100%	Indirect	Dormant
Pebble Property Management and Lettings Limited	2	UK	100%	Indirect	Dormant
Personal Homefinders Limited	2	UK	100%	Indirect	Dormant
PKL Group Limited	2	UK	100%	Indirect	Dormant
PKL Limited	2	UK	100%	Indirect	Dormant
PKL Management Limited	2	UK	100%	Indirect	Dormant
Plaza Letting Agents Limited	2	UK	100%	Indirect	Dormant
Portfolio Letting Agents & Consultants Ltd	5	UK	100%	Indirect	Dormant
Potteries Property Services Limited	2	UK	100%	Indirect	Dormant
Project Second JG Limited	2	UK	100%	Indirect	Dormant
Property Management (North East) Limited	2	UK	100%	Indirect	Dormant
Propertywide Limited	1	UK	100%	Indirect	Dormant
R.A. Bennett & Partners Ltd	2	UK	100%	Indirect	Dormant
Realty Property Solutions Limited	2	UK	100%	Indirect	Dormant
Regal Lettings and Property Management Kent Limited	2	UK	100%	Indirect	Dormant
Relocation Solutions Countrywide Limited	2	UK	100%	Indirect	Dormant
Rentons Estate Agents Limited	1	UK	100%	Indirect	Dormant
Richard Dolton Limited	2	UK	100%	Indirect	Dormant
Richard Trowbridge Estate & Lettings Limited	2	UK	100%	Indirect	Dormant

**Balanus Limited**  
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**Appendix (continued)**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to incorporation note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
RPT Management Services Plc	2	UK	100%	Indirect	Dormant
Russells Lettings Limited	2	UK	100%	Indirect	Dormant
Saville Home Management Limited	2	UK	100%	Indirect	Dormant
Securemove Property Services Limited	2	UK	100%	Indirect	Dormant
Slater Hogg & Howison Limited	2	UK	100%	Indirect	Dormant
Slater Hogg Mortgages Limited	4	UK	100%	Direct	Active
Snape Lettings Ltd	2	UK	100%	Indirect	Dormant
Spencers Estate Agents Limited	2	UK	100%	Indirect	Dormant
Spencers Surveyors Limited	2	UK	100%	Indirect	Dormant
Sprint Property Acquisitions Ltd	2	UK	100%	Indirect	Dormant
Statehold Limited	2	UK	100%	Indirect	Dormant
Stoberry Lettings Ltd	2	UK	100%	Indirect	Dormant
Stratton Creber Limited	2	UK	100%	Indirect	Dormant
Sutton Kersh Auctions & Sales Ltd	2	UK	100%	Indirect	Dormant
Sutton Kersh Holdings Ltd	2	UK	100%	Indirect	Dormant
Tablesign Limited	2	UK	100%	Indirect	Dormant
Taylors Estate Agents Ltd	2	UK	100%	Indirect	Dormant
The Butler Club Limited	2	UK	100%	Indirect	Dormant
The Flat Managers Limited	2	UK	100%	Indirect	Dormant
The Greene Corporation Limited	2	UK	100%	Indirect	Dormant
Thomas James Lettings Limited	2	UK	100%	Indirect	Dormant
Thomson & Moulton Limited	2	UK	100%	Indirect	Dormant
Tingleys Lettings Limited	2	UK	100%	Indirect	Dormant
TLS Wilts. Limited	2	UK	100%	Indirect	Dormant
TM Group (UK) Limited	10	UK	33%	Direct	Active
Town & County Residential Limited	2	UK	100%	Indirect	Dormant
Tucker Gardner Residential Limited	2	UK	100%	Indirect	Dormant
Umberman Limited	2	UK	100%	Indirect	Dormant
United Surveyors Limited	2	UK	100%	Indirect	Dormant
Vanet Property Asset Management Limited	2	UK	100%	Indirect	Dormant
Waferprime Limited	2	UK	100%	Indirect	Dormant
Wallhead Gray & Coates	2	UK	100%	Indirect	Dormant
Watson Bull & Porter Limited	2	UK	100%	Indirect	Dormant
Westcountry Property Auctions Limited	1	UK	100%	Indirect	Dormant

**Balanus Limited**  
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**Appendix (continued)**

<b>Subsidiary or joint venture</b>	<b>Registered address (refer to note)</b>	<b>Country of incorporation</b>	<b>% owned</b>	<b>Direct / indirect</b>	<b>Active / dormant</b>
Wildabout Properties Limited	2	UK	100%	Indirect	Dormant
Wilson Peacock Estate Agents Limited	2	UK	100%	Indirect	Dormant
Woods Block Management Limited	13	UK	100%	Indirect	Dormant
WSB Property Management Limited	2	UK	100%	Indirect	Dormant
Wyse Lettings Limited	2	UK	100%	Indirect	Dormant
Young Lettings Limited	2	UK	100%	Indirect	Dormant

**Registered Offices:**

1. Greenwood House, 1st Floor, 91-99 New London Road, Chelmsford, Essex, CM2 0PP.
2. 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT.
3. 17 Duke Street, Chelmsford, Essex, CM1 1HP, United Kingdom.
4. 6 Caldecotte Lake Business Park, Caldecotte Lake Drive, Caldecotte, Milton Keynes, Buckinghamshire MK7 8JT.
5. C/o Countrywide Lettings Ltd, 71 Candleriggs, Glasgow, Lanarkshire G1 1NP.
6. North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury SY1 3BF.
7. The Capitol Building, Oldbury, Bracknell, RG12 8FZ, United Kingdom.
8. Lee House, 90 Great Bridgewater Street, Manchester M1 5RR.
9. Suite 3.7, 3rd Floor, Standard Buildings, 94 Hope Street, Glasgow G2 6PH.
10. 1200 Delta Business Park, Swindon, Wiltshire SN5 7XZ.
11. Suite 2A, St Davids Court, Union Street, Wolverhampton, WV1 3JE.
12. 48 Elizabeth street, London, SW1W 9PA, United Kingdom.
13. North Point, Stafford Drive, Battlefield Enterprise Park, Shrewsbury, SY1 3BF, United Kingdom.