LAMBERT SMITH HAMPTON LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended

31 December 2022

(Registered Number 02222001)

Contents

Directors' Report

The Directors present their annual report and the unaudited financial statements for the year ended 31 December 2022.

INTRODUCTION AND OVERVIEW

Lambert Smith Hampton Limited is a private limited company registered in England and Wales, registered number 02222001. The registered office address is; 55 Wells Street, London, W1T 3PT.

The Company is a holding company for a group of companies which carry on business as commercial surveyors and property advisers.

DIRECTORS OF THE COMPANY

The Directors who held office during the year and up to the date of signing the financial statements were:

Massimo Marcovecchio
Ezra Nahome
Jason Honisett
Stephen Shipperley (resigned 31 December 2022)
David Livesey
Richard Twigg
David Plumtree

DIVIDENDS

During the year interim dividends of £10,000,000 (2021: £2,400,000) were paid. The Directors do not recommend the payment of a final dividend (2021: £nil).

CHARITABLE AND POLITICAL DONATIONS

The Company made no charitable or political donations in 2022 (2021: £nil).

GOING CONCERN

The Company is an intermediate holding company with no liabilities and no costs. Its income is derived from dividends received from its subsidiaries, and immediately pays these out to its shareholders. It is not dependent on the dividends it receives, as it has no liabilities it must meet, and it has not provided any guarantee over its subsidiaries.

As a result of the above and following careful consideration, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

AUDITOR

The Directors have relied upon the exemption from the obligation to appoint auditors permitted under section 479A of the Companies Act 2006 in submitting these unaudited Financial Statements. There is a parent guarantee in place from Connells Limited.

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:

....
Jason Honisett
Director
2 August 2023

55 Wells Street
London
W1T 3PT

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the annual report and the 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 FRS 101 "Reduced Disclosure Framework".

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business

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

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report that comply with that law and those regulations. *The Directors are responsible for the maintenance and integrity of the corporate and financial* information included on the company's website.

The Directors confirm, to the best of their knowledge:

- that the financial statements, prepared in accordance with UK Accounting Standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- that the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face; and
- that they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Operating result		-	-
Finance income	3	10,000	2,500
Profit before taxation		10,000	2,500
Taxation on profit	4	-	-
Profit for the financial year being total comprehensive income		10,000	2,500

The above results were derived from continuing operations.

There is no other comprehensive income for the year.

The notes on pages 7 to 11 form part of these financial statements.

Statement of Financial Position

As at 31 December 2022

	Note	£'000	31 December 2022 £'000	£'000	31 December 2021 £'000
Non-current assets					
Investment in subsidiaries	6	1,555		1,555	
			1,555		1,555
Current assets					
Trade and other receivables	7	390		390	
			390		390
Total assets			1,945		1,945
Capital and reserves					
Share capital	8	1,875		1,875	
Retained earnings		70		70	
Total shareholders' funds			1,945		1,945
Total shareholders' funds and liabilities			1,945		1,945

The notes on pages 7 to 11 form part of these accounts.

The Directors:

(a) confirm that for the financial period in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006; and

(b) acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board of Directors and signed on its behalf by:

....
Jason Honisett
Director
2 August 2023

Company registration number: 02222001

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000
Balance at 1 January 2022	1,875	70	1,945
Total comprehensive income for the year	-	10,000	10,000
Dividends to shareholders	-	(10,000)	(10,000)
Balance at 31 December 2022	**1,875**	**70**	**1,945**
Balance at 1 January 2021	1,875	(30)	1,845
Total comprehensive income for the year	-	2,500	2,500
Dividends to shareholders	-	(2,400)	(2,400)
Balance at 31 December 2021	**1,875**	**70**	**1,945**

The notes on pages 7 to 11 form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

Lambert Smith Hampton Investment Management Limited (the "Company") is a company incorporated, registered and domiciled in the UK. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts:

a) 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, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise their 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 2.

Financial standard 101 – reduced disclosure exemptions

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

a) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
b) The requirements of IAS 7 Statement of Cash Flows.
c) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.
d) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is a wholly owned member of the group.
e) The requirements of IFRS 7 Financial Instruments: Disclosures
f) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15
g) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16
h) *The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 .*
i) The requirements in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information *in respect of*
   i. paragraph 73(e) in respect of IAS 16 Property, Plant and Equipment
   ii. *paragraph 118(e) in respect of IAS 38 Intangible Assets*

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Connells Limited. These financial statements do not include certain disclosures in respect of:

- *Fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets* and liabilities as per paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement.*

Exemption from preparing group financial statements

The financial statements contain information about Lambert Smith Hampton Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the UK consolidated accounts of Connells Limited and the consolidated financial statements of Skipton Building Society (the Company's ultimate parent undertaking) as at 31 December 2022. Those accounts are available online at www.skipton.co.uk/about-us or on request from The Secretary, Skipton Building Society, The Bailey, Skipton, North Yorkshire, BD23 1DN

Adoption of new and revised UK Financial Reporting Standards

The Company adopted during the year the following amendment to existing accounting standards, which did not have a material *impact on these financial statements:*

- Onerous contracts –Costs of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual framework (Amendments to IFRS 3); and
- Fees in the '10 per cent test' for derecognition of financial liabilities (Amendments to IFRS 9)

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

a) Basis of preparation (continued)

Standards issued but not yet effective

A number of new and amended accounting standards and interpretations will be effective for future reporting periods, none of which has been early adopted by the Company in preparing these financial statements. These new and amended standards and interpretations, details of which are set out below, are not expected to have a material impact on the Company's financial statements:

- IFRS 17 Insurance Contracts;
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12); and
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12, effective 1 January 2023);

These amendments have had no material impact on these Financial Statements.

- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12, effective 1 January 2023);

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The company is currently assessing the impact of the amendment.

Measurement convention

The financial statements are prepared on the historical cost basis.

Currency presentation

These financial statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand pounds. The functional currency is pounds sterling.

Going concern

The Company is an intermediate holding company with no liabilities and no costs. Its income is derived from dividends received from its subsidiaries, and immediately pays these out to its shareholders. It is not dependent on the dividends it receives, as it has no liabilities it must meet, and it has not provided any guarantee over its subsidiaries.

As a result of the above and following careful consideration, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

c) Financial assets and liabilities

Classification

The Company classifies its financial assets as financial assets at amortised cost. 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, but any maturities greater than twelve months after the end of the reporting period are disclosed. 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.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

c) Financial assets and liabilities (continued)

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.

d) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

e) Taxation

There is no tax expense for the period. Income tax is recognised in the Income Statement except where items are recognised directly in other comprehensive income, in which case the associated income tax charge or credit is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the year end, and any adjustment to tax payable in respect of previous years.

f) 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.

2. Critical accounting estimates, and judgements in applying accounting policies

Judgements and estimates 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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained below.

Investment in subsidiaries

Determining whether investments in subsidiaries are impaired, or prior impairments can be reversed, requires an estimation of the value in use of the entity in which the company has invested. Calculating the cash flows requires the use of judgements and estimates. In addition, judgement is required to estimate the appropriate interest rate to be used to discount the future cash flows.

The data necessary for the execution of the impairment tests is based on management estimates of future cash flows, which require estimating revenue growth rates and profit margins.

Expected credit loss

Trade receivables are considered past due once they have passed their contracted due date. Significant trade receivables are reviewed for impairment if they are past due. All commercial contracts are reviewed for impairment if they are past due beyond 180 days.

Notes to the Financial Statements (continued)

3. Finance income

	2022	2021
	£'000	£'000
Dividends received from subsidiary company	10,000	2,500

4. Taxation

There is no tax charge/(credit) for the year (2021: £Nil)

5. Dividends

	2022	2021
	£'000	£'000
Interim dividend of £0.53 (2021: £0.13) per ordinary share paid during the year	10,000	2,400

An interim dividend payment of £10.0 million (2021: £2.4 million) was made during the year ended 31 December 2022. The Directors do not recommend the payment of a final dividend.

6. Investments in subsidiaries

	2022	2021
	£'000	£'000
At 1 January and 31 December	1,555	1,555

Related undertakings of the Company as at 31 December 2022

Subsidiary	Registered address (refer to note)	Country of incorporation	% owned	Direct / Indirect
Associated Employers Limited	1	UK	100%	Indirect
Baker Harris Saunders Group Limited*	2	UK	100%	Direct
Connell Wilson Limited*	2	UK	100%	Indirect
Herring Baker Harris East Anglia Limited*	2	UK	100%	Direct
Herring Baker Harris Europe Limited*	2	UK	100%	Direct
Herring Baker Harris Nominees Limited*	2	UK	100%	Direct
Holland Mitchell Limited*	2	UK	100%	Indirect
Lambert Smith Hampton (City) Limited*	2	UK	100%	Direct
Lambert Smith Hampton (NIreland) Limited	1	UK	100%	Indirect
Lambert Smith Hampton Group (Overseas) Limited*	2	UK	100%	Indirect
Lambert Smith Hampton Group Limited	1	UK	100%	Direct
Lambert Smith Hampton Investment Management Limited	1	UK	100%	Indirect
Phillips Brown Limited*	2	UK	100%	Indirect
Poolman Harlow Limited*	2	UK	100%	Indirect
Young & Butt Limited*	2	UK	100%	Indirect

Registered offices:

1. 55 Wells Street, London, W1T 3PT
2. 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT

*Dormant

Notes to the Financial Statements (continued)

7 Trade and other receivables

	2022	2021
	£'000	£'000
Amounts owed by group undertakings	390	390

Amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand.

8. Share capital

Allotted, called up, authorised and fully paid shares

	2022	2021
	£'000	£'000
18,752,000 Ordinary shares of £0.10 each (2021: 18,752,000)	1,875	1,875

9. Related party transactions

The Company has taken advantage of the exemptions conferred by FRS 101 from the requirements to make disclosures concerning transactions with other wholly owned members of the Connells Group and Skipton Group, as the company is a wholly owned subsidiary and consolidated accounts are publicly available for both the immediate parent and ultimate parent undertaking.

Outstanding balances between Group entities as at the Statement of Financial Position date are disclosed within note 7 above.

10. Ultimate parent undertaking

The immediate parent undertaking is Countrywide Group Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. The largest group in which the results are consolidated is that headed by Skipton Building Society. The smallest group is that headed by Connells Limited and the consolidated accounts of that company are available to the public and can be obtained from Connells Limited, Cumbria House, 16-20 Hockliffe Street, Leighton Buzzard, Bedfordshire, LU7 1GN.