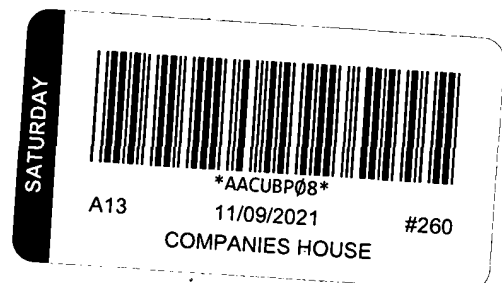


Registration number: 02222001

Lambert Smith Hampton Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



Lambert Smith Hampton Limited
(Registration number: 02222001)

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Lambert Smith Hampton Limited
(Registration number: 02222001)

Company Information

| | |
|-----------------------------|-------------------------------------|
| Directors | Massimo Marcovecchio |
| | Ezra Nahome |
| | Jason Honisett |
| | Gareth Williams |
| | Stephen Shipperley |
| | David Livesey |
| | Richard Twigg |
| Company secretary | Oakwood Corporate Secretary Limited |
| | Gareth Williams |
| Registered office | United Kingdom House |
| | 180 Oxford Street |
| | London |
| | W1D 1NN |
| Independent auditors | PricewaterhouseCoopers LLP |
| | 1 Embankment Place |
| | London |
| | WC2N 6RH |

Lambert Smith Hampton Limited
(Registration number: 02222001)

Strategic Report for the Year Ended 31 December 2020

The directors present their Strategic Report for the year ended 31 December 2020.

Business review

Lambert Smith Hampton Limited (the 'company') continued to act as the holding company for a group of companies which carry on business as commercial surveyors and property advisers. They offer a wide range of professional services to commercial property occupiers, investors and developers in the UK and the Republic of Ireland.

Lambert Smith Hampton Limited remained as a discontinued business held for sale within the Countrywide Limited (formerly Countrywide plc) group at 31 December 2020.

The company will remain as a holding company with no further transactions planned going forward.

The company had net assets of £1.8 million at 31 December 2020 (2019: net assets of £1.8 million) and is reliant on financial support from the Countrywide Limited (formerly Countrywide plc) group.

Section 172 statement

The directors are aware of their responsibilities to promote the success of the company in accordance with section 172 of the Companies Act. They consider the impact that their decisions may have on the company, along with the company's stakeholders. The issues and factors which have guided the directors' decisions are outlined in the Business review section and Principal risks and uncertainties section of this report and the Financial risk management section of the Directors' Report. The issues and factors which have guided the directors' decisions are outlined in the Business review section and Principal risks and uncertainties section of this report and the Financial risk management section of the Directors' Report.

The company's key stakeholders include, but are not limited to:

- Customers
- Employees
- Suppliers and business partners
- Society
- Shareholders

The company is a UK subsidiary of Countrywide Limited. From the perspective of the board, as a result of the Group governance structure, to the extent necessary for an understanding of the development, performance and position of the entity, the company's directors believe that the requirements of section 172 (1) (a) - (f) are discussed in detail in Countrywide Limited's Annual Report which does not form part of this report.

Principal risks and uncertainties

As the company does not trade, there are no principal risks other than those which affect the Countrywide Limited group as a whole. These risks have been set out in the Countrywide Limited financial statements which are publicly available.

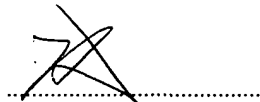
Lambert Smith Hampton Limited
(Registration number: 02222001)

Strategic Report for the Year Ended 31 December 2020 (continued)

Key performance indicators

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.

The strategic reports was approved by the Board of directors and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J Honisett', is written over a horizontal dotted line.

Jason Honisett
Director
7 June 2021

Lambert Smith Hampton Limited
(Registration number: 02222001)

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Acquisition by Connells

On 8 March 2021 the entire share capital of Countrywide Limited (formerly Countrywide plc), of which the company is a wholly owned subsidiary, was acquired by Connells Limited.

Principal activities and future developments

Lambert Smith Hampton Limited is the holding company for a group of companies which carry on business as commercial surveyors and property advisers. They offer a wide range of professional services to commercial property occupiers, investors and developers in the UK and Republic of Ireland. No future change in this activity is anticipated.

Dividends

No interim dividend payment (2019: £Nil) has been made during the financial year ended 31 December 2020. The directors do not recommend the payment of a final dividend (2019: Nil).

Directors of the company

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

Paul Creffield (resigned 31 March 2021)

Massimo Marcovecchio

Ezra Nahome

Jason Honisett

Himanshu Raja (resigned 8 March 2021)

Paul Chapman (resigned 31 October 2020)

Gareth Williams

Martyn Stones (appointed 31 October 2020 and resigned 19 April 2021)

David Livesey (appointed 8 March 2021)

Stephen Shipperley (appointed 8 March 2021)

Richard Twigg (appointed 8 March 2021)

Financial risk management

The company's activities expose it to a variety of financial risks. 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 Limited (formerly Countrywide plc), of which the company is a wholly owned subsidiary. 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.

Lambert Smith Hampton Limited
(Registration number: 02222001)

Directors' Report for the Year Ended 31 December 2020 (continued)

Financial risk management (continued)

(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 and liabilities, 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 the Countrywide Limited (formerly Countrywide plc) group (the "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.

Going concern

The company is a subsidiary of Countrywide Limited and operates as part of the wider Countrywide Limited Group ("the Group"). It is therefore dependent on financial and operational support from the Group. The directors have obtained written confirmation from Countrywide Limited that it will provide finance as necessary to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Following the acquisition of the Group by Connells, the Group's Revolving Credit Facility was repaid in full on 9 March 2021 by Connells Limited and replaced with an inter-company loan arrangement. As a subsidiary of Connells, the Group is reliant on the financial and operational support from its parent and the directors of Countrywide Limited have obtained a letter from the directors of Connells confirming that support. The directors of Countrywide Limited have reviewed the financial strength of Connells, their financial forecasts and the stress testing of the forecasts and concluded that it is appropriate to prepare the Countrywide Limited financial statements on a going concern basis.

Following the acquisition of the Group the new directors of Countrywide Limited confirmed that Lambert Smith Hampton was no longer being marketed for sale and would continue as a member of the Group. Therefore, the written confirmation from Countrywide Limited that it will provide finance as necessary to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statement will be valid.

Accordingly, the directors of the company have concluded that it is appropriate to prepare the company's financial statements on a going concern basis, which assumes that the company will be able to meet its liabilities when they fall due.

Lambert Smith Hampton Limited
(Registration number: 02222001)

Directors' Report for the Year Ended 31 December 2020 (continued)

Post balance sheet events

Material post balance sheet events are disclosed in note 10.

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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Lambert Smith Hampton Limited
(Registration number: 02222001)

Directors' Report for the Year Ended 31 December 2020 (continued)

Independent auditors

Following the completion of the 2020 audit cycle, the directors expect to appoint Ernst & Young LLP as auditors in line with the Skipton and Connells group companies.

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

A handwritten signature in black ink, appearing to be 'J Honisett', is written over a horizontal dotted line.

Jason Honisett
Director
7 June 2021

Independent auditors' report to the members of Lambert Smith Hampton Limited

Report on the audit of the financial statements

Opinion

In our opinion, Lambert Smith Hampton Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result 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 2020; the Income Statement and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2020 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, 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.

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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to but are not limited to, compliance with the requirements of UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to achieve desired financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquires with management and the legal counsel, including consideration of known or suspected instances of fraud and non-compliance with laws and regulations;
- reading key correspondence with external legal counsel and regulators in relation to compliance with laws and regulations;
- challenging the assumptions and judgements made by management in its significant accounting judgements and estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. 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 obtained 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.



Nigel Comello (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 June 2021

Lambert Smith Hampton Limited
(Registration number: 02222001)

Income Statement for the Year Ended 31 December 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|------|---------------|---------------|
| Operating result before exceptional items | 5 | - | - |
| Result before taxation | | - | - |
| Tax on result | 6 | - | - |
| Result for the financial year | | - | - |

The above results were derived from continuing operations.


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

Lambert Smith Hampton Limited
(Registration number: 02222001)

Balance Sheet as at 31 December 2020

| | Note | 2020 £'000 | 2019 £'000 |
|-----------------------------|------|---------------|---------------|
| Fixed assets | | | |
| Investments in subsidiaries | 7 | 1,555 | 1,555 |
| Current assets | | | |
| Trade and other receivables | 8 | <u>290</u> | <u>290</u> |
| Net assets | | <u>1,845</u> | <u>1,845</u> |
| Capital and reserves | | | |
| Share capital | 9 | 1,875 | 1,875 |
| Profit and loss account | | <u>(30)</u> | <u>(30)</u> |
| Total shareholders' funds | | <u>1,845</u> | <u>1,845</u> |

The financial statements on pages 11 to 21 were approved by the Board of directors and signed on its behalf by:



Jason Honisett

Director

7 June 2021

The notes on pages 14 to 21 form an integral part of these financial statements.

Lambert Smith Hampton Limited
(Registration number: 02222001)

Statement of Changes in Equity for the Year Ended 31 December 2020

| | Share capital | Profit and loss account | Total shareholders' funds |
|-----------------------------|---------------|----------------------------|---------------------------------|
| | £'000 | £'000 | £'000 |
| Balance at 1 January 2019 | 1,875 | (30) | 1,845 |
| Loss for the year | - | - | - |
| Total comprehensive expense | 1,875 | (30) | 1,845 |
| Balance at 31 December 2019 | 1,875 | (30) | 1,845 |
| Result for the year | - | - | - |
| Total comprehensive expense | 1,875 | (30) | 1,845 |
| Balance at 31 December 2020 | 1,875 | (30) | 1,845 |

Lambert Smith Hampton Limited
(Registration number: 02222001)

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

Lambert Smith Hampton Limited ('the company') is a holding company for a group of companies which carry on business as commercial surveyors and property advisers.

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 United Kingdom House, 180 Oxford Street, London, W1D 1NN.

2 Summary of 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, 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 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 Limited, the company's ultimate holding company in the United Kingdom as at 31 December 2020, 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 Limited and is included in the consolidated financial statements of Countrywide Limited 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.

Lambert Smith Hampton Limited
(Registration number: 02222001)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Summary of 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
 - 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) 111 (cash flow statement information)
 - (vi) 134-136 (capital management disclosures)
 - IAS 7, 'Statement of cash flows';
 - The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
 - 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.
-
- Paragraphs 91 to 99 of IFRS 13, 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

Lambert Smith Hampton Limited
(Registration number: 02222001)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

Going concern

The company is a subsidiary of Countrywide Limited and operates as part of the wider Countrywide Limited Group ("the Group"). It is therefore dependent on financial and operational support from the Group. The directors have obtained written confirmation from Countrywide Limited that it will provide finance as necessary to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Following the acquisition of the Group by Connells, the Group's Revolving Credit Facility was repaid in full on 9 March 2021 by Connells Limited and replaced with an inter-company loan arrangement. As a subsidiary of Connells, the Group is reliant on the financial and operational support from its parent and the directors of Countrywide Limited have obtained a letter from the directors of Connells confirming that support. The directors of Countrywide Limited have reviewed the financial strength of Connells, their financial forecasts and the stress testing of the forecasts and concluded that it is appropriate to prepare the Countrywide Limited financial statements on a going concern basis.

Following the acquisition of the Group the new directors of Countrywide Limited confirmed that Lambert Smith Hampton was no longer being marketed for sale and would continue as a member of the Group. Therefore, the written confirmation from Countrywide Limited that it will provide finance as necessary to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statement will be valid.

Accordingly, the directors of the company have concluded that it is appropriate to prepare the company's financial statements on a going concern basis, which assumes that the company will be able to meet its liabilities when they fall due.

New standards, amendments and interpretations

During the year the Directors have adopted the following new or amended accounting standards and interpretations, all of which are effective for accounting periods starting on or after 1 January 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- IFRS 16 Rent concessions (Amendment to IFRS 16)

None of these amendments have a material impact on the financial statements of the company.

Investments in subsidiaries

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

Lambert Smith Hampton Limited
(Registration number: 02222001)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Summary of significant accounting policies (continued)

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.

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.

Share capital

Ordinary shares are classified as equity.

Current income tax

There is no tax expense for the period. 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.

Lambert Smith Hampton Limited
(Registration number: 02222001)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Critical accounting estimates and judgements

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.

Estimate

Impairment of investments in subsidiaries and intercompany receivables

The directors periodically review investments in subsidiaries and intercompany receivables for possible impairment, or reversal of prior impairments, when events or changes in circumstances indicate, in management's judgement, that either the carrying value of an asset may not be recoverable, or there is an increase in estimated service potential of assets since recognition of the last impairment loss of asset value. Such indicating events would include a significant change in market conditions or future operating cash flows.

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.

Intercompany receivables

The Group's cash flow forecasts, as used within the year end impairment assessment for goodwill and other non-current assets undertaken in the Group's consolidated financial statements, was used to determine the recoverability of intercompany balances over a period of time and the level of discounting required to reflect the likely timing of future receipts against balances that are technically repayable on demand (in line with IFRS 9 expected credit loss methodology). Calculating the cash flows requires the use of judgements and estimates that have been included in our strategic plans and long range forecasts. In addition, judgement is required to estimate the appropriate interest rate to be used to discount the future cash flows.

4 Directors' remuneration

None of the directors received any emoluments in respect of their qualifying services to the company (2019: £Nil). The company has no employees (2019: nil).

5 Operating result

Auditors' remuneration is borne by a subsidiary company and has not been recharged.

Lambert Smith Hampton Limited
(Registration number: 02222001)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

6 Tax on result/(loss)

There is no tax charge/(credit) for the year (2019: £Nil)

7 Investments in subsidiaries

| | 2020 | 2019 |
|------------------------------|-------|-------|
| | £'000 | £'000 |
| At 1 January and 31 December | 1,555 | 1,555 |

An assessment of the carrying value of investments in subsidiaries resulted in an impairment charge of £Nil (2019: Nil).

Related undertakings of the company as at 31 December 2020

| 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 |
| Lambert Smith Hampton Limited (Ireland) | 3 | Ireland | 100% | Indirect |
| Phillips Brown Limited | 2 | UK | 100% | Indirect |
| Poolman Harlow Limited | 2 | UK | 100% | Indirect |
| Young & Butt Limited | 2 | UK | 100% | Indirect |

Lambert Smith Hampton Limited
(Registration number: 02222001)

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

7 Investments in subsidiaries (continued)

Registered offices:

1. 6th Floor, United Kingdom House, 180 Oxford Street, London W1D 1NN
2. 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT
3. 86 - 88 Leeson Street Lower, Dublin 2, D02 A668, Ireland

8 Trade and other receivables

| | 2020 | 2019 |
|-----------------------------------|-------|-------|
| | £'000 | £'000 |
| Amounts due by group undertakings | 290 | 290 |

Amounts owed by group undertakings are unsecured, not subject to interest, have no fixed date of repayment and are repayable on demand. The amount owed is stated net of expected credit losses of £Nil (2019: £Nil) which reflects the estimated discounting in respect of the likely timing of future receipts against balances that are technically repayable on demand.

9 Share capital

| | 2020 | 2019 |
|---|-------|-------|
| | £'000 | £'000 |
| 18,752,000 (2019: 18,752,000) ordinary shares of £0.10 each | 1,875 | 1,875 |

10 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 Limited, amounting to £83 million at the year end (2019: £100 million). On 9 March 2021 the £125 million revolving credit facility was repaid in full by Connells Limited and the guarantee was extinguished.

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Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Events after the reporting period

On 8 March 2021, the entire share capital of Countrywide plc was acquired by Connells Limited. Countrywide plc was subsequently re-registered as a private limited company and renamed as Countrywide Limited. Connells Limited is a wholly owned subsidiary of Skipton Building Society.

On 9 March 2021, the £125 million Revolving Credit Facility was repaid in full by Connells Limited and the guarantee was extinguished.

Following the acquisition the new directors of Countrywide confirmed that Lambert Smith Hampton was no longer being marketed for sale and would continue as a member of the Group. Accordingly, the business will no longer be classified as held for sale in the balance sheet in 2021 and no longer a discontinued operation in the income statement.

12 Parent and ultimate parent undertaking

The immediate parent undertaking is Countrywide Group Limited (formerly Countrywide Group plc). The ultimate parent undertaking and ultimate controlling party as at 31 December 2020 was Countrywide Limited (formerly Countrywide plc) which is incorporated and domiciled in the UK. Countrywide Limited is the parent undertaking of the only group of undertakings to consolidate these financial statements. The consolidated financial statements of Countrywide Limited can be obtained from Greenwood House, 1st Floor, 91-99 New London Road, Chelmsford, Essex, CM2 0PP.

On 8 March 2021, the entire share capital of Countrywide Limited was acquired by Connells Limited, a wholly owned subsidiary of Skipton Building Society.