Registration number: 03018519

Mortgage Intelligence Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Mortgage Intelligence Limited
(Registration number: 03018519)

Contents

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Company Information

Directors	Sarah Laker David Livesey Adrian Scott Richard Twigg
Company secretary	Oakwood Corporate Secretary Ltd Gareth Williams
Registered office	Roddis House 12 Old Christchurch Road Bournemouth BH1 1LG
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

Mortgage Intelligence Limited
(Registration number: 03018519)

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Business review

Mortgage market conditions were impacted significantly in 2020 due to COVID-19, with gross lending of £243 billion (2019: £269 billion), 10% down on the prior year. The housing market was effectively paused through the initial lockdown in Q2, with minimal transactional mortgage completions over the period. The housing market was given a boost following the changes to stamp duty announced, with an instant increase in demand. However the period from offer to completion was impacted by all areas of the supply chain needing to work in COVID secure ways resulting in delays to completions.

The Bank of England's Monetary Policy Committee reduced the base rate to 0.1% during March 2020 in response to the impact of COVID-19 on the UK economy. However lenders remained extremely cautious for an extended period of time through 2020 due to both uncertainty around the economy and also operational constraints from flexible working under lockdown. This eased through the latter stages of the year and 90% lending started to become available again.

Given the backdrop of the market conditions, we had a strong year - our gross distribution has held at £4.5bn of mortgage lending despite the huge market disruption, and we have increased the number of regulated individuals authorised to work for our network of appointed representative firms from 291 to 310 - an increase of 7%. Revenue has dropped slightly as we experienced a reduction in purchase mortgages and broker relied upon remortgage and product transfer activity whilst housing moves could not take place. Mortage exchanges fell from 22,000 in 2019 to 21,000. Despite this operating profits have been maintained through strong cost control, resulting in revenue and profit of £3.7m and £1.1m respectively (2019: £3.9m and £1.1m). FTE has remained stable at 58.

Mortgage Intelligence Limited (the 'company') had net assets of £6.6 million at 31 December 2020 (2019: net assets of £5.7 million) and is reliant on financial support from the Countrywide Limited (formerly Countrywide plc) group (see Going Concern statement in Directors' Report).

Outlook

Whilst 2020 has been a very challenging year for the industry, the stamp duty holiday and its subsequent extension has resulted in an extremely active housing market with levels that have been unprecedented for many years. This activity is being assisted by additional support for lenders to offer high loan to value mortgages making the housing market accessible to many more.

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

Key Performance Indicators

The business derives its main source of income from mortgage procuration fees and insurance commissions, coupled with fees charged to the members firms for regulatory compliance oversight. The following metrics are used to assess the performance of the business:

	2020	2019	Change %
Revenue	£3.7m	£3.9m	(5)
Operating profit	£1.1m	£1.1m	-
Mortgage exchanges (unaudited)	21,000	22,000	(5)
Value of mortgages arranged (unaudited)	£4.5bn	£4.5bn	-
Number of authorised Regulated Individuals (unaudited)	310	291	7
Average number of FTE employees (unaudited)	58	58	-

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 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.

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

Principal risks and uncertainties
The directors have undertaken a robust assessment of the company's principal risks. Crystallisation of these risks could cause the company's future results of operations, financial condition and prospects to differ materially from current expectations. This includes the ability to maintain appropriate levels of capital or achieve stated targets and commitments and other expected benefits. In addition, risks relating to the company that are not currently known, or that are currently deemed immaterial, may individually or cumulatively also have the potential to have a material effect on the company's future results of operations, financial condition and prospects. The principal risks faced by the company are set out below:

COVID-19 pandemic
The long term economic effect of the COVID-19 pandemic on the UK economy is uncertain and could be severe. The full impact on the housing and mortgage markets remains impossible to predict.

The company continues to safeguard its business with measures to reduce cost, optimise profitability and preserve liquidity whilst also continuing to make full use of all Government financial support schemes for as long as possible.

It also continues to ensure that business continuity plans remain viable to accommodate the impact of further lockdowns.

Furthermore, the business has also responded with extensive measures on health and safety to keep colleagues and customers safe as well as developing new methods of working and broader ways in which customers can engage with the company at their time and method of choosing.

Financing and capital structure
The company is reliant on support from the Countrywide Limited (formerly Countrywide plc) Group (the "Group") (see Going Concern statement in Director's Report

The effective management of the Group's capital structure, banking facilities and covenants is central to the achievement of its strategic objectives and profitability.

The Group has continued to undertake open and regular communication with its lending institutions and revised banking covenants were agreed during the year, essentially as a result of the trading uncertainties created by the COVID-19 pandemic.

The Group also acted swiftly to protect its liquidity by implementing a wide range of cost reduction measures and making full use of Government financial support schemes.

On 8 March 2021 the entire share capital of Countrywide Limited (formerly Countrywide plc) was acquired by Connells Limited; 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.

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

Exposure to UK housing market trends
Whilst over the longer term, the UK housing market continues to follow a cyclical trend, consumer confidence and behaviours nonetheless continue to be impacted by the effects of the COVID-19 pandemic. If evolving trends are not assessed and responded to adequately they could adversely affect the Group's operating model and profitability.

The company continuously monitors the UK housing market transaction levels, pricing, mortgage approvals and other forward-looking indicators such as interest rate predictions. Financial scenario planning is undertaken regularly to assess the impact of the COVID-19 pandemic. Mitigating actions include: exploring new ways to increase revenue through complementary services that benefit both the company and our customers; align its cost base; and developing new ways of working to align with shifts in Government, customer and corporate client requirements resulting from the pandemic.

Resilience of IT infrastructure and arrangements for the protection of data
The business relies upon a series of interdependent systems for operational performance and financial information; a failure of one of these, a security breach, or a cyber-attack could impact the company's operations, reputation and future profitability.

A series of progressive IT system improvements to support operational performance were made during 2020 although some developments were suspended temporarily due to the curtailment of capital expenditure during the COVID-19 pandemic.

The Group's in-house information security, cyber security and data protection teams continue to monitor risks and any potential breaches closely. Ongoing company-wide training and communications are maintained to ensure that colleagues are aware of good information security, cyber security and data protection requirements at all times.

Changing regulatory environment
Failure to meet current legal or regulatory requirements could lead to financial penalties and reputational damage, including withdrawal of authorisation or licences required for the company to do business.

The company monitors the compliance of its business operations closely through its three lines of defence control framework and maintains an appropriate 'tone at the top', which is cascaded via our Code of Conduct, policies and management communications along with associated compliance and ethics training. Expertise is supported by centralised legal and compliance teams who monitor existing business practices and any changes closely.

The company maintains close links and open dialogue with its regulators and continues to monitor regulatory developments along with the consequent implications for its businesses.

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

Increasing competition in evolving markets
The company operates in highly competitive markets, a number of which continue to experience changes due to technological advancements and further impetus is also now being created as a result of the Covid-19 pandemic. Increasing competition, from existing competitors or new entrants, could lead to a reduction in market share and/or a decline in revenues.

Our strategy is to support the Group's strengths of being an integrated property services provider that brings people and property together through its sales, lettings and financial services businesses. We monitor our service offering continually to ensure that customer expectations are met.

The impact of the COVID-19 pandemic on the housing and mortgage markets remains under close scrutiny to ensure that the company adapts to evolving customer requirements as well as developing new ways of working, including flexible working and broader ways in which customers can engage with the Group at their time and method of choosing.

Securing and retaining excellent people
Our ability to deliver our strategy is dependent on us attracting, developing, motivating and retaining people of the highest quality. An inability to recruit or retain talent could impact the ability to deliver our financial performance and growth targets.

We continue to invest in our people and our training and development programmes across our business. We also continue to develop and embed our wellbeing programme (BeWell) to support colleagues' mental, physical and financial health as well as the environment; a focus which has been particularly relevant during the COVID-19 pandemic.

A range of employee benefits are also in place that seek to incentivise and motivate performance across all levels of management.

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

....
Richard Twigg
Director
7 June 2021

Mortgage Intelligence Limited
(Registration number: 03018519)

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
The principal activity of Mortgage Intelligence Limited (the 'company') is the arrangement of mortgage and insurance business. The company is directly authorised by the Financial Conduct Authority, and runs a network of appointed representative firms. There has been no change in the company's activities in the year under review and no future change in activity is anticipated.

Future developments are discussed further in the Outlook section of the Strategic Report.

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).

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 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.

(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
Credit risk arises principally from the company's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The company has implemented policies which require a credit risk assessment, and credit checks are made on potential clients as required in accordance with these assessments. The wide client base of the company also serves to mitigate the credit risk, reducing the exposure from a failure of any single client.

Financial risk management (continued)

(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.

Directors of the company

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

Peter Curran (resigned 8 March 2021)

Sarah Laker

David Livesey (appointed 8 March 2021)

Adrian Scott (appointed 8 March 2021)

Richard Twigg (appointed 8 March 2021)

Going concern

The company is a subsidiary of Countrywide Limited and operates as part of the wider Group. It is therefore dependent on financial and operational support from the Group.

These financial statements have been prepared on a going concern basis, which assumes that the Group and the company will be able to meet their liabilities when they fall due. Following the acquisition of the Group by Connells Limited, the Revolving Credit Facility was repaid in full on 9 March 2021 by Connells and replaced with an inter-company loan arrangement. As a subsidiary of Connells, Countrywide Limited 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 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 financial statements on a going concern basis.

Countrywide Limited has formally confirmed 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.

Post balance sheet events

Material post balance sheet events are disclosed in note 20.

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.

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:

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Richard Twigg
Director
7 June 2021

Independent auditors' report to the members of Mortgage Intelligence Limited

Report on the audit of the financial statements

Opinion

In our opinion, Mortgage Intelligence 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 profit 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 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

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 the Financial Conduct Authority, 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:

- testing of a risk-based sample of journal entries, focussing in particular on those entries that improve reported financial performance by increasing revenue or reducing expenses;
- enquiries with management and the company's 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; and
- 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.

Kevin McGhee

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

Mortgage Intelligence Limited
(Registration number: 03018519)

Income Statement for the Year Ended 31 December 2020

	Note	2020 £'000	2019 £'000
Revenue	4	3,712	3,908
Administrative expenses		(2,961)	(3,078)
Other income	5	348	246
Operating profit	8	1,099	1,076
Net finance costs	9	(12)	(2)
Profit before taxation		1,087	1,074
Tax on profit	10	(194)	(213)
Profit for the financial year		893	861

The above results were derived from continuing operations.

The notes on pages 17 to 41 form an integral part of these financial statements.

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

Mortgage Intelligence Limited
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Balance Sheet as at 31 December 2020

	Note	2020 £'000	Restated (1) 2019 £'000
Fixed assets			
Intangible assets	11	23	64
Tangible assets	12	116	69
Right-of-use assets	13	239	316
		378	449
Current assets			
Trade and other receivables	14	7,472	6,459
Deferred tax asset	10	119	85
Cash and cash equivalents		2,425	2,031
		10,016	8,575
Creditors: Amounts falling due within one year			
Trade and other payables	15	(2,551)	(2,032)
Lease liabilities	13	(60)	(69)
		(2,611)	(2,101)
Net current assets		7,405	6,474
Total assets less current liabilities		7,783	6,923
Creditors: Amounts falling due after more than one year			
Trade and other payables	15	(594)	(572)
Lease liabilities	13	(167)	(234)
		(761)	(806)
Provisions for liabilities	16	(448)	(436)
Net assets		6,574	5,681
Capital and reserves			
Called up share capital	18	1	1
Share premium account		164	164
Profit and loss account		6,409	5,516
Total shareholders' funds		6,574	5,681

(1) Certain amounts shown here do not correspond to the 2019 financial statements and reflect adjustments made, refer to note 13.

Mortgage Intelligence Limited
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Balance Sheet as at 31 December 2020

The notes on pages 17 to 41 form an integral part of these financial statements.

The financial statements on pages 13 to 41 were approved by the Board of directors and signed on its behalf by:

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Richard Twigg
Director

7 June 2021

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

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2019	1	164	-	4,655	4,820
Profit for the financial year	-	-	-	861	861
Total comprehensive income	-	-	-	861	861
Equity settled share-based payments	-	-	(53)	-	(53)
Charge from parent for equity settled share-based payments	-	-	53	-	53
Balance at 31 December 2019	1	164	-	5,516	5,681
Profit for the financial year	-	-	-	893	893
Total comprehensive income	-	-	-	893	893
Equity settled share-based payments	-	-	(77)	-	(77)
Charge from parent for equity settled share-based payments	-	-	77	-	77
Balance at 31 December 2020	1	164	-	6,409	6,574

The notes on pages 17 to 41 form an integral part of these financial statements

1 General information

Mortgage Intelligence Limited ('the company') arranges mortgages and insurance business. The company is directly authorised by the Financial Conduct Authority, and runs a network of appointed representative firms.

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 Roddis House, 12 Old Christchurch Road, Bournemouth, BH1 1LG, United Kingdom.

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 as applicable to companies using FRS 101.

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 (formerly Countrywide plc), 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.

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:
• Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
• 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'
(iii) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and the end of the period)
• 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)

2 Summary of significant accounting policies (continued)

(iv) 38B-D (additional comparative information)
(v) 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);
• 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).
• 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 'Revenue from Contracts with Customers', (disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
• The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90 and 91 of IFRS 16 'Leases' (disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated).

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.

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.

2 Summary of significant accounting policies (continued)

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.

Government grants
Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to costs are recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Tangible assets
Owned assets
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.

Leased assets
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable; and
- Incremental payments in relation to extension options which are reasonably certain to be exercised.

2 Summary of significant accounting policies (continued)

Tangible assets (continued)

Leased assets (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

• The amount of any initial measurement of the lease liability;
• Any lease payments made at or before the commencement date less any lease incentives received; and
• Any initial direct costs.

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value items are those less than £3,000.

For critical judgements in determining the lease term see note 3.

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:

• Furniture and equipment - three to five years

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

Intangible assets

Computer software is stated at cost less accumulated amortisation and impairment losses. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Internal costs that are incurred during the development of significant and separately identifiable computer software for use in the business are capitalised when the software is integral to the generation of future economic benefits. Internal costs that are capitalised are limited to incremental costs specific to the project. Other development expenditures that do not meet the criteria for capitalisation are recognised as an expense as incurred.

Amortisation

Amortisation is charged to profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

• Computer software - one to five years

2 Summary of significant accounting policies (continued)

Financial assets

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

Share capital

Ordinary shares are classified as equity.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

Current and deferred income tax

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.

2 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

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.

Defined contribution pension scheme

The company contributes to a defined contribution pension scheme which is open to eligible employees. The assets of the scheme are held in an independently administered fund. The amount charged against profit or loss represents the contributions payable to the scheme in respect of the year.

Provisions for liabilities

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in provision due to passage of time is recognised in finance costs.

Share-based payments

Countrywide Limited operates a number of equity settled share-based schemes under which the Group receives services from employees as consideration for equity instruments (options) of the parent. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

Where the share awards have non-market related performance criteria the Group has used the Binomial Lattice and Black Scholes option valuation models to establish the relevant fair values. Where the share awards have TSR market-related performance criteria the Group has used the Monte Carlo simulation valuation model to establish the relevant fair values. The resulting values are amortised through the income statement over the vesting period of the options and other grants.

2 Summary of significant accounting policies (continued)

Share-based payments (continued)
At the end of each reporting period, the number of options that are expected to vest based on the non-market conditions are revised and the impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity. The grant by the parent company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period through the income statements with a corresponding credit to equity in the subsidiary's accounts only to the extent not recharged to the subsidiary.

The social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself, and the charge is treated as a cash-settled transaction.

Further details of the underlying Group schemes can be found in the Group's consolidated financial statements.

Revenue
Services rendered
A five-step approach is taken for recognising revenue from contracts with customers, namely to: identify the contract(s) with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) a performance obligation has been satisfied.

The company generates revenue from external customers in the UK from mortgage and insurance business. All relevant factors and circumstances are taken into account when determining the revenue recognition methods that appropriately depict the transfer of control of goods or services to customers for each performance obligation.

The company acts as agent and receives fees for the introduction of a financial services customer to a lender or insurance provider. Fees are recognised net of value added taxes at a point in time when we have fully provided the service to the customer.

Management is required to make certain judgements, including: the determination of the performance obligations in the contract; whether the company is acting as principal or agent; the estimation of any variable consideration in determining the contract price; the allocation of the price to the performance obligations inherent in the contract; and an appropriate method of recognising revenue, including judging whether the performance obligations have been satisfied over a period of time or at a point in time.

Deferred income
Where the company receives an amount upfront in respect of future income streams, the value of the receipt is amortised over the period of the contract as the services are delivered and the unexpired element is disclosed in liabilities as deferred income.

2 Summary of significant accounting policies (continued)

Finance income and costs policy

Finance income comprises interest receivable on funds invested. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Finance costs accrue using the effective interest method, except for leases where the finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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.

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 amounts of assets and liabilities within the next financial year are addressed below.

Judgements

Determining lease terms for lease liabilities

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the company's leases, the following factors are normally the most relevant:

• If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
• If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate) the property lease.
• Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Estimates

Impairment of intercompany receivables

The directors periodically review 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.

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.

Clawback provision

The company receives commission from third party life assurance policy providers for the referral of customers who purchase a policy. If the life assurance policy lapses following issue, a proportion of the income is clawed back. The company estimates the cost of repaying indemnity commission income received on life assurance policies that may lapse following issue. Details of the movement in the provision are provided in note 16.

4 Revenue

All of the company's revenues are generated in the United Kingdom from the arrangement of mortgages and insurance. The company is directly authorised by the Financial Conduct Authority, and runs a network of appointed representative firms.

Disaggregation of revenue from contracts with customers	**2020**	**2019**
	£'000	**£'000**
Major service lines		
Mortgage brokerage	2,889	2,994
Insurance brokerage	728	764
Marketing	95	150
Other	-	-
	3,712	3,908
Timing of revenue recognition		
Services transferred at a point in time	3,712	3,908

5 Other income

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

	2020 £'000	2019 £'000
JRS Government grants (1)	123	-
FCA recharges	225	246
	348	246

(1) Job retention scheme grant received from Government for employees placed on furlough leave due to the COVID-19 pandemic.

6 Employees and directors

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £'000	2019 £'000
Wages and salaries	2,222	2,254
Social security costs	226	221
Other pension costs	60	82
Share-based payment expenses	77	53
	2,585	2,610

Staff costs totalling £1,259,000 (2019: £1,453,000) relating to fellow subsidiaries of Mortgage Intelligence Holdings Limited, the immediate parent company, are borne by Mortgage Intelligence Limited and recharged to Mortgage Next Limited, Mortgage Next Network Limited and Life and Easy Limited by way of a management fee. This management fee credit is included within Administrative expenses.

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

6 Employees and directors (continued)

The monthly average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Sales	44	45
Administration	12	12
Management	1	1
	57	58

7 Directors' remuneration

The director's emoluments were:

	2020 £'000	2019 £'000
Aggregate emoluments	253	256
Company contribution to defined contribution pension scheme	-	24
	253	280

Post-employment benefits are accruing for one (2019: one) director under a defined contribution pension scheme.

Three (2019: Two) directors are not remunerated through this company's payroll, their remuneration is not recharged to this company and they are not remunerated for their services to this company. Their remuneration has therefore not been included above.

The highest paid director's emoluments were:

	2020 £'000	2019 £'000
Aggregate emoluments	253	256
Company contribution to defined contribution pension scheme	-	24
	253	280

8 Operating profit

Arrived at after charging:

	2020 £'000	2019 £'000
Depreciation	112	92
Amortisation	41	101
Auditors' remuneration for audit work	20	15

There are no non-audit fees payable to the company's auditors (2019: none).

9 Net finance costs

	2020 £ 000	2019 £ 000
Bank interest receivable	(1)	(1)
Interest payable on lease liabilities	8	3
Other finance costs (1)	5	-
	12	2

(1) Interest payable on agreed deferred payment of PAYE/NI.

10 Tax on profit

Tax expense included in income statement:

	2020 £'000	2019 £'000
UK corporation tax on profits for the year	230	218
Adjustments in respect of prior years	(2)	13
Total current tax charge	228	231
Deferred tax on profit for the year:		
Origination and reversal of temporary differences	(33)	(7)
Adjustments in respect of prior years	(1)	(11)
Total deferred tax credit	(34)	(18)

10 Tax on profit (continued)

Income tax charge	194	213

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit before taxation	1,087	1,074
Profit before taxation multiplied by the rate of corporation tax in the UK of 19% (2019: 19%)	207	204
Effects of:		
Impact of accelerated unwind of deferred tax assets	(10)	4
Tax relief on share based payments charged to equity	-	3
Adjustments in respect of prior years	(3)	2
Total taxation charge	194	213

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase from 19% to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to decrease the tax expense for the year by £22,000 and to increase the net deferred tax asset by £22,000.

10 Tax on profit (continued)

Deferred tax

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

	2020 £'000	2019 £'000
Deferred tax asset at 1 January	85	67
Credited to income statement	34	18
Net Deferred tax asset at 31 December	119	85
Deferred tax asset expected to unwind within one year	42	13
Deferred tax asset expected to unwind after one year	77	72
	119	85

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.

	2020	
	Asset £'000	Credited to income £'000
Origination and reversal of temporary differences		
Capital allowances	86	15
Share-based payments	31	19
Other temporary and deductible differences	2	-
	119	34

10 Tax on profit (continued)

	2019	
	Asset	Credited to income
	£'000	£'000
Origination and reversal of temporary differences		
Capital allowances	71	16
Shared-based payments	12	2
Other temporary and deductible differences	2	-
Total	85	18

There are no unused tax losses (2019: £Nil).

11 Intangible assets

	Computer software £'000
Cost	
At 1 January 2020	1,022
Disposals	(759)
At 31 December 2020	263
Accumulated amortisation	
At 1 January 2020	958
Charge for the year	41
Disposals	(759)
At 31 December 2020	240
Net book amount	
At 31 December 2020	23
At 31 December 2019	64

All amortisation charges in the year are charged to administrative expenses in the income statement.

12 Tangible assets

	Furniture and equipment £'000
Cost	
At 1 January 2020	443
Additions	91
Disposals	(29)
At 31 December 2020	505
Accumulated depreciation	
At 1 January 2020	374
Charge for the year	42
Disposals	(27)
At 31 December 2020	389
Net book amount	
At 31 December 2020	116
At 31 December 2019	69

13 Leases

(a) Right-of-Use Assets

	Right-of-use Property Assets £'000	Right-of-use Vehicle Assets £'000	Total Right-of-use Assets £'000
Cost			
Restated at 1 January 2020 (1)	345	34	379
Disposals	-	(34)	(34)
At 31 December 2020	345	-	345
Accumulated depreciation			
At 1 January 2020	42	21	63
Charge for the year	64	6	70
Disposals	-	(27)	(27)
At 31 December 2020	106	-	106
Net book amount			
At 31 December 2020	239	-	239
Restated at 31 December 2019 (1)	303	13	316

(1) Restated to correct for a single lease that should have been recognised on 18 October 2019 within right-of-use property assets. The total value of the restatement is £276,000. We have not restated the Income Statement as the impact is not material and therefore there is no impact on retained earnings.

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

13 Leases (continued)

(b) Lease liabilities

	Property lease liabilities £'000	Vehicle lease liabilities £'000	Total lease liabilities £'000
Lease liabilities			
Restated at 1 January 2020 (1)	(290)	(13)	(303)
Disposals	-	7	7
Payments	71	6	77
Interest	(8)	-	(8)
At 31 December 2020	(227)	-	(227)
Current	(60)	-	(60)
Non-current	(167)	-	(167)

(1) Restated to correct for a single lease that should have been recognised on 18 October 2019 within property lease liabilities. The total value of the restatement is £276,000. This was made up of current lease liability of £46,000 and non-current lease liability of £230,000). We have not restated the Income Statement as the impact is not material and therefore there is no impact on retained earnings.

The table below analyses the company's lease liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	2020 £'000	Restated 2019 £'000
In less than one year	71	80
In more than one year but not more than two years	71	74
In more than two years but not more than three years	71	73
In more than three years but less than four years	59	71
Over five years	-	59
	272	357

Undiscounted cashflows for the prior year have been restated by £328,000 in total.

The expense related to short term and low value leases amounted to £Nil in 2020 (2019: £Nil).

14 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	682	595
Amounts owed by group undertakings	6,362	5,548
Other receivables	129	86
Prepayments	299	230
	7,472	6,459

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. Trade receivables are net of provisions for expected credit losses of £7,000 (2019: £Nil).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Trade and other payables

	2020 £'000	2019 £'000
Trade payables	1,119	1,004
Amounts owed to group undertakings	1,058	974
Current tax liabilities	245	229
Social security and other taxes	373	65
Accruals and other payables	350	332
	3,145	2,604
Trade and other payables due within one year	2,551	2,032
Trade and other payables due after more than one year	594	572
	3,145	2,604

15 Trade and other payables (continued)

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Social security and other taxes payable are higher in 2020 as they include £308,000 (2019: £Nil) of deferred payroll tax under the Government's time to pay scheme.

16 Provisions for liabilities

	Property repairs	Clawback provision	Claims and litigation	Broker incentive	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	39	114	4	279	436
Utilised in year	-	(55)	-	(279)	(334)
Charged to income statement	-	53	11	314	378
Credited to income statement	-	(28)	(2)	(2)	(32)
At 31 December 2020	39	84	13	312	448
Due within one year or less	-	32	11	312	355
Due after one year	39	52	2	-	93
	39	84	13	312	448

The provision for property repairs represents estimates of the cost to repair existing dilapidations under leasehold covenants, in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets'.

Clawback represents the provision required to meet the estimated cost of repaying indemnity commission income received on life assurance policies that may lapse in the two years following issue.

Claims and litigation provisions comprise the amounts set aside that may be payable as a result of any legal disputes. The provisions represent the directors' best estimate of the company's liability having taken professional advice.

The Broker incentive provision is in place where appointed brokers are offered a deferred incentive in the way of a lump sum future payment each year. The size of the lump sum is based on the level of business they have generated. The future payment is for an agreed number of years and will only be received by the broker if they are still generating business at the time of maturity.

17 Pension and other schemes

Defined contribution pension scheme

The company offers membership of the group's defined contribution pension scheme to eligible employees. The pension cost charged for the year represents contributions payable by the company to the scheme and amounted to £60,000 (2019: £82,000).

18 Called up share capital

Allotted, called up and fully paid shares

	2020 £'000	2019 £'000
1,000 (2019: 1,000) ordinary shares of £1 each	1	1

19 Share-based payments

The Group operates a number of share-based payment schemes for executive directors and other employees. The Group has no legal or constructive obligation to repurchase or settle any of the options in cash. All charges in relation to these schemes are fully recharged to the subsidiary companies that employ the designated individuals. The total cost recognised in the income statement was £77,000 in the year ended 31 December 2020 (2019: £53,000), comprising equity-settled share-based payments. Employer's NI is being accrued, where applicable, at the rate of 13.8% which management expects to be the prevailing rate at the time the options are exercised, based on the share price at the reporting date. The total NI charge for the year was £5,000 (2019: £Nil).

The following table analyses the total cost to the company between each of the relevant schemes, together with the number of options outstanding:

	2020		2019	
	Charge £'000	Number of options (thousands)	Charge £'000	Number of options (thousands)
Long-term incentive plan	47	27	37	27
Save As You Earn plan	26	12	7	16
Share incentive plan	4	1	9	-
	77	40	53	43

19 Share-based payments (continued)

Executive schemes

Long term incentive plan (LTIP)

The LTIP is open to executive directors and designated senior management, and awards are made at the discretion of the Countrywide Limited Remuneration Committee. Awards are subject to market and non-market performance criteria and vest over a three-year period.

Other schemes

Save As You Earn plan (SAYE)

The Group implemented an HMRC approved Save As You Earn (SAYE) option scheme in May 2018 after cessation of the SIP scheme. Employees were invited to acquire options over ordinary shares at a discount of 20% to their market price. The scheme started in May 2018 and there have been two issues, the first starting May 2018 will vest in May 2021 and the second starting May 2019 will vest in May 2022. Options granted under the scheme can be exercised during a six month period starting on the third anniversary of the scheme. The SAYE scheme is not subject to any performance measures.

Share incentive plan (SIP)

A HMRC approved share incentive plan was introduced in October 2013. Under the SIP, eligible employees were invited to make regular monthly contributions into a scheme operated by Link Asset Services. Ordinary shares in the company were purchased at the current market price and since May 2016 an award of two matching shares had been made for every three shares acquired by an employee, subject to a vesting period of three years from the date of each monthly grant. Prior to May 2016, the award comprised one matching share for every two shares acquired by an employee. The SIP scheme ended in April 2018.

The aggregate number of share awards outstanding for the company is shown below:

	2020			2019		
	Executive schemes	**Other Schemes**		**Executive schemes**	**Other Schemes**	
	LTIP	**SAYE**	**SIP**	**LTIP**	**SAYE**	**SIP**
	Number of options (thousands)	**Number of options (thousands)**	**Number of options (thousands)**	**Number of options (thousands)**	**Number of options (thousands)**	**Number of options (thousands)**
At 31 December	27	12	1	27	16	-

19 Share-based payments (continued)

Share options outstanding at the end of the year have the following expiry dates (and, with the exception of the SAYE scheme, all have £Nil exercise prices):

			Share options / shares (thousands)	
Grant - Vest	**Expiry Date**	**Exercise price (pence)**	**2020**	**2019**
LTIP grants				
2 May 2017 - 2 May 2020	2 May 2027	-	2	2
26 March 2018 - 26 March 2021	26 March 2028	-	5	5
27 March 2019 - 7 March 2022	27 March 2029	-	20	20
SAYE				
14 May 2018-14 May 2021	14 November 2021	1,221p	1	1
10 May 2019 - 10 May 2022	10 November 2022	295p	11	15
SIP				
Monthly rolling grants and vesting three years later		-	1	-
			40	43

20 Events after the reporting year

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.

21 Parent and ultimate parent undertaking

The immediate parent undertaking is Mortgage Intelligence Holdings Limited. 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.