

## Leaders Limited

Report and Financial Statements

Year Ended

31 March 2013

Company Number 1690574

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# **Leaders Limited**

## **Report and financial statements for the year ended 31 March 2013**

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### **Directors**

P S Weller  
M J Light  
M J Derry  
J Wilkinson  
C G Charge  
R J Churchill  
N A Cresswell  
A J Somers  
A C Thompson

### **Secretary**

M J Light

### **Registered office**

Becket House, 6 Littlehampton Road, Worthing, West Sussex, BN13 1QE

### **Company number**

1690574

### **Auditors**

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

# Leaders Limited

## Report of the directors for the year ended 31 March 2013

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2013

### Principal activities

The company operates as a residential letting and property management agent throughout Sussex, Hampshire, Dorset, Surrey, Kent, Berkshire, Buckinghamshire, Hertfordshire, Cambridgeshire and East Anglia. This principal activity continued throughout the year.

### Review of the business and future developments

The profit and loss account is set out on page 7 and shows turnover for the year of £35,610,801 (2012 £31,648,528) and profit before taxation of £5,188,839 (2012 £4,039,846).

The directors do not recommend the payment of a dividend.

In a year of continuing expansion, turnover has increased by 13% and the directors believe the company will continue to grow throughout the coming financial year. During the year the company demonstrated organic growth in a number of areas, although the acquisition of businesses within the residential letting and property management industry provided a significant proportion of the overall growth.

The directors are pleased to report that funding is in place to grow, both within the current geographic areas and to new areas of the country. The company continues to endeavour to acquire high quality businesses within the industry, whilst maintaining the highest levels of service within the existing business.

New areas covered during the year as a result of businesses acquired include Fenstanton and Bitterne.

Since the balance sheet date further expansion has been possible. The following acquisitions have been made:

26 April	- Portfolio of tenancies acquired in the East Grinstead area
7 May	- Four branches acquired in Gloucestershire and Oxfordshire
21 June	- Portfolio of tenancies acquired in the Croydon area
12 July	- Branch acquired in Long Melford, Suffolk
19 July	- Portfolio of tenancies acquired in the Horsham area
26 July	- Three branches acquired in Suffolk
2 August	- Branch acquired in Stroud, Gloucestershire

The company has continued to absorb staff from acquisitions into the company's employee development programme with increased training and support through our human resources and operations team. The company continues to hold Investor in People status and will be further developing the company's internal and external training programme in the coming year.

The company continued significant investment in information technology throughout the year and is committed to maintaining the best information technology systems in the industry to ensure the very best service is provided to our landlords and tenants.

The company's spending on advertising and promotion increased during the year and is committed to finding new and innovative ways to market the business and landlord's properties. Additionally, the company continued its commitment to refurbish branches on a regular basis. The directors believe that the investment provided in marketing and refurbishment during the year continues to demonstrate that Leaders Limited dominates the industry in the areas in which we trade.

# Leaders Limited

## Report of the directors for the year ended 31 March 2013 (*continued*)

### Principal risks and uncertainties

The residential letting and property management industry is highly competitive, particularly in areas where the private rental sector provides a higher than national average proportion of the property market. As a result the company faces constant competition within its core business.

Increased regulation resulting from the Tenant Deposit Protection Scheme, introduced on 6 April 2007 has had little benefit to the industry and the directors believe that greater policing of the industry is necessary to ensure that standards are maintained at a higher level than has been the case. The directors have always campaigned for increased regulation of the industry and will continue to do so in the coming year. The directors hope that it will become more difficult for unscrupulous agents and landlords to operate and as a market leader within the industry there is little risk to the company's business as a result.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

### Key Performance Indicators

The directors consider the following to be key performance indicators within the industry, and as a result monitor these on a regular basis.

As at 31 March	2013	2012
Active Tenancy Base (Managed and Rent Collection)	22,651	21,436
Number of Operating Offices	66	64
During the year ended 31 March	2013	2012
Number of Properties Let	12,122	11,624

### Employee involvement

The company continues to operate an Internal Communications policy with the aim of engendering greater staff involvement in the business decisions of the company throughout all staff groups. This initiative is in line with the intent of employment legislation on consultation, which came in to effect in April 2006.

### Equal opportunity

The company's policy is to promote equal opportunity in employment regardless of gender, race, colour or disability subject only to capability and suitability for the task and legal requirements.

Where existing employees become disabled, it is the company's policy to provide continuing employment under terms and conditions and to provide equal opportunity for promotion for disabled employees wherever appropriate.

### Charitable and political contributions

During the year the company made charitable contributions of £8,832 (2012: £5,527). There were no political contributions in the current or the previous year.

# Leaders Limited

## Report of the directors for the year ended 31 March 2013 (*continued*)

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### Clients' money balances

At the balance sheet date the company held amounts on behalf of clients totalling £39,027,785 (2012 £36,358,445). All Client funds are held in accordance with ARLA regulations (specifically ARLA Bye Law 3 - Client Accounts, Procedures, Requirements and Compliance) and tenant deposits are registered under the Tenancy Deposit and MyDeposits Schemes.

### Policy on the payment of creditors

The company's policy, for all suppliers, is to abide by the agreed terms of payment and it intends to follow this policy during the forthcoming year. The number of days' purchases represented by the company's trade creditors at 31 March 2013 was 30 days (2012 27 days).

### Directors

The directors of the company during the year were

P S Weller  
M J Light  
M J Derry  
J Wilkinson  
C G Charge  
R J Churchill  
N A Cresswell  
A J Somers  
A C Thompson

### Financial instruments

The company holds or issues financial instruments to finance its operations. Operations are mainly financed by a mixture of retained profits, floating rate overdrafts and inter-company advances received from parent undertakings. The inter-company advances are mainly used to assist in the financing of the acquisition of new trading businesses, whose operations are transferred up to Leaders Limited upon their acquisition. Finance leases are also used to assist in financing certain capital expenditure. Working capital requirements are met principally out of floating rate overdrafts and retained profits. In addition, various financial instruments such as trade debtors and trade creditors arise directly from the company's operations. The company does not enter into hedging agreements.

The company is mainly exposed to credit risk from credit sales arising from its property management and letting activities. It is company policy to assess the credit risk of new customers and to factor the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The directors monitor the liquidity and cash flow risk of the company carefully. The company itself has an agreed overdraft limit with the company's bankers to help manage fluctuations in cash flow. Cash flow is monitored by the directors on a regular basis and appropriate action is taken where additional funds are required, for example the arrangement of new finance leases to purchase significant items of capital equipment.

# Leaders Limited

## Report of the directors for the year ended 31 March 2013 (*continued*)

### Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The directors are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 responsible for keeping adequate accounting records that show and explain the company's transactions, 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.

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

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

  
P S Weller  
Director

Date 24/10/2013

# **Leaders Limited**

## **Independent auditor's report**

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### **To the members of Leaders Limited**

We have audited the financial statements of Leaders Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Leaders Limited

### Independent auditor's report (*continued*)

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Russell Field (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick  
United Kingdom

Date 28 October 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)



# Leaders Limited

## Profit and loss account for the year ended 31 March 2013

	Note	2013 Continuing Activities £	2013 Acquisitions £	2013 Total £	2012 Total £
<b>Turnover</b>	2	<b>34,352,935</b>	<b>1,257,866</b>	<b>35,610,801</b>	31,468,528
Administrative expenses		<b>30,607,313</b>	<b>847,607</b>	<b>31,454,920</b>	28,164,815
<b>Operating profit</b>		<b>3,745,622</b>	<b>410,259</b>	<b>4,155,881</b>	3,303,713
Income from shares in group undertakings				<b>2,655,781</b>	9,466,157
Write down of investments in group undertakings				<b>(2,655,781)</b>	(9,466,157)
Interest receivable				<b>1,032,958</b>	736,133
Interest payable	3			-	-
<b>Profit on ordinary activities before goodwill amortisation</b>				<b>8,757,312</b>	7,006,501
Goodwill amortisation				<b>3,568,473</b>	2,966,655
<b>Profit on ordinary activities before taxation</b>	4			<b>5,188,839</b>	4,039,846
Taxation on profit on ordinary activities	7			<b>1,704,207</b>	589,604
<b>Profit on ordinary activities after taxation</b>				<b>3,484,632</b>	3,450,242

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account


The notes on pages 10 to 22 form part of these financial statements

# Leaders Limited

Balance sheet at 31 March 2013

<i>Company number 1690574</i>	Note	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Intangible assets	8		30,872,133		30,072,760
Tangible assets	9		4,176,688		4,116,520
Investments	10		1,325,823		1,324,721
			<hr/>		<hr/>
			36,374,644		35,514,001
<b>Current assets</b>					
Stocks	11	65,876		73,410	
Debtors - due within one year	12	2,512,561		1,748,287	
Cash at bank and in hand		881,187		1,485,077	
		<hr/>		<hr/>	
		3,459,624		3,306,774	
<b>Creditors: amounts falling due within one year</b>	13	11,329,405		8,628,283	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(7,869,781)		(5,321,509)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			28,504,863		30,192,492
<b>Creditors amounts falling due after more than one year</b>	14	13,250,076		18,422,519	
<b>Provisions for liabilities and charges</b>	15	183,627		183,445	
		<hr/>		<hr/>	
			13,433,703		18,605,964
			<hr/>		<hr/>
<b>Net assets</b>			15,071,160		11,586,528
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	16	1,000		1,000	
Profit and loss account	17	15,070,160		11,585,528	
		<hr/>		<hr/>	
<b>Shareholders' funds</b>	18	15,071,160		11,586,528	
		<hr/>		<hr/>	

The financial statements were approved by the Board and authorised for issue on 24/10/13

  
P S Weller  
Director

  
M J Light  
Director

The notes on pages 10 to 22 form part of these financial statements

# Leaders Limited

## Cashflow statement for the year ended 31 March 2013

	Note	2013 £	2013 £	2012 £	2012 £
<b>Net cash inflow from operating activities</b>	24		<b>8,560,240</b>		<b>7,256,589</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		<b>1,032,958</b>		<b>736,133</b>	
<b>Net cash inflow from returns on investments and servicing of finance</b>			<b>1,032,958</b>		<b>736,133</b>
<b>Taxation</b>					
Corporation tax paid			<b>(995,312)</b>		<b>(496,911)</b>
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		<b>(1,165,125)</b>		<b>(1,625,456)</b>	
Receipts from sale of tangible fixed assets		<b>14,621</b>		<b>50</b>	
<b>Net cash outflow from capital expenditure and financial investment</b>			<b>(1,150,504)</b>		<b>(1,625,406)</b>
<b>Acquisitions and disposals</b>					
Purchase of trading businesses		<b>(4,305,871)</b>		<b>(11,439,714)</b>	
Sale of trading businesses		<b>6,188</b>		<b>-</b>	
			<b>(4,299,683)</b>		<b>(11,439,71)</b>
<b>Cash inflow/(outflow) before financing</b>			<b>3,147,699</b>		<b>(5,569,309)</b>
<b>Financing</b>					
Net drawdown of debt		<b>(3,751,589)</b>		<b>5,975,245</b>	
<b>Net cash inflow from financing</b>			<b>(3,751,589)</b>		<b>5,975,245</b>
<b>(Decrease)/increase in cash in the year</b>	25		<b>(603,890)</b>		<b>405,936</b>

The notes on pages 10 to 22 form part of these financial statements

# Leaders Limited

## Notes forming part of the financial statements for the year ended 31 March 2013

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have, except where stated, been applied consistently during the year.

#### *Consolidated financial statements*

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### *Acquisition of new businesses*

Upon the acquisition of new unincorporated businesses the trade, assets and liabilities are acquired directly by Leaders Limited and any excess of consideration paid over the fair value of the net assets acquired is treated as purchased goodwill. When incorporated businesses are acquired, immediately after acquisition the trade, assets and liabilities are transferred to Leaders Limited and any excess of fair value over the original cost of the investment is treated as goodwill.

#### *Goodwill*

Goodwill arises upon the acquisition of established trading businesses being either companies or unincorporated entities. Goodwill is calculated as the difference between the value of the consideration paid and the fair value of the net assets acquired. It is amortised from the date of acquisition through the profit and loss account over the directors' estimate of its useful economic life of 10 years. This estimate of useful economic life is subject to regular impairment reviews and these have not resulted in any material change to amortisation charges over the year. In the prior year the directors assessed the useful economic life of all historic acquisitions and set this at a maximum of 10 years with the carrying value outstanding at that date to be written off prospectively over this period.

#### *Valuation of Investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

#### *Turnover*

Turnover represents the total amount of invoiced commissions and fees received in respect of managing properties on behalf of landlords, together with sales of goods and services from outside customers. It is disclosed net of value added tax. Commission and fees are recognised when invoices are raised for the service.

# Leaders Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

### 1 Accounting policies (*continued*)

#### *Interest receivable*

Interest earned on client bank accounts maintained by the company is recognised on a receivable basis

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated at the following rates using the straight line basis

Leasehold properties	-	over the period of the lease
Fixtures and fittings	-	15%
Computers and office equipment	-	15%
Motor vehicles	-	25% - 33%

In view of the high quality of maintenance contracts entered into by the group the directors have considered the anticipated useful life of the group's computer equipment. Their conclusion is that an annual rate of depreciation of 15% is to be applied to hardware.

#### *Deferred tax*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

# Leaders Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (continued)

### 1 Accounting policies (continued)

#### Stocks

Stocks of stationery are valued at purchase cost. Such stocks are held in order to support the group's on-going marketing and promotional activities and are expensed as they are used.

#### Pension costs

Contributions to the company's money purchase pension scheme, together with a number of money purchase personal pension schemes, are charged to the profit and loss account in the year in which they become payable.

### 2 Turnover

Turnover is wholly attributable to the company's principal activities and arises solely within the United Kingdom.

### 3 Interest payable

	2013 £	2012 £
Bank loans and overdraft	-	-
Loans from group companies	-	-
Finance lease and hire purchase contracts	-	-
Other interest	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>

### 4 Profit on ordinary activities before taxation

	2013 £	2012 £
This is arrived at after charging		
Amortisation of goodwill	3,568,473	2,966,655
Depreciation	1,052,403	863,286
Plant and machinery - operating leases	845,782	712,180
Land and buildings - operating leases	1,729,106	1,585,439
Auditors' remuneration		
-Remuneration receivable by the company's auditor for the auditing of these accounts	32,300	33,100
-Audit related services	5,600	6,390
-Taxation compliance services	12,250	11,000
-Other taxation advisory services	7,354	-
	<u>32,300</u>	<u>33,100</u>

# Leaders Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (continued)

### 5 Employees

	2013 £	2012 £
Staff costs, including directors, consist of		
Wages and salaries	15,542,097	13,781,841
Social security costs	1,402,341	1,293,902
Pension costs	121,224	186,973
	<u>17,065,662</u>	<u>15,262,716</u>

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

	2013 Number	2012 Number
Management	13	13
Administration and property management	284	240
Sales	414	359
	<u>711</u>	<u>612</u>

### 6 Directors' remuneration

	2013 £	2012 £
Emoluments (including benefits in kind)	1,161,648	1,078,107
Pension contributions	93,325	86,750
	<u></u>	<u></u>

Pension contributions are paid by the company to a money purchase pension scheme on behalf of 9 (2012 9) directors. Directors' remuneration is for services provided by the company's directors to the group of companies to which Leaders Limited belongs.

The total amount payable to the highest paid director in respect of emoluments was £269,566 (2012 £257,707). Company pension contributions of £67,500 (2012 £62,000) were made to a money purchase pension scheme on their behalf.

# Leaders Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 7 Taxation on profit on ordinary activities

	2013 £	2012 £
<b><i>Analysis of charge for the year</i></b>		
<i>Current tax</i>		
UK Corporation tax	1,274,295	640,786
Adjustment in respect of previous years	429,730	(30,203)
	<b>1,704,025</b>	<b>610,583</b>
<i>Deferred tax</i>		
Adjustment in respect of previous years	-	(12,720)
Origination of timing differences	182	(8,259)
	<b>1,704,207</b>	<b>589,604</b>
<b><i>Factors affecting the current tax charge for the year</i></b>		
Profit on ordinary activities before taxation	5,188,839	4,039,846
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24% (2012 26%)	1,245,321	1,050,360
Effects of		
Expenses not deductible for tax purposes		
- goodwill amortisation	560,954	549,108
- other	81,078	16,236
Capital allowances for the year in excess of depreciation	(10,186)	(37,954)
Other timing differences	106	(17,253)
Group relief claimed	(602,978)	(919,711)
Adjustment in respect of previous years	429,730	(30,203)
	<b>1,704,025</b>	<b>610,583</b>



# Leaders Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 8 Intangible assets

	Purchased goodwill arising on acquisition of businesses £
<i>Cost</i>	
At 1 April 2012	38,196,947
Additions	4,345,481
Disposals	(40,000)
Adjustment to goodwill on acquisitions in the prior year	61,032
<b>At 31 March 2013</b>	<b>42,563,460</b>
<i>Amortisation</i>	
At 1 April 2012	8,124,187
Charge for the year	3,568,473
Disposals	(1,333)
<b>At 31 March 2013</b>	<b>11,691,327</b>
<i>Net book value</i>	
<b>At 31 March 2013</b>	<b>30,872,133</b>
At 31 March 2012	30,072,760

# Leaders Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 9 Tangible assets

	Leasehold properties £	Motor vehicles £	Fixtures and fittings £	Computers and office equipment £	Total £
<i>Cost</i>					
At 1 April 2012	970,980	78,861	3,173,310	2,673,304	6,896,455
Additions	160,283	30,260	411,809	506,404	1,108,756
Transfers on acquisitions	2,791	(5,421)	18,303	2,151	17,824
Disposals	(3,787)	(27,519)	(129,196)	(251,577)	(412,079)
<b>At 31 March 2013</b>	<b>1,130,267</b>	<b>76,181</b>	<b>3,474,226</b>	<b>2,930,282</b>	<b>7,610,956</b>
<i>Depreciation</i>					
At 1 April 2012	467,866	26,259	1,256,115	1,029,695	2,779,935
Provided for the year	111,823	17,730	497,063	425,787	1,052,403
Disposals	(3,787)	(13,900)	(129,196)	(251,187)	(398,070)
<b>At 31 March 2013</b>	<b>575,902</b>	<b>30,089</b>	<b>1,623,982</b>	<b>1,204,295</b>	<b>3,434,268</b>
<i>Net book value</i>					
<b>At 31 March 2013</b>	<b>554,365</b>	<b>46,092</b>	<b>1,850,244</b>	<b>1,725,987</b>	<b>4,176,688</b>
At 31 March 2012	503,114	52,602	1,917,195	1,643,608	4,116,519

# Leaders Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

## 10 Investments

	Group undertakings £	Other Investments £	Total £
Cost			
At 1 April 2012	1,316,337	8,384	1,324,721
Additions	2,656,883	-	2,656,883
Write down of investments	(2,655,781)	-	(2,655,781)
At 31 March 2013	1,317,439	8,384	1,325,823

Included in other investments are listed investments amounting to £8,384 (2012 £8,384) At 31 March 2013 the market value of these investments was £44,525 (2012 £36,300)

### *Subsidiaries and associated undertakings*

The following were subsidiary undertakings at the end of the year

Name	Proportion of voting Rights and ordinary share capital held
CPM Holdings Limited	100%
County Property Management Limited	100%
Coast and Country Residential Lettings Limited	100%
Principal Property Services Limited	100%
Taylor Robinson Rentals Limited	100%
JML Residential Lettings Limited	100%
Shoreline Properties (Ocean Village) Limited	100%
Darwoods Property Services Limited	100%
Hobbits Property Management Limited	100%
Grants Property Management Limited	100%
Chamberlain Limited	100%
KR Letting Services Limited	100%
Accent Property Management Limited	100%
Indigo House Sales & Lettings Limited	100%
Oak Residential Limited	100%
Oak Estates Limited	100%
JSM Property Management Limited	100%
Burns Property Management Limited	100%
Browns Property Services (Surrey) Limited	100%
Haines & Company Limited	100%
Hometrax Limited	100%
Clarendon Letting & Management Limited	100%
The Letting Shop Limited	100%
Drummonds of Godalming Limited	100%
Vernon Property Management Limited	100%
Bush Property Management Limited	100%
Lynda Paine Lettings Limited	100%

All undertakings are incorporated in England and Wales and operate in England

# Leaders Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (continued)

### 11 Stocks

	2013 £	2012 £
Promotional stock and stationery	65,876	73,410

There is no material difference between the replacement cost of stocks and the amount stated above

### 12 Debtors

	2013 £	2012 £
<i>Due within one year</i>		
Other debtors	110,092	98,289
Prepayments and accrued income	2,402,469	1,649,998
	<u>2,512,561</u>	<u>1,748,287</u>

### 13 Creditors amounts falling due within one year

	2013 £	2012 £
Trade creditors	805,850	675,360
Amounts owed to subsidiary undertakings	1,317,437	1,316,335
Amounts owed to group undertakings	286,467	132,618
Amounts owed to parent undertaking	4,853,587	3,432,733
Corporation tax	1,175,776	467,063
Other taxation and social security	1,378,588	1,250,322
Accruals and deferred income	1,189,343	1,210,404
Other creditors	322,357	143,448
	<u>11,329,405</u>	<u>8,628,283</u>

Included within accruals are outstanding pension contributions of £18,065 (2012 £17,625)

### 14 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to parent undertaking	13,250,076	18,422,519

# Leaders Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

## 14 Creditors amounts falling due after more than one year (continued)

Creditors falling due after more than one year at the balance sheet date may be further analysed as follows

	Parent company 2013 £	Total 2013 £	Parent company 2012 £	Total 2012 £
Due in 1 -2 years	13,250,076	13,250,076	3,632,734	3,632,734
Due in 2 – 5 years	-	-	14,789,785	14,789,785
<b>Total</b>	<b>13,250,076</b>	<b>13,250,076</b>	<b>18,422,519</b>	<b>18,422,519</b>

## 15 Deferred taxation

	2013 £	2012 £
Accelerated capital allowances	187,781	187,674
Other timing differences	(4,154)	(4,229)
	<b>183,627</b>	<b>183,445</b>
Deferred taxation movements are		
At 1 April 2012	183,445	178,080
Transferred on acquisition	-	26,344
Adjustments in respect of previous year	(1,914)	(12,720)
Origination/(reversal) of timing differences	2,096	(8,259)
<b>At 31 March 2013</b>	<b>183,627</b>	<b>183,445</b>

## 16 Called up share capital

	2013 £	Authorised 2012 £	Allotted, called up and fully paid 2013 £	2012 £
Ordinary shares of 1p each	1,053	1,053	1,000	1,000

# Leaders Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

## 17 Reserves

	Profit and loss account £
At 1 April 2012	11,585,528
Retained profit for the financial year	3,484,632
<b>At 31 March 2013</b>	<b>15,070,160</b>

## 18 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the year	3,484,632	3,450,242
Opening shareholders' funds	11,586,528	8,136,286
<b>Closing shareholders' funds</b>	<b>15,071,160</b>	<b>11,586,528</b>

## 19 Pensions

The group operates a money purchase pension scheme and also funds a number of private money purchase schemes. The assets of these schemes are held separately from those of the group in independently administered funds.

The pension charge for the year of £121,224 (2012 £136,973) represents the aggregate contributions payable by the company to the schemes.

## 20 Commitments under operating leases

As at 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Operating leases which expire				
Within one year	122,410	137,724	68,855	81,721
Between one and two years	150,561	324,409	166,700	241,353
In two to five years	424,230	339,682	437,391	346,391
In over five years	1,003,520	-	871,470	5,980
	<b>1,700,721</b>	<b>801,815</b>	<b>1,544,416</b>	<b>675,445</b>

# Leaders Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (continued)

### 21 Contingent liabilities and capital commitments

The Company is party to group banking arrangements under which the bank has a fixed and floating charge over the assets of the Company, and the Company has guaranteed the loans of certain group companies which at 31 March 2013 amounted to £25,004,400 (2012 £23,403,333)

The Company had capital commitments of £Nil at 31 March 2013 (2012 £Nil)

### 22 Acquisitions

In calculating the goodwill arising on the acquisition of trading business, the fair value of the net assets of each company/business acquired has been assessed on a provisional basis and no adjustments from book value have been considered necessary. The total of the acquisitions made during the year is as follows

	£
Cash consideration	4,283,065
Legal fees capitalised	62,416
Adjustments to previous years goodwill	61,032
Disposals	(40,000)
	<hr/>
Goodwill arising on acquisition	4,366,513
	<hr/>

### 23 Clients' money balances

	2013 £	2012 £
At 31 March		
Amounts held on behalf of clients	39,027,785	36,358,445
Amounts due to clients	(39,027,785)	(36,358,445)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

### 24 Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	4,155,881	3,303,713
Amortisation of intangible fixed assets	3,568,473	2,966,655
Depreciation of tangible fixed assets	1,052,403	863,286
Decrease/(Increase) in stocks	7,534	(19,360)
Increase in debtors	(731,795)	(495,776)
Increase in creditors	508,356	637,863
(Profit)/Loss on disposal of tangible assets	(612)	208
	<hr/>	<hr/>
Net cash inflow from operating activities	8,560,240	7,256,589
	<hr/>	<hr/>

# Leaders Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (continued)

### 25 Reconciliation of net cash inflow to movement in net debt

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(603,890)	405,936
Cash inflow/(outflow) from changes in debt	3,751,589	(5,975,245)
Movement in net debt resulting from cash flows	3,147,699	(5,569,309)
Net debt at start of year	(20,370,175)	(14,800,866)
Net debt at end of year	(17,222,476)	(20,370,175)

### 26 Analysis of net debt

	At 1 April 2012 £	Cashflow £	At 31 March 2013 £
Cash at bank and in hand	1,485,077	(603,890)	881,187
Intra group funding	(21,855,252)	3,751,589	(18,103,663)
Total	(20,370,175)	3,147,699	(17,222,476)

### 27 Related party transactions and balances

The Company has taken advantage of the exemption conferred by FRS 8 "Related Party Disclosures" not to disclose transactions with members of the group headed by Leaders Lettings Limited, of which Leaders Limited is a part, on the grounds that 100% of the voting rights in the Company are controlled within that group and the Company is included in the consolidated financial statements

During the year the company received commission income from Hepburns Insurance Services Limited an associated undertaking of Leaders Lettings Limited, the ultimate parent company, totalling £361,400 (2012 £218,100)

### 28 Controlling party information

The largest group in which the results of the company are consolidated is that headed by Leaders Lettings Limited, incorporated in England and Wales. This company is ultimately controlled by funds managed by Bowmark Capital LLP