

Leaders Limited

Report and Financial Statements

Year Ended

31 March 2017

Company Number: 01690574

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Leaders Limited

Report and financial statements for the year ended 31 March 2017

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Directors

P S Weller
M J Light
M J Derry
J Wilkinson
R J Churchill
A J Somers
A C Thompson
M E J Palmer
P Kavanagh
A S Gill
P D Loverdos

Secretary

M J Light

Registered office

Crowthorne House, Nine Mile Ride, Wokingham, Berkshire, RG40 3GZ

Company number

01690574

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

Leaders Limited

Strategic report for the year ended 31 March 2017

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company is that of a residential letting and property management agent.

Review of the business

The directors present their strategic report together with the audited financial statements of the company for the year ended 31 March 2017.

The company operates as a residential letting and property management agent throughout a large part of England, with the geographic coverage and network of branches increasing.

In a year of continuing expansion, turnover has increased by 10% and the directors believe the company will continue to grow throughout the coming financial year. The company continues to endeavour to acquire high quality businesses within the industry, whilst maintaining the highest levels of service within the existing business.

The profit for the year before taxation and amortisation of intangibles was £13,455,601 (2016 - £12,136,073). The amortisation charge for the year of £28,848,480 has increased significantly over the charge of £8,414,133 for 2016. This reflects a revision to the useful economic life of goodwill brought forward from prior years from 10 years to 7 years. The accelerated amortisation resulting from this change is £16,084,972.

Since the balance sheet date further expansion has been possible through two acquisitions that were completed in Nottingham and Derby.

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.

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.

Leaders Limited

Strategic report for the year ended 31 March 2017 (*continued*)

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	2017	2016
Active Tenancy Base (Managed and Rent Collection)	38,861	37,971
During the year ended 31 March	2017	2016
Number of Properties Let	18,354	16,499
Turnover	£57,211,132	£52,023,335
EBITDA	£14,706,544	£13,890,514

On behalf of the board



M E J Palmer
Director

24 August 2017

Leaders Limited

Report of the directors for the year ended 31 March 2017

The directors present their directors report together with the audited financial statements of the company for the year ended 31 March 2017.

Results and dividends

The statement of comprehensive income is set out on page 8 and shows turnover for the year of £57,211,132 (2016 - £52,023,335) and profit before amortisation and taxation of £13,455,601 (2016 - £12,136,073).

The directors do not recommend the payment of a dividend (2016 - £Nil).

Disclosures relating to information which is strategically important to the company are made within the strategic report.

Directors

The directors of the company during the year were:

P S Weller
M J Light
M J Derry
J Wilkinson
C G Charge (resigned 31 December 2016)
R J Churchill
A J Somers
A C Thompson

Subsequent to the year end A S Gill, M E J Palmer, P Loverdos and P Kavanagh were appointed on 3 April 2017.

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.

Clients' money balances

At the balance sheet date the company held amounts on behalf of clients totalling £69,940,206 (2016 - £68,115,145). 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.

Future developments

The directors are optimistic about the company's prospects over the next 12 months.

Leaders Limited

Report of the directors for the year ended 31 March 2017 (continued)

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 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. 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.

Directors' responsibilities

The directors are responsible for preparing the strategic report and directors report the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to 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.

Leaders Limited

Report of the directors for the year ended 31 March 2017 (*continued*)

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



M E J Palmer
Director

24 August 2017

Leaders Limited

Independent auditor's report

To the members of Leaders Limited

We have audited the financial statements of Leaders Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 Financial Reporting Council's (FRC'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 FRC's website at 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 2017 and of its loss 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Leaders Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.



*Simon Brooker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom*

24 August 2017

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

Leaders Limited

Statement of comprehensive income for the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	3	57,211,132	52,023,335
Administrative expenses		(74,991,456)	(50,627,373)
		(17,780,324)	1,395,962
Other operating income		1,149,635	1,304,128
Operating (loss)/profit	4	(16,630,689)	2,700,090
Income from shares in group undertakings		8,836,482	23,515,211
Write down of investments in group undertakings	12	(8,836,482)	(23,515,211)
Interest receivable	5	1,569,867	1,230,757
Interest payable	6	(366,118)	(239,257)
Changes in fair value of investments		34,061	30,350
Profit on ordinary activities before goodwill amortisation		13,455,601	12,136,073
Amortisation of intangibles	10	(28,848,480)	(8,414,133)
(Loss)/profit on ordinary activities before taxation		(15,392,879)	3,721,940
Taxation on (loss)/profit on ordinary activities	9	1,265,253	(188,983)
(Loss)/profit and total comprehensive income for the year		(14,127,626)	3,532,957

All amounts relate to continuing activities.

The notes on pages 11 to 37 form part of these financial statements.

Leaders Limited

Balance sheet at 31 March 2017

Company number: 01690574	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	10		40,144,046		59,912,577
Tangible assets	11		7,770,827		7,863,536
Investments	12		624,840		428,862
			<u>48,539,713</u>		<u>68,204,975</u>
Current assets					
Stocks	13	155,994		91,179	
Debtors	14	8,899,936		5,743,049	
Cash at bank and in hand		3,289,612		2,220,653	
		<u>12,345,542</u>		<u>8,054,881</u>	
Creditors: amounts falling due within one year	15	<u>(9,920,422)</u>		<u>(8,853,826)</u>	
Net current assets/(liabilities)			<u>2,425,120</u>		<u>(798,945)</u>
Total assets plus net current assets			<u>50,964,833</u>		<u>67,406,030</u>
Creditors: amounts falling due after more than one year	16	(35,339,839)		(37,374,068)	
Provisions for liabilities	17	<u>(2,226,349)</u>		<u>(2,505,691)</u>	
			<u>(37,566,188)</u>		<u>(39,879,759)</u>
Net assets			<u>13,398,645</u>		<u>27,526,271</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss account			<u>13,397,645</u>		<u>27,525,271</u>
Shareholders' funds			<u>13,398,645</u>		<u>27,526,271</u>

The financial statements were approved by the Board and authorised for issue on 24 August 2017.


M E J Palmer
Director

The notes on pages 11 to 37 form part of these financial statements.

Leaders Limited

Statement of changes in equity for the year ended 31 March 2017

	Share capital £	Profit and loss account £	Total equity £
1 April 2016	1,000	27,525,271	27,526,271
Comprehensive income for the year:			
Loss for the year	-	(14,127,626)	(14,127,626)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(14,127,626)	(14,127,626)
	<hr/>	<hr/>	<hr/>
31 March 2017	1,000	13,397,645	13,398,645
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	Share capital £	Profit and loss account £	Total equity £
1 April 2015	1,000	23,992,314	23,993,314
Comprehensive income for the year:			
Profit for the year	-	3,532,957	3,532,957
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	3,532,957	3,532,957
	<hr/>	<hr/>	<hr/>
31 March 2016	1,000	27,525,271	27,526,271
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>

The notes on pages from 11 to 37 form part of these financial statements.

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017

1 Accounting policies

Leaders Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 for qualifying entities, as the information is disclosed within The Leaders Romans Group Limited financial statements:

- Section 3 Financial Statement Presentation paragraph 3.17(d) and Section 7 Statement of Cash Flows not to prepare a statement of cash flows;
- Section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the number of shares outstanding at the beginning and end of the year;
- Section 11 Basic Financial Instruments paragraph 11.41(b) (c), (e) and (f); 11.42; 11.44; 11.45; 11.47; 11.48 (a)(iii), (a)(iv), (b) and (c); relating to basic financial instruments as equivalent disclosures have been provided in respect of the group as a whole; and
- Section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation as their remuneration is disclosed in total.

The following principal accounting policies have been applied:

Basis of consolidation

The financial statements contain information about Leaders Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of its ultimate parent company, The Leaders Romans Group Limited.

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.

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 and identifiable intangibles. 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 and identifiable intangibles.

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

1 Accounting policies (*continued*)

Interest receivable

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

Goodwill

Goodwill arises upon the acquisition of established trading businesses being either companies or unincorporated entities. Goodwill is calculated as the difference between the fair value of the consideration paid and the fair value of the net assets acquired. Goodwill is amortised through the statement of comprehensive income over the directors' estimate of its useful economic life of 2 to 7 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Intangibles fixed assets and amortisation

Intangibles recognised separately from goodwill acquired as part of the acquisition of established trading businesses are recognised at fair value and are subsequently amortised on a straight-line basis over their useful economic life.

Customer relationships	- over 7 years
Brand	- over 1 year
Non-compete	- over 3 years
Customer lists	- over 0.5 years
Software	- over 5 years
Website	- over 5 years

Useful economic lives of intangible assets are based on expected future cash flows.

Website development costs

Where the company's websites are expected to generate future revenues in excess of the costs of developing those websites, expenditure on the functionality of the website is capitalised and treated as a intangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. The rates of depreciation are as follows:

Leasehold properties	- over the period of the lease
Motor vehicles	- 25% - 33%
Fixtures, fittings and equipment	- 20%

Investments

Investments in subsidiary undertakings are stated at cost less provision for any impairment.

Investments in listed company shares are remeasured at market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

1 Accounting policies (*continued*)

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

1 Accounting policies (*continued*)

Leases

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 statement of comprehensive income over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income 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 statement of comprehensive income on a straight-line basis over the term of the lease.

Stocks

Stocks of stationery are valued at purchase cost. Such stocks are held in order to support the company's ongoing 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 statement of comprehensive income in the year in which they become payable.

Holiday pay accrual

A liability is recognised in respect of any unused holiday pay entitlement which has accrued at the balance sheet date and is available to be carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as a lessee are operating or finance leases. This decision depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their estimated useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Trade debtor impairment loss*

A provision is made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

- *Useful lives of goodwill and intangible assets*

Intangible assets are amortised over their estimated useful lives with the charge recorded in administrative expenses. Useful lives are based on management's estimates of the period that the assets will generate revenue which are periodically renewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the income statement in specific periods.

The amortisation charge for the year of has increased significantly over the charge for 2016. This reflects a revision to the useful economic life of goodwill brought forward from prior years from 10 years to 7 years. The accelerated amortisation resulting from this change is £16,084,972, reducing both profit for the year and the carrying value of goodwill by this amount.

3 Turnover

Turnover represents amounts derived from the provision of services which fall within the company's ordinary activities. The turnover all arises in the United Kingdom and is attributable solely to the company's principal activities.

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

4 Operating (loss)/profit

	2017 £	2016 £
This is arrived at after charging/(crediting):		
Amortisation of intangibles, including goodwill	28,848,480	8,414,133
Depreciation	2,488,753	2,776,291
Profit on disposal of tangible assets	(41,768)	(18,136)
Operating lease expense	2,837,515	2,956,986
Auditors' remuneration – audit services	26,000	25,020

The company has taken advantage of the exemption from the requirement to disclose details of the auditor's remuneration for non-audit services. This is disclosed in the consolidated financial statements of its parent company, The Leaders Romans Midco 2 Limited.

5 Interest receivable

	2017 £	2016 £
Bank interest received	1,569,867	1,464,111
Fair value (loss)/gain on embedded derivative	-	(233,354)
	<u>1,569,867</u>	<u>1,230,757</u>

6 Interest payable

	2017 £	2016 £
Group interest payable	100,948	-
Finance lease and hire purchase contracts	265,170	239,257
	<u>366,118</u>	<u>239,257</u>

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

7 Employees

	2017 £	2016 £
Staff costs, including directors, consist of:		
Wages and salaries	25,557,873	23,346,905
Social security costs	2,258,149	2,064,757
Pension costs	359,127	296,936
	<u>28,175,149</u>	<u>25,708,598</u>

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

	2017 Number	2016 Number
Management	35	14
Administration and property management	453	476
Sales	696	516
	<u>1,184</u>	<u>1,006</u>

8 Directors' remuneration

	2017 £	2016 £
Emoluments (including benefits in kind)	1,513,850	1,633,303
Pension contributions	42,122	79,325
	<u></u>	<u></u>
Highest paid director:		
Emoluments	201,608	360,104
Pension contributions	929	13,750
	<u>202,537</u>	<u>373,854</u>

Pension contributions are paid by the company to a money purchase pension scheme on behalf of 8 (2016 - 9) directors. Directors' remuneration is for services provided by the company's directors to the group of companies to which Leaders Limited belongs.

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

9 Taxation on (loss)/profit on ordinary activities	2017 £	2016 £
<i>Analysis of charge for the year</i>		
<i>Current tax</i>		
UK Corporation tax	-	871,184
Adjustment in respect of prior years	(105,595)	(107,231)
Total current tax (credit)/charge	(105,595)	763,953
<i>Deferred tax</i>		
Origination of timing differences	(1,158,229)	(574,970)
Effect of tax rate change	(1,429)	-
Taxation on (loss)/profit on ordinary activities for the year	(1,265,253)	188,983
<i>Factors affecting the current tax (credit)/charge for the year</i>		
(Loss)/profit on ordinary activities before taxation	(15,392,879)	3,721,940
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016 - 20%)	(3,078,575)	744,388
Effects of:		
Expenses not deductible for tax purposes:	1,793,835	-
Income not deductible for tax purposes	(1,767,296)	-
Expenses not deductible for tax purposes - fixed assets	2,271,499	831,487
Deferred tax release on amortisation	(769,019)	-
Unprovided deferred tax	-	38,096
Group relief claimed	(1,487,738)	(1,317,757)
Effect of tax rate change	48,684	
Adjustment in respect of previous years	(105,595)	(107,231)
Other reliefs and transfers	(15,786)	-
Fixed asset timing differences not recognised	1,844,738	-
Total tax (credit/) charge for the year	(1,265,253)	188,983

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

10 Intangible assets

	Brand names £	Customer lists £	Non-compete agreement £	Customer relationships £	Purchased goodwill £	Website £	Software £	Total £
<i>Cost</i>								
At 1 April 2016	1,692,064	-	-	13,248,220	74,025,618	126,400	334,356	89,426,658
Additions	1,336,673	537,622	154,002	2,216,251	4,989,149	15,355	200,909	9,449,961
Adjustments	-	-	-	-	(370,012)	-	-	(370,012)
At 31 March 2017	3,028,737	537,622	154,002	15,464,471	78,644,755	141,755	535,265	98,506,607
<i>Amortisation</i>								
At 1 April 2016	1,497,312	-	-	1,584,643	26,345,442	30,472	56,212	29,514,081
Charge for the year	1,264,488	533,279	37,832	2,146,027	24,672,656	55,626	138,572	28,848,480
At 31 March 2017	2,761,800	533,279	37,832	3,730,670	51,018,098	86,098	194,784	58,362,561
<i>Net book value</i>								
At 31 March 2017	266,937	4,343	116,170	11,733,801	27,626,657	55,657	340,481	40,144,046
At 31 March 2016	194,752	-	-	11,663,577	47,680,176	95,928	278,144	59,912,577

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

10 Intangible assets (continued)

As part of the rationalisation of the company, the trades of Premier Places Limited, Homesearch Property Management Limited, Minchin Fellows Limited, Watson Blackburn Limited, Allen Estates Limited and Morris Armitage (Holdings) Limited were transferred into Leaders Limited. As a result, the investments in Premier Places Limited, Homesearch Property Management Limited, Minchin Fellows Limited, Watson Blackburn Limited, Allen Estates Limited and Morris Armitage (Holdings) Limited have been partially reclassified as intangible.

The transfer of trades resulted in an apparent overvaluation of the investments held in the company's books, though there was no overall loss to the group. The Companies Act 2006 requires that, where any such overvaluation is expected to be permanent, the investment should be written down accordingly. In the opinion of the directors, the proportion of the trade transferred equated to the reasonable basis to transfer the amount from investments into intangible assets. The directors consider that the substance of the transaction was merely to reorganise the group's operation and such treatments would fail to give a true and fair view. Accordingly, the diminution in value of the investments has instead been reallocated to goodwill.

The effect of this transaction is that there is £30,195,844 of goodwill and intangibles on the company's statement of financial position at 31 March 2017 that would not otherwise have arisen.

11 Tangible assets

	Leasehold properties £	Motor vehicles £	Fixtures fittings and equipment £	Total £
<i>Cost</i>				
At 1 April 2016	1,419,804	4,835,469	9,434,960	15,690,233
Additions	1,151,239	278,891	899,281	2,329,411
Additions on acquisitions	11,778	130,319	45,365	187,462
Transfers	-	(79,696)	-	(79,696)
Disposals	(153,721)	(182,498)	(782,897)	(1,119,116)
At 31 March 2017	2,429,100	4,982,485	9,596,709	17,008,294
<i>Depreciation</i>				
At 1 April 2016	939,034	1,105,288	5,782,375	7,826,697
Provided for the year	242,075	799,338	1,447,340	2,488,753
Net transfers	-	(25,309)	-	(25,309)
Disposals	(153,721)	(157,327)	(741,626)	(1,052,674)
At 31 March 2017	1,027,388	1,721,990	6,488,089	9,237,467
<i>Net book value</i>				
At 31 March 2017	1,401,712	3,260,495	3,108,620	7,770,827
At 31 March 2016	480,770	3,730,181	3,652,585	7,863,536

The net book value of tangible assets includes £3,160,754 (2016 - £3,577,303) of assets held under hire purchase agreements. The related depreciation charge for these assets for the year was £699,084 (2016 - £570,633).

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

12 Investments

	Group undertakings £	Other Investments £	Total £
<i>Cost</i>			
At 1 April 2016	323,587	105,275	428,862
Additions	9,039,236	-	9,039,236
Disposals	(1,201)	-	(1,201)
Write down of investments	(8,836,482)	-	(8,836,462)
Changes in fair value of listed investments	-	(5,575)	(5,575)
At 31 March 2017	525,140	99,700	624,840

Subsidiary undertakings

The following were subsidiary and associated undertakings at the end of the year.

The principal undertakings in which the company's interest at the year end is 20% or more are as follow:

	Percentage of ordinary share capital held and voting rights	Nature of business
Leaders Sales Limited	100%	Property sales
Elldae Franchising Limited	100%	Management services
CPM Holdings Limited	100%	Dormant
Principal Property Services Limited	100%	Dormant
Coast & Country Residential Lettings Limited	100%	Dormant
Taylor Robinson Rentals Limited	100%	Dormant
JML Residential Lettings Limited	100%	Dormant
Shoreline Properties (Ocean Village) Limited	100%	Dormant
Darwoods Property Services Limited	100%	Dormant
Hobbits Property Management Limited	100%	Dormant
Grants Property Management Limited	100%	Dormant
KR Letting Services Limited	100%	Dormant
JSM Property Management Limited	100%	Dormant
Burns Property Management Limited	100%	Dormant
Browns Property Services (Surrey) Limited	100%	Dormant
Haines & Co Limited	100%	Dormant
Hometrax Limited	100%	Dormant
Accent Property Management Limited	100%	Dormant
Indigo Sales & Lettings Limited	100%	Dormant

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

12 Investment *(continued)*

	Percentage of ordinary share capital held and voting rights	Nature of business
Oak Residential Limited	100%	Dormant
Brian Smith Property Management Limited	100%	Dormant
Saxon Management (New Milton) Limited	100%	Dormant
Saxon Management (Christchurch) Limited	100%	Dormant
Goddard & Co Rentals Limited	100%	Dormant
Goddard & Co Rentals (Felixstowe) Limited	100%	Dormant
Goddard & Co Rentals (Mid-Suffolk) Limited	100%	Dormant
Bush Property Management Limited	100%	Dormant
Drummond of Godalming Limited	100%	Dormant
Lloyds Property Agents Limited	100%	Dormant
Lloyds Property Agents (Ashton) Limited*	100%	Dormant
Lloyds Property Agents (Wigan) Limited*	100%	Dormant
Claredon Letting and Management Limited	100%	Dormant
Spinnaker Residential Limited	100%	Dormant
Oaks Property UK Limited	100%	Dormant
County Property Management Limited*	100%	Dormant
Oak Estates Limited*	100%	Dormant
The Letting Shop Limited	100%	Dormant
Alexanders Residential Lettings Limited	100%	Dormant
Temples Property Management (BSE) Limited	100%	Dormant
Swan Residential Limited	100%	Dormant
Brookes Hall Limited	100%	Dormant
Isherwoods Residential Limited	100%	Dormant
Mitchell and Perryer Limited	100%	Dormant
QB Management Limited	100%	Dormant
Makerfield Investment Property Management Limited*	100%	Dormant
Simply Lets Limited	100%	Dormant
Lynda Paine Lettings Limited	100%	Dormant
Waterside Properties (Poole) Limited	100%	Dormant
Leaders Waterside Properties Limited	100%	Dormant
Perry Bishop and Chambers Limited	100%	Dormant
Vernon Property Management Limited	100%	Dormant
IMS Lettings Limited	100%	Dormant
Aston Mead Estate Agents Limited	100%	Dormant

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 *(continued)*

12 Investment *(continued)*

	Percentage of ordinary share capital held and voting rights	Nature of business
Town & Country (Holdings) Limited	100%	Dormant
CT Trading Limited	100%	Dormant
Leeco (Buckingham) Limited	100%	Dormant
Heritage Property (Leamington Spa) Limited	100%	Dormant
Gilles Fullerton (East Anglia) Limited	100%	Dormant
Tudor Property Consultants Limited	100%	Dormant
Premier Places Limited	100%	Dormant
Homesearch Property Management	100%	Dormant
Minchin Fellows Limited	100%	Dormant
Town & Country Property Services (Worcester) Limited*	100%	Dormant
T&C (Lettings) Limited*	100%	Dormant
Morris Armitage (Holdings) Limited	100%	Dormant
Morris Armitage (BSE) Limited*	100%	Dormant
Allen Estates Limited	100%	Dormant
Watson Blackburn Limited	100%	Dormant
Watson Mitchell Limited*	100%	Dormant
Ideal Homes (Bedford) Limited*	100%	Dormant

The registered office for all undertakings is Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ .

*Held indirectly

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

13 Stocks

	2017 £	2016 £
Promotional stock and stationery	155,994	91,179

14 Debtors

	2017 £	2016 £
Trade debtors	41,757	-
Other debtors	713,938	589,802
Prepayments and accrued income	2,110,123	1,435,099
Amounts owed by group undertakings	5,819,674	3,718,148
Corporation tax	214,444	-
	8,899,936	5,743,049

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,204,054	735,358
Amounts owed to subsidiary undertakings	2,286,759	323,584
Amounts owed to group undertakings	1,103,345	1,210,191
Corporation tax	-	442,318
Other taxation and social security	2,038,213	2,215,098
Accruals and deferred income	1,976,666	2,634,638
Other creditors	243,102	668,549
Obligations under finance lease and hire purchase contracts	1,068,283	624,090
	9,920,422	8,853,826

Included within accruals are outstanding pension contributions of £59,297 (2016 - £97,689).

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

16 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to parent undertaking	33,247,349	34,420,855
Obligations under finance lease and hire purchase contracts	2,092,490	2,953,213
	<u>35,339,839</u>	<u>37,374,068</u>

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

Maturity of debt:

	Parent company 2017 £	Hire purchase 2017 £	Total 2017 £
In one year or less, on demand	-	1,068,283	1,068,283
In more than one year but not more than two years	-	1,501,907	1,501,907
In more than two years but not more than five years	-	590,583	590,583
In more than five years	33,247,349	-	33,247,349
	<u>33,247,349</u>	<u>3,160,773</u>	<u>36,408,122</u>
Total	33,247,349	3,160,773	36,408,122

	Parent company 2016 £	Hire purchase 2016 £	Total 2016 £
In one year or less, on demand	-	624,090	624,090
In more than one year but not more than two years	-	1,585,693	1,585,693
In more than two years but not more than five years	-	1,367,520	1,367,520
In more than five years	34,420,855	-	34,420,855
	<u>34,420,855</u>	<u>3,577,303</u>	<u>37,998,158</u>
Total	34,420,855	3,577,303	37,998,158

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

17 Provision for liabilities

	Deferred taxation 2017 £	Deferred taxation 2016 £
Accelerated capital allowances	(364,927)	122,630
Arising on business combinations	2,591,276	2,383,061
	<u>2,226,349</u>	<u>2,505,691</u>
Deferred taxation movements in the year are:		£
At 1 April 2016		2,505,691
Arising on business combinations		807,888
Charged to the profit and loss account		(1,087,230)
		<u>2,226,349</u>
At 31 March 2017		

18 Called up share capital

	2017 £	2016 £
<i>Called up, allotted and fully paid</i>		
100,000 Ordinary shares of 1p each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

19 Pensions

The company 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 £359,127 (2016 - £296,936) represents the aggregate contributions payable by the company to the schemes of which £59,927 (2016 - £97,689).

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

20 Acquisitions

Acquisition of Premier Places Limited

On 13 April 2016 the company acquired the entire share capital of Premier Places Limited for cash consideration of £1,159,562 (including expenses of £26,536). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Tangible fixed asset	37,375	-	37,375
Customer relationships	-	598,749	598,749
Customer lists	-	97,097	97,097
	<hr/>	<hr/>	<hr/>
	37,375	695,846	733,221
Current assets			
Debtors	111,849	-	111,849
	<hr/>	<hr/>	<hr/>
Total Assets	149,224	695,846	845,070
Creditors	(129,434)	-	(129,434)
Deferred tax	-	(128,820)	(128,820)
	<hr/>	<hr/>	<hr/>
Net assets	19,790	567,026	586,816
			<hr/>
Cash consideration (including expenses £26,536)			1,159,562
Net assets acquired			586,816
			<hr/>
Goodwill arising on acquisition			572,746
			<hr/>

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

20 Acquisitions (continued)

Acquisition of Homesearch Property Management Limited

On 11 May 2016 the company acquired the entire share capital of Homesearch Property Management Limited for cash consideration of £935,984 (including expenses of £35,984). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Tangible fixed asset	10,831	-	10,831
Customer relationships	-	219,616	219,616
Customer lists	-	21,984	21,984
Brand	-	158,215	158,215
	<hr/>	<hr/>	<hr/>
	10,831	399,815	410,646
Current assets			
Debtors	6,409	-	6,409
Cash	325,987	-	325,987
	<hr/>	<hr/>	<hr/>
Total Assets	343,227	399,815	743,042
Creditors	(86,655)	-	(86,655)
Deferred tax	-	(75,922)	(75,922)
	<hr/>	<hr/>	<hr/>
Net assets	256,572	323,893	580,465
			<hr/>
Cash consideration (including expenses £35,984)			935,984
Net assets acquired			580,465
			<hr/>
Goodwill arising on acquisition			355,519
			<hr/>

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (continued)

20 Acquisitions (continued)

Acquisition of Minchin Fellows Limited

On 25 May 2016 the company acquired the entire share capital of Minchin Fellows Limited for cash consideration of £699,601 (including expenses of £19,601). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Tangible fixed asset	28,538	-	28,538
Customer relationships	-	97,537	97,537
Customer lists	-	95,584	95,584
Brand	-	192,220	192,220
	<hr/>	<hr/>	<hr/>
	28,538	385,341	413,879
Current assets			
Debtors	63,540	-	63,540
	<hr/>	<hr/>	<hr/>
Total Assets	92,078	385,341	477,419
Creditors	(63,540)	-	(63,540)
Deferred tax	(4,515)	(75,050)	(79,565)
	<hr/>	<hr/>	<hr/>
Net assets	24,023	310,291	334,314
			<hr/>
Cash consideration (including expenses £19,601)			699,601
Net assets acquired			334,314
			<hr/>
Goodwill arising on acquisition			365,287
			<hr/>

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

20 Acquisitions (continued)

Acquisition of Watson Blackburn Limited

On 31 May 2016 the company acquired the entire share capital of Watson Blackburn Limited for cash consideration of £2,860,588 (including expenses of £35,588). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Tangible fixed asset	54,580	-	54,580
Intangible fixed asset	632,900	(632,900)	-
Investments	837,262	-	837,262
Customer relationships	-	736,186	736,186
Customer lists	-	113,457	113,457
Brand	-	377,843	377,843
	<u>1,524,742</u>	<u>594,586</u>	<u>2,119,328</u>
Current assets			
Debtors	43,393	-	43,393
Cash	1,126,731	-	1,126,731
	<u>1,170,124</u>		<u>1,170,124</u>
Total Assets	<u>2,694,866</u>	<u>594,586</u>	<u>3,289,452</u>
Creditors	<u>(1,213,443)</u>	<u>-</u>	<u>(1,213,443)</u>
Deferred tax	(4,335)	(231,585)	(235,920)
	<u>1,477,088</u>	<u>363,001</u>	<u>1,840,089</u>
Net assets			<u>1,840,089</u>
Cash consideration (including expenses £35,588)			2,860,588
Net assets acquired			<u>1,840,089</u>
			<u>1,020,499</u>
Goodwill arising on acquisition			<u>1,020,499</u>

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

20 Acquisitions (*continued*)

Acquisition of Allen Estates Limited

On 6 July 2016 the company acquired the entire share capital of Allen Estates Limited for cash consideration of £812,801 (including expenses of £18,723). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Tangible fixed asset	23,466	-	23,466
Customer relationships	-	103,713	103,713
Customer lists	-	74,746	74,746
Non-compete agreement	-	154,002	154,002
Brand	-	243,616	243,616
	<hr/>	<hr/>	<hr/>
	23,466	576,077	599,543
Current assets			
Debtors	81,697	-	81,697
Cash	388,027	-	388,027
	<hr/>	<hr/>	<hr/>
Total Assets	493,190	576,077	1,069,267
Creditors	(173,796)	-	(173,796)
Deferred tax	(1,830)	(111,518)	(113,348)
	<hr/>	<hr/>	<hr/>
Net assets	317,564	464,559	782,123
			<hr/>
Cash consideration (including expenses £18,723)			812,801
Net assets acquired			782,123
			<hr/>
Goodwill arising on acquisition			30,678
			<hr/>

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

20 Acquisitions (*continued*)

Acquisition of Morris Armitage (Holdings) Limited

On 28 October 2016 the company acquired the entire share capital of Morris Armitage (Holdings) Limited for cash consideration of £235,284 (including expenses of £10,284). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Tangible fixed asset	85,367	-	85,367
Customer relationships	-	135,975	135,975
Customer lists	-	18,846	18,846
Total Assets	85,367	154,821	240,188
Creditors	(85,565)	-	(85,565)
Deferred tax	-	(28,269)	(28,269)
Net (liabilities)/assets	(198)	126,552	126,354
Cash consideration (including expenses £10,284)			235,284
Net assets acquired			126,354
Goodwill arising on acquisition			108,930

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

20 Acquisitions (*continued*)

Acquisition of Hollier Browne

On 22 June 2016 the company acquired the trade and assets of Hollier Browne for cash consideration of £1,145,704 (including expenses of £5,288). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Customer relationships	-	112,728	112,728
Customer lists	-	72,208	72,208
Brand	-	277,095	277,095
Total Assets	-	462,031	462,031
Deferred tax	-	(89,743)	(89,743)
Net assets	-	372,288	372,288
Cash consideration (including expenses £5,288)			1,145,704
Net assets acquired			372,288
Goodwill arising on acquisition			773,416

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

20 Acquisitions (continued)

Acquisition of Bennetts & Stevens

On 31 August 2016 the company acquired the trade and assets of Bennetts & Stevens for cash consideration of £474,660 (including expenses of £34,357). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Customer relationships	-	87,684	87,684
Customer lists	-	33,434	33,434
Brand	-	108,372	108,372
Total Assets	-	229,490	229,490
Deferred tax	-	(43,787)	(43,787)
Net assets	-	185,703	185,703
Cash consideration (including expenses £34,357)			474,660
Net assets acquired			185,703
Goodwill arising on acquisition			288,957

Leaders Limited

Notes forming part of the financial statements
for the year ended 31 March 2017 (*continued*)

20 Acquisitions (*continued*)

Acquisition of Houselets

On 26 October 2016 the company acquired the trade and assets of Houselets for cash consideration of £104,140 (including expenses of £4,140). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value Adjustments £	Fair value £
Fixed assets			
Customer relationships	-	103,375	103,375
Customer lists	-	10,266	10,266
Total Assets	-	113,641	113,641
Deferred tax	-	(20,689)	(20,689)
Net assets	-	92,952	92,952
Cash consideration (including expenses £4,140)			104,140
Net assets acquired			92,952
Goodwill arising on acquisition			11,188

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

21 Commitments under operating leases

As at 31 March 2017 the company had total minimum commitments under non-cancellable operating leases as set out below:

	2017 £	2016 £
Operating leases which expire:		
Not later than 1 year	2,821,483	2,596,439
Later than 1 year and not later than 5 years	8,389,731	7,963,055
Later than 5 years	4,864,838	4,150,835
	<u>16,076,052</u>	<u>14,710,329</u>

22 Contingent liabilities

The company has guaranteed the borrowings of The Leaders Romans Bidco Limited (formerly Titus Bidco Limited), a fellow subsidiary of The Leaders Romans Group Limited (formerly Property Services Holdings Limited). The borrowings subject to the guarantee at 31 March 2017 totalled £128,536,226 (2016 £122,260,000).

23 Clients' money balances

	2017 £	2016 £
At 31 March:		
Amounts held on behalf of clients	69,940,206	68,115,145
Amounts due to clients	(69,940,206)	(68,115,145)
	<u>-</u>	<u>-</u>

Leaders Limited

Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

24 Controlling party information

At 31 March 2017, the company was a subsidiary of Leaders Lettings Trading Limited. The company's ultimate parent company was The Leaders Romans Group Limited (formerly Property Services Holdings Limited).

The Leaders Romans Midco 2 Limited (formerly Titus Midco 2 Limited) is the smallest group in which the results of the company are consolidated.

The Leaders Romans Group Limited (formerly Property Services Holdings Limited) is the largest group in which the results of the company are consolidated.

Both of the consolidated accounts which include the results of this company are available to the public and may be obtained from The Romans Group (UK) Limited, Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ or Companies House.

The company is ultimately controlled by funds managed by Bowmark Capital LLP.

25 Post balance sheet events

Subsequent to the year end two acquisitions were for a consideration of approximately £727,000.