

Registered number: 01690574

# LEADERS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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## **LEADERS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	P L Aitchison M B Cook P Kavanagh M J Light A Thompson P S Weller (resigned 28 February 2022)
<b>Company secretary</b>	P L Aitchison
<b>Registered number</b>	01690574
<b>Registered office</b>	Crowthorne House Nine Mile Ride Wokingham Berkshire RG40 3GZ

## **LEADERS LIMITED**

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## LEADERS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report together with the financial statements for the year ended 31 December 2022. The comparatives are for the year ended 31 December 2021.

#### Principal activities

The principal activity of the company is that of a residential letting and property management agent. There have been no changes in the activities of the company in the year under review.

#### Business review

The company has performed in line with the Directors' expectations in 2022 taking into account challenges faced in the year. The Board have continued to adapt in 2022 and have addressed a number of significant challenges – the largest being the overall state of the UK economy due to rising inflation and the fallout following October's mini-budget. The Board have responded to the challenges with a number of initiatives to ensure we strengthen our business and service offering to our customers. These include the ongoing acquisition of high-quality businesses which will enable the Group to continue its focus on growth and the expansion of its portfolio and customer offering, as well as cost cutting exercises, the introduction of new revenue lines and digital projects to increase efficiencies in the Group.

During the year the company completed one acquisition.

In August 2022, the company acquired Hose Rhodes Dickson Limited ("HRD"). HRD is a multi-disciplined estate agency based in eight locations across the Isle of Wight. The acquisition was settled in cash, funded from our acquisitions facility.

#### Financial review

During the year ended 31 December 2022, the company's revenue was £79,992,015, compared to £70,278,479 for the year ended 31 December 2021. The operating profit before amortisation for the year ended 31 December 2022 was £9,181,323, compared to £13,560,228 for the year ended 31 December 2021. The loss before taxation for the year ended 31 December 2022 was £527,873 compared to a profit of £4,415,739 for the year ended 31 December 2021.

The company continues to look to acquire high quality lettings businesses within the industry, whilst maintaining the highest level of service within the existing business.

The group carefully monitors cash flow and at 31 December 2022 held cash of £16,044,278 (31 December 2021 - £15,040,329).

#### Key performance indicators

The key performance indicators ("KPIs") for the company are based around revenue and operating profit before amortisation. A summary of KPIs for the years ended 31 December 2022 and 31 December 2021 are shown below:

	2022	2021
Revenue	79,992,015	70,278,479
Operating profit before amortisation	9,181,323	13,560,228
Lettings Properties under management (no.)	47,189	44,969
Properties let (no.)	19,196	19,047

Revenue increased during the period due to revenue associated with new acquisitions, and some new revenue initiatives introduced towards the end of 2022. Management fees also increased as a result of higher rents across the UK, which is forecast to continue into 2023.

## **LEADERS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

Properties under management also increased during the period due to new acquisitions joining the Group. Demand for rental property remains strong and therefore the number of properties let during the period increased.

#### **Principal risks and uncertainties**

The company is exposed to a variety of risks in its day-to-day operations and has in place a series of policies to mitigate these risks. The policies set by the board of directors are implemented by the finance and compliance departments.

The activity levels of the company's business are closely related to that in the housing marketplace. Though we face risks associated with the housing marketplace the directors feel that our strength of a large core managed lettings portfolio reduces the risks to the company of variations in the housing market. The board of directors monitor work levels on a monthly basis to ensure that sufficient resources are in place.

The group monitors cash flow as part of its daily control activities. Cash flow projections are prepared on a regular basis to ensure that the appropriate cash reserves are available to fund the future operation of the group's businesses. Cash flow projections are reviewed by the Board every month.

The company is required to comply with various legal and regulatory requirements, both as an employer and through the provision of services to customers. Any breach of these requirements could expose the company to sanctions and/or reputational risk. The Group has a compliance department to monitor compliance with legal and regulatory requirements and has put in place appropriate policies and procedures, including training, to ensure employees are aware of applicable rules and requirements. There is a strong focus on the delivery of a high level of service to the Group's customers.

The company's employees are key to its ability to deliver a high level of service to its customers and to enable it to grow successfully. There is a risk that the company may not be able to recruit or retain sufficient staff to deliver these objectives. Some of the activities undertaken by the Group to mitigate this risk are included in the Group's s.172 Statement below.

#### **Directors' statement of compliance with duty to promote the success of the Company**

The Leaders Romans Group ("LRG") is one of the UK's largest property services groups - formed by the merger of three well-respected, established brands; Leaders, Romans and Boyer.

We have a network of over 245 branches across the country and employ approximately 3,000 people.

LRG depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The Group seeks to put its customers' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for its investors.

The directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have both, individually and collectively, acted in the way that, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, they have had regard, amongst other matters to:

#### **The likely consequences of any decision on the long term**

The LRG Board meets on a regular basis to assess and review the performance and the strategic direction of the company. The Board is conscious that these strategic decisions will impact on the long term success of the business, employee and stakeholder engagement as well as on the environment and local communities.

## **LEADERS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **The Interests of the Group's Employees**

We believe that our strength lies in our people and in our strong company values. The board has a keen interest in the development and morale of the employees through the oversight of our key recruitment, training and retention policies and our quarterly recognition and award schemes.

The CEO hosts regular two-way feedback sessions where employees are encouraged to submit any questions or concerns for the Board's consideration. This enables the board to hear from and interact with all levels of the business.

The company has invested in an Employee Assistance Programme, Employee Care, which accessible to all permanent members of staff via a 24/7 helpline. All employees are able to access confidential counselling, financial and legal telephone advice from an independent consultant as well as guidance on a range of everyday issues. In addition, the company is further investing in the mental health and wellbeing of its employees and has trained three mental health first aiders within the business who an employee is able to contact in confidence should they wish to reach out for additional support.

#### **The Company's Business Relationships**

We believe that the success of LRG is dependent on maintaining strong relationships with our key stakeholders:

##### **Customers**

Our customers and clients range from individuals wishing to sell or rent their property, through to corporate organisations and national house builders. We pride ourselves on being able to tailor the services we provide to meet their individual requirements. Our customers' needs are at the forefront of all of our strategic decision making processes. Policies are in place to ensure customers are treated fairly and the relationships are fundamental to our continued success.

Landlord and tenant needs are serviced by dedicated teams within the Group who undergo rigorous and ongoing training, from the staff in branch to property managers who oversee the requirements of both the landlord and the tenant. The Group is a member of ARLA and all client monies are subject to strict annual audits and protected by the rules of the ARLA body.

##### **Suppliers**

There is a limited supply chain given the nature of the work undertaken by the Group. However the Group does have a procurement department who oversee all supply contracts and tender contracts where appropriate.

The majority of our suppliers are UK based, although some do have an offshore element where people are employed to deliver manual operational processes and IT solutions. The vast majority of our suppliers are small companies, partnerships or sole traders. We take a collaborative approach when working with our suppliers to ensure that we are working together towards a common strategy to deliver success for all parties.

#### **The Impact of the Company's Operations on the Community and the Environment**

The Group is conscious of the environmental impact of its' business activities and is passionate about the environment and are committed to meeting our environmental responsibilities and forging a reputation for excellence in this area. We promote good practice across all of our disciplines aiming to reduce the negative effects our business and supply chains have on the environment.

Our objective is to minimise our impact on the environment by preventing pollution, eliminating any activities that may have an adverse effect on the environment, working in a socially responsible manner and always considering the impact of our actions on the community. A key area of focus is the use of virtual viewings which reduce the need for both employees and customers to travel to and from appointments.

## **LEADERS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

We've worked to reduce not only the amount of paper and other resources we as a business consume, but also to promote a green ethos across the schools and community groups we work with in order to ensure the future generation in our local area understand the importance of protecting their environment.

In order to support the local community, the group continues to take steps to support charities and communities through a variety of schemes. Each of our brands work with official charity partners and have gone above and beyond in their fundraising efforts.

#### **Maintaining our reputation**

LRG is passionate about maintaining our reputation for high standards of business conduct. We are aware that the group's reputation could be adversely affected by unsatisfactory levels of customer service and we are conscious how important it is for our customers to receive first class levels of customer support. We have mechanisms in place in order to address and resolve any customer issues.

#### **The need to act fairly between members of the Company**

Our intention is to behave responsibly towards our stakeholders (including investors, customers, employees and suppliers) and treat them fairly and equally so that they may benefit from the successful delivery of our strategic objectives.

This report was approved by the board on 12 September 2023 and signed on its behalf.



**P L Aitchison**  
Director

## **LEADERS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **Business review**

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 - 4 of these financial statements.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £1,346,728 (2021 - profit £4,895,568).

An interim dividend of £5,500,000 was paid during the year. The directors do not recommend the payment of a final dividend (year ended 31 December 2021 - £Nil).

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

#### **Directors**

The Directors who served during the year were:

P L Aitchison  
M B Cook  
P Kavanagh  
M J Light  
A Thompson  
P S Weller (resigned 28 February 2022)

At 31 December 2022, third party indemnity provision for the benefit of the company's directors was in force.

#### **Employment of disabled persons**

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

#### **Employee involvement**

Employees are encouraged to discuss with management any matters about which they are concerned and factors affecting the company. In addition, the management take account of employees' interests when making decisions and the employees are informed of the company's performance on a regular basis. Suggestions from employees aimed at improving the company's performance are welcome.

#### **Environmental matters**

It is a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. This information has been prepared for The Leaders Romans Group as a whole and is disclosed in the consolidated financial statements of the company's ultimate parent company, Hadrian Holding Limited.



## LEADERS LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### Clients' money balances

At the balance sheet date the company held amounts on behalf of clients totalling £78,873,791 (31 December 2021 - £68,500,398).

All client funds are held in accordance with ARLA Propertymark regulations (specifically Bye-Law 3 - Client Accounts, Procedures, Requirements and Compliance) and tenant deposits are registered under the Tenancy Deposit and MyDeposits Schemes.

#### Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

This report was approved by the board on 12 September 2023 and signed on its behalf.



P L Aitchison  
Director

**LEADERS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	79,992,015	70,278,479
<b>Gross profit</b>		<b>79,992,015</b>	<b>70,278,479</b>
Administrative expenses (excl. amortisation)		(70,888,016)	(56,718,251)
Amortisation		(9,883,060)	(8,455,701)
Other operating income	5	77,323	-
<b>Operating (loss)/profit</b>	6	<b>(701,738)</b>	<b>5,104,527</b>
Income from other fixed asset investments		-	2,608,364
Amounts written off investments		-	(2,604,546)
Interest receivable and similar income	9	473,150	182,248
Interest payable and similar expenses	10	(103,565)	(878,594)
Change in fair value of investments		(195,720)	3,740
<b>(Loss)/profit before tax</b>		<b>(527,873)</b>	<b>4,415,739</b>
Tax on (loss)/profit	11	(818,855)	479,829
<b>(Loss)/profit for the financial year</b>		<b>(1,346,728)</b>	<b>4,895,568</b>

The notes on pages 11 to 32 form part of these financial statements.

**LEADERS LIMITED**  
**REGISTERED NUMBER:01690574**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Fixed assets</b>			
Intangible assets	13	24,414,799	19,375,047
Tangible assets	14	4,319,280	4,161,630
Investments	15	17,237,906	12,399,776
		<u>45,971,985</u>	<u>35,936,453</u>
<b>Current assets</b>			
Stocks	16	8,633	26,138
Debtors: amounts falling due within one year	17	206,455,650	180,902,325
Cash at bank and in hand		2,762,160	2,787,931
		<u>209,226,443</u>	<u>183,716,394</u>
Creditors: amounts falling due within one year	18	(229,101,550)	(186,177,124)
<b>Net current liabilities</b>		<u>(19,875,107)</u>	<u>(2,460,730)</u>
<b>Total assets less current liabilities</b>		<u>26,096,878</u>	<u>33,475,723</u>
Creditors: amounts falling due after more than one year	19	(18,505,925)	(18,505,925)
<b>Provisions for liabilities</b>			
Deferred tax	12	(741,715)	(1,205,502)
Other provisions	23	(27,249)	(95,579)
		<u>(768,964)</u>	<u>(1,301,081)</u>
<b>Net assets</b>		<u>6,821,989</u>	<u>13,668,717</u>
<b>Capital and reserves</b>			
Called up share capital	26	1,000	1,000
Other reserves	27	(3,511,937)	(3,511,937)
Profit and loss account	27	10,332,926	17,179,654
		<u>6,821,989</u>	<u>13,668,717</u>

**LEADERS LIMITED**  
**REGISTERED NUMBER:01690574**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 September 2023.



**P L Aitchison**  
Director

The notes on pages 11 to 32 form part of these financial statements.

**LEADERS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £	Other reserve £	Profit and loss account reserve £	Total £
<b>At 1 January 2021</b>	<b>1,000</b>	<b>-</b>	<b>12,284,086</b>	<b>12,285,086</b>
Profit for the year	-	-	4,895,568	4,895,568
Movement during the year	-	(3,511,937)	-	(3,511,937)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(3,511,937)</b>	<b>4,895,568</b>	<b>1,383,631</b>
<b>At 1 January 2022</b>	<b>1,000</b>	<b>(3,511,937)</b>	<b>17,179,654</b>	<b>13,668,717</b>
Loss for the year	-	-	(1,346,728)	(1,346,728)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,346,728)</b>	<b>(1,346,728)</b>
Dividend paid	-	-	(5,500,000)	(5,500,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(5,500,000)</b>	<b>(5,500,000)</b>
<b>At 31 December 2022</b>	<b>1,000</b>	<b>(3,511,937)</b>	<b>10,332,926</b>	<b>6,821,989</b>

The notes on pages 11 to 32 form part of these financial statements.

## **LEADERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. Nature of operations and general information**

Leaders Limited is a private company limited by shares incorporated in England & Wales. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report and the directors' report.

#### **2. Principal accounting policies**

##### **2.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 (see note 3).

The following principal accounting policies have been applied:

##### **2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hadrian Holding Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

##### **2.3 Exemption from preparing consolidated financial statements**

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

##### **2.4 Going concern**

The company is a subsidiary of Hadrian Holding Limited. The financial statements have been prepared on the going concern basis. In reaching this conclusion, the directors have reviewed forecasts for the group of which the company is a part, which demonstrate a reasonable expectation that both the company and its wider group will continue to generate cash and have adequate resources to continue in operational existence for a period not less than 12 months from the date of signing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Principal accounting policies (continued)**

**2.5 Revenue**

Turnover comprises invoiced commissions and fees in respect of managing properties on behalf of landlords and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured, based on when performance obligations have been satisfied.

It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**2.6 Interest income and expense**

Interest income and expense is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

**2.7 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Profit and Loss Account over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer relationships	-	Over 7 years
Brand	-	Over 1 year
Goodwill	-	Over 2-7 years
Customer lists	-	Over 0.5 years
Website & software	-	Over 5 years
Non-compete	-	Over 3 years

Subsequent expenditures on the maintenance of computer software are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Principal accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on all tangible fixed assets and is calculated as follows:

Freehold property	- 2% per annum on cost
Leasehold improvements	- Over the term of the lease
Motor vehicles	- 25 to 33% per annum on cost
Fixtures, fittings and equipment	- 20% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Impairment of non-financial assets

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the Company that independent cash flows are monitored.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

At each balance sheet date the Directors review the carrying amounts of the Company's non-current assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Principal accounting policies (continued)**

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent years.

Where an impairment loss on other non-financial assets subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised in the profit and loss account immediately.

**2.10 Stock**

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.

At the balance sheet date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Principal accounting policies (continued)**

**2.12 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company operates and generates income.

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 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 they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Principal accounting policies (continued)**

**2.14 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.15 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and 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.

**2.16 Share-based payments**

Where the company participates in a share-based payment arrangement established by a group company, the company takes advantage of the alternative treatment allowed under Section 26 of FRS 102. The company recognises the share-based payment expense based on an allocation of its share of the group's total expense, calculated according to the company in which the recipient of share-based payment works. The corresponding credit is recognised in intercompany.

**2.17 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.18 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.19 Equity**

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares issued.
- "Profit and loss account reserve" represents the accumulated profits and losses attributable to equity shareholders.
- "Other reserve" represents the adjustment arising on the application of merger accounting principles in connection with the hive across of the trade and net assets of subsidiary undertakings.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of turnover and expenses during the reporting year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions and accounting estimates are subject to regular review. Any revisions required to accounting estimates are recognised in the year in which the revisions are made including all future years affected.

**Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

***Lease accounting***

Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend 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.

***Impairment of assets***

Determine whether there are indicators of impairment of the company's investments and tangible and intangible assets. 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.

***Estimation uncertainty***

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

***Debtor impairment loss***

A provision is made for any balances beyond an age where they are expected to be recovered. This is based on past experience across the sales ledger and requires a degree of judgement in assessing which years to review and whether to isolate exceptions in forming a general rule. Factors taken into account in determining whether there are indicators of impairment of the company's trade and group receivables include the performance of the relevant counterparty and the general economic conditions affecting the counterparty.

***Tangible fixed assets***

Tangible fixed assets are depreciated over their 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, product life cycles 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.

***Useful lives of 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 year that the assets will generate turnover which are periodically renewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the profit and loss account in specific years.

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3. Judgements in applying accounting policies (continued)

##### ***NDO provision***

The NDO provision includes an estimate of potential amounts payable in respect of cases taken to arbitration. In arriving at an appropriate provision, consideration is given to the likely outcome of cases based on past experience - both numbers of successful cases and the amounts paid out. The amounts charged to the profit and loss account may differ to actual payments made to the extent that past experience differs to the actual outcome of arbitration cases.

##### ***Consideration paid on acquisition***

The value of investments in newly acquired subsidiaries includes contingent and deferred consideration, which are estimated by the Directors based on forecast trading of the acquired company. At the year end the estimated deferred consideration was £2.0m (2021: £1.67m).

#### 4. Turnover

The Company's turnover is all derived from the UK and is attributable solely to the company's principal activity.

#### 5. Other operating income

	2022 £	2021 £
Other operating income	77,323	-
	<u>77,323</u>	<u>-</u>

Other operating income in 2020 relates to Covid-19 retail, leisure and hospitality grants.

#### 6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2022 £	2021 £
Depreciation - fixtures and fittings	1,417,654	1,375,427
Depreciation - motor vehicles	870,549	1,079,778
Intangible fixed assets - amortisation	9,883,060	8,455,701
Other operating lease rentals	3,244,793	2,644,789
Loss on sale of tangible assets	56,309	-
Group settled share-based payment	-	176,524
	<u>-</u>	<u>176,524</u>

During the prior year, a fellow group company, The Leaders Romans Midco 2 Limited issued shares to certain employees of the company. The company recognises an equity settled share-based payment expense, based on an allocation of the total charge for the group. The amount allocated is based on the group company in which the recipient of the share-based payment works and the amount charged to profit and loss account is as shown above.

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	32,603,739	27,281,800
Social security costs	3,135,400	2,463,181
Pension costs	717,756	617,029
	<u>36,456,895</u>	<u>30,362,010</u>

Included within staff costs and average number of employees are staff that are subcontracted from LRG Employees Limited, a fellow group company. Wages and Salaries include share-based payments of £123,089.

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

	2022 No.	2021 No.
Sales	531	486
Administration and management	650	594
	<u>1,181</u>	<u>1,080</u>

#### 8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	934,906	901,327
Pension contributions	23,199	35,174
	<u>958,105</u>	<u>936,501</u>

During the year retirement benefits were accruing to 1 Director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £296,031 (2021 - £210,445).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £1,618 (2021 - £11,250).

**LEADERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**9. Interest receivable and similar income**

	<b>2022</b> £	<b>2021</b> £
Interest on cash deposits	<b>473,150</b>	<b>182,248</b>
	<u><b>473,150</b></u>	<u><b>182,248</b></u>

**10. Interest payable and similar charges**

	<b>2022</b> £	<b>2021</b> £
Interest on intercompany balances	<b>60,323</b>	<b>786,364</b>
Interest on finance leases	<b>43,242</b>	<b>92,230</b>
	<u><b>103,565</b></u>	<u><b>878,594</b></u>

**11. Taxation**

	<b>2022</b> £	<b>2021</b> £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	<b>1,334,775</b>	<b>(103,586)</b>
	<u><b>1,334,775</b></u>	<u><b>(103,586)</b></u>
<b>Total current tax</b>	<u><b>1,334,775</b></u>	<u><b>(103,586)</b></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(394,694)</b>	<b>(635,789)</b>
Effect of changes in tax rate	<b>(108,177)</b>	<b>289,321</b>
Adjustments in respect of prior years	<b>(13,049)</b>	<b>(29,775)</b>
<b>Total deferred tax</b>	<u><b>(515,920)</b></u>	<u><b>(376,243)</b></u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u><b>818,855</b></u>	<u><b>(479,829)</b></u>

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	<b>(527,873)</b>	4,415,739
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>(100,296)</b>	838,990
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>2,064,905</b>	1,429,875
Adjustments to tax charge in respect of prior periods	<b>1,321,726</b>	(133,361)
Capital allowances super-deduction	<b>(50,254)</b>	(67,328)
Income not deductible for tax purposes	-	(495,589)
Group relief	<b>(2,256,915)</b>	(2,272,226)
Effect of changes in tax rate	<b>(108,177)</b>	289,321
Other tax adjustments, reliefs and transfers	<b>(52,134)</b>	(69,511)
<b>Total tax charge for the year</b>	<b>818,855</b>	(479,829)

##### Factors that may affect future tax charges

The company has unutilised tax losses and interest of £8,652 (31 December 2021: £Nil) available for offsets against future taxable profit subject to agreement from HMRC. A deferred tax asset amounting to £2,163 (31 December 2021: £Nil) has not been recognised on the basis that its future economic benefit is uncertain.

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £250,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning taxable profits between the two levels. These changes were substantively enacted at the Balance Sheet date and therefore an adjustment has been made to deferred taxation balances to account for this change.



# LEADERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 12. Deferred taxation

	2022 £	2021 £
At beginning of year	(1,205,502)	(737,264)
Charged to profit or loss	515,920	376,243
Arising on business combinations	(52,133)	(844,481)
<b>At end of year</b>	<b>(741,715)</b>	<b>(1,205,502)</b>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	625,881	822,975
Short term timing differences	14,650	-
Arising on business combinations	(1,382,246)	(2,028,477)
	<b>(741,715)</b>	<b>(1,205,502)</b>

**LEADERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. Intangible assets**

	Goodwill £	Customer relationships £	Brand £	Customer lists £	Website & software £	Non- complete £	Total £
<b>Cost</b>							
At 1 January 2022	92,471,481	24,250,724	764,015	542,706	586,613	154,002	118,769,541
Additions	15,955,476	-	-	-	582,300	-	16,537,776
Disposals	(1,614,963)	-	-	-	-	-	(1,614,963)
At 31 December 2022	106,811,994	24,250,724	764,015	542,706	1,168,913	154,002	133,692,354
<b>Amortisation</b>							
At 1 January 2022	81,228,975	16,294,527	606,303	542,706	567,981	154,002	99,394,494
Charge for the year on owned assets	6,790,926	2,427,212	157,712	-	507,210	-	9,883,060
At 31 December 2022	88,019,901	18,721,739	764,015	542,706	1,075,191	154,002	109,277,554
<b>Net book value</b>							
At 31 December 2022	18,792,093	5,528,985	-	-	93,722	-	24,414,800
At 31 December 2021	11,242,506	7,956,197	157,712	-	18,632	-	19,375,047

Goodwill additions include amounts acquired on the transfer of trade at book value from a fellow group company as well as acquisitions in the year.

LEADERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets

	Freehold property £	Short-term leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2022	-	5,049,654	10,183,348	1,518,779	16,751,781
Additions	919	818,241	881,655	186,946	1,887,761
Disposals	-	-	(21,719)	(938,208)	(959,927)
At 31 December 2022	919	5,867,895	11,043,284	767,517	17,679,615
<b>Depreciation</b>					
At 1 January 2022	-	3,573,197	7,726,563	1,290,391	12,590,151
Charge for the year on owned assets	-	418,886	1,024,020	37,847	1,480,753
Charge for the year on financed assets	-	-	-	165,480	165,480
Disposals	-	-	-	(876,049)	(876,049)
At 31 December 2022	-	3,992,083	8,750,583	617,669	13,360,335
<b>Net book value</b>					
At 31 December 2022	919	1,875,812	2,292,701	149,848	4,319,280
At 31 December 2021	-	1,476,457	2,456,785	228,388	4,161,630

**Finance leases**

Included within the motor vehicles net book values above are £Nil (2021: £226,786) relating to assets held under finance leases. The accumulated depreciation for motor vehicles held under finance leases was £1,416,081 (year ended 31 December 2021 - £1,250,601).

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 15. Investments

	Investments in subsidiary companies £	Listed investments £	Total £
<b>Cost</b>			
At 1 January 2022	20,142,712	20,010	20,162,722
Additions	4,845,355	-	4,845,355
Revaluations	-	(7,225)	(7,225)
At 31 December 2022	24,988,067	12,785	25,000,852
<b>Impairment</b>			
At 1 January 2022	7,762,946	-	7,762,946
At 31 December 2022	7,762,946	-	7,762,946
<b>Net book value</b>			
At 31 December 2022	17,225,121	12,785	17,237,906
At 31 December 2021	12,379,766	20,010	12,399,776

The additions during the year relate mainly to the acquisition of the entire share capital of Hose Rhodes Dickson Limited.

#### Subsidiary undertakings

Name	Registered office	Principal activity	Holding
Eldee Franchising Limited	England & Wales	Management services	100 %
Leaders Sales Limited	England & Wales	Property sales	100 %
Outlook Property Limited	England & Wales	Estate agency	100 %
Scott Fraser Limited	England & Wales	Estate agency	100 %
Alexanders Residential Lettings Limited	England & Wales	Dormant	100 %
Allen Estates Limited	England & Wales	Dormant	100 %
Aston Mead Estate Agents Limited	England & Wales	Dormant	100 %
Brian Smith Property Management Limited	England & Wales	Dormant	100 %
Brookes Hall Limited	England & Wales	Dormant	100 %
Bulmer Estates Limited	England & Wales	Dormant	100 %
Bush Property Management Limited	England & Wales	Dormant	100 %
City Lettings (Norwich) Limited	England & Wales	Dormant	100 %
CT Trading Limited	England & Wales	Dormant	100 %
DPC Properties Limited t/a Upp Properties	England & Wales	Dormant	100 %
Essex & Suffolk Lettings Limited	England & Wales	Dormant	100 %

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 15. Investments (continued)

Name	Registered office	Principal activity	Holding
Gilles Fullerton (East Anglia) Limited	England & Wales	Dormant	100 %
Goddard & Co Rentals Limited	England & Wales	Dormant	100 %
Goddard & Co Rentals (Felixstowe) Limited	England & Wales	Dormant	100 %
Goddard & Co Rentals (Mid-Suffolk) Limited	England & Wales	Dormant	100 %
GPS Property Management Limited	England & Wales	Dormant	100 %
Heritage Property (Leamington Spa) Limited	England & Wales	Dormant	100 %
Hill & Clark (Bourne) Limited	England & Wales	Dormant	100 %
Homesearch Property Management Limited	England & Wales	Dormant	100 %
Hose Rhodes Dickson Limited	England & Wales	Dormant	100 %
Ideal Homes (Bedford) Limited (*)	England & Wales	Dormant	100 %
IMS Lettings Limited	England & Wales	Dormant	100 %
Isherwoods Residential Limited	England & Wales	Dormant	100 %
JSM Property Management Limited	England & Wales	Dormant	100 %
J South Limited	England & Wales	Dormant	100 %
Leaders MA (Holdings) Limited	England & Wales	Dormant	100 %
Leaders MA Limited (*)	England & Wales	Dormant	100 %
Leaders Waterside Properties Limited	England & Wales	Dormant	100 %
Leeco (Buckingham) Limited	England & Wales	Dormant	100 %
Lenwell Limited	England & Wales	Dormant	100 %
Lloyds Property Agents Limited	England & Wales	Dormant	100 %
Lloyds Property Agents (Ashton) Limited (*)	England & Wales	Dormant	100 %
Lloyds Property Agents (Wigan) Limited (*)	England & Wales	Dormant	100 %
Lynda Paine Lettings Limited	England & Wales	Dormant	100 %
MBM Management Limited	England & Wales	Dormant	100 %
Minchin Fellows Limited	England & Wales	Dormant	100 %
Mitchell and Perryer Limited	England & Wales	Dormant	100 %
Oaks Property UK Limited	England & Wales	Dormant	100 %
PDC (Chester and Nantwich) Limited	England & Wales	Dormant	100 %
Perry Bishop and Chambers Limited	England & Wales	Dormant	100 %
Portico Financial Services Limited (*)	England & Wales	Dormant	100 %
Portico Host Limited (*)	England & Wales	Dormant	100 %
Portico Payments Limited (*)	England & Wales	Dormant	100 %
Portico Property Limited	England & Wales	Dormant	100 %
Premier Places Limited	England & Wales	Dormant	100 %
Prescott Hall Limited	England & Wales	Dormant	100 %
QB Management Limited	England & Wales	Dormant	100 %
Saxon Management (New Milton) Limited	England & Wales	Dormant	100 %
Saxon Management (Christchurch) Limited	England & Wales	Dormant	100 %

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 15. Investments (continued)

Name	Registered office	Principal activity	Holding
Simply Lets Limited	England & Wales	Dormant	100 %
Spinnaker Residential Limited	England & Wales	Dormant	100 %
Suttons City Living Limited	England & Wales	Dormant	100 %
Swan Residential Limited	England & Wales	Dormant	100 %
T&C (Lettings) Limited (*)	England & Wales	Dormant	100 %
Temples Property Management (BSE) Limited	England & Wales	Dormant	100 %
Temples (Nantwich) Limited	England & Wales	Dormant	100 %
Temples (Northwich) Limited	England & Wales	Dormant	100 %
Town & Country (Holdings) Limited	England & Wales	Dormant	100 %
Town & Country Property Services (Worcester) Limited (*)	England & Wales	Dormant	100 %
Tudor Property Consultants Limited	England & Wales	Dormant	100 %
Waterside Properties (Poole) Limited	England & Wales	Dormant	100 %
Watson Blackburn Limited	England & Wales	Dormant	100 %
Watson Mitchell Limited (*)	England & Wales	Dormant	100 %

(\*) denotes an indirect subsidiary, all others are direct subsidiaries.

All direct and indirect subsidiary undertakings' registered office is Crowthorne House, Nine Mile Ride, Wokingham, Berkshire, RG40 3GZ.

#### 16. Stocks

	2022 £	2021 £
Finished goods and goods for resale	8,633	26,138
	<u>8,633</u>	<u>26,138</u>

#### 17. Debtors

	2022 £	2021 £
Trade debtors	2,046,284	1,386,511
Amounts owed by group undertakings	201,075,819	175,724,267
Other debtors	192,969	264,230
Prepayments and accrued income	3,140,578	3,527,317
	<u>206,455,650</u>	<u>180,902,325</u>

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 17. Debtors (continued)

The Directors consider the carrying value of trade and other debtors is approximate to their fair value.

Included within amounts owed by group undertakings above are debtors amounting to £9,137,348 (2021 - £9,137,348) on which interest is charged at a rate of 9% per annum. All other intercompany balances are interest free.

#### 18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	408,600	506,715
Amounts owed to group undertakings	219,099,970	172,406,228
Corporation tax	153,608	-
Other taxation and social security	1,508,860	4,544,219
Other creditors	902,574	2,192,092
Obligations under finance lease and hire purchase contracts	12,452	159,803
Accruals and deferred income	7,015,486	6,368,067
	<u>229,101,550</u>	<u>186,177,124</u>

#### 19. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	18,505,925	18,505,925
	<u>18,505,925</u>	<u>18,505,925</u>

Amounts owed to group undertakings are due in more than five years.

#### 20. Pension commitments

The company operates defined contributions pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £717,756 for the year (year ended 31 December 2021 - £617,029). Contributions totalling £Nil (2021 - £Nil) were payable to the funds at the reporting date and are included in accruals.

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 21. Commitments under operating leases

Operating leases primarily relate to land and buildings.

The Company does not have an option to purchase any of the operating leased assets at the expiry of the lease period.

Payments recognised as an expense are disclosed in note 5.

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	3,529,475	2,998,703
Later than 1 year and not later than 5 years	10,146,806	8,994,880
Later than 5 years	4,151,343	4,176,638
	<u>17,827,624</u>	<u>16,170,221</u>

#### 22. Hire purchase and finance leases

The Company leases certain fixed assets under finance leases.

The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Finance leases	12,452	159,803
	<u>12,452</u>	<u>159,803</u>

#### 23. Provisions

	NDO Provision £
At 1 January 2022	95,579
Utilised in year	(68,330)
At 31 December 2022	<u>27,249</u>

The NDO provision represents potential amounts payable to landlords at the balance sheet date under the terms of the company's NDO product.



## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 24. Client money balances

	2022 £	2021 £
Amounts held on behalf of clients	78,873,791	68,500,398
Amounts due to clients	(78,873,791)	(68,500,398)

#### 25. Contingent liabilities

The company has guaranteed the borrowings of Hadrian Acquisition Limited, a fellow subsidiary of Hadrian Holding Limited. The borrowings subject to the guarantee at 31 December 2022 totalled £304,764,570. At 31 December 2021, the company had guaranteed the borrowings of The Leaders Romans Bidco Limited, a fellow subsidiary of Hadrian Holding Limited, amounting to £177,079,206.

At 31 December 2022, the company had a contingent liability in respect of NDO products sold amounting to £2,035,653 (2021: £1,822,317).

#### 26. Share capital

	2022 £	2021 £
<b>Allotted, issued and fully paid</b>		
100,000 (2021 - 100,000) Ordinary shares of £0.01 each	1,000	1,000

#### 27. Reserves

##### Other reserves

Other reserves represent the adjustment arising on the application of merger accounting principles in connection with the hive across of the trade and net assets of subsidiary undertakings.

#### 28. Related party transactions

The company is a wholly owned subsidiary within the group headed by Hadrian Holding Limited and has taken advantage of the exemption conferred by FRS 102 'Related Party Disclosures' not to disclose related party transactions with Hadrian Holding Limited or other wholly owned subsidiaries within the group.

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 29. Controlling party

The company is a subsidiary of Leaders Lettings Trading Limited, which is registered at Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ. At 31 December 2022, the company's ultimate parent company was Hadrian Holding Limited, which is registered at 100 New Bridge Street, London, EC4V 6JA.

Hadrian Holding Limited is the smallest and largest group in which the results of the company are consolidated.

The consolidated accounts, which include the results of this company, are available to the public and may be obtained from Companies House.

At 31 December 2022, the ultimate parent company and controlling party of Leaders Limited is Platinum Equity Small Cap Fund International (Cayman), L.P.

## LEADERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 29. Controlling party

The company is a subsidiary of Leaders Lettings Trading Limited, which is registered at Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ. At 31 December 2022, the company's ultimate parent company was *Hadrian Holding Limited*, which is registered at 100 New Bridge Street, London, EC4V 6JA.

Hadrian Holding Limited is the smallest and largest group in which the results of the company are consolidated.

The consolidated accounts, which include the results of this company, are available to the public and may be obtained from Companies House.

At 31 December 2022, the ultimate controlling party of Leaders Limited is Platinum Equity Small Cap Fund International (Cayman), L.P.