

Registered number: 02161874

THE ROMANS GROUP (UK) LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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THE ROMANS GROUP (UK) LIMITED

COMPANY INFORMATION

Directors	P L Aitchison P Kavanagh M B Cook M J Light K Shaw S M P Adcock (resigned 28 February 2022) T Shelford (resigned 28 February 2022)
Company secretary	P L Aitchison
Registered number	02161874
Registered office	Crowthorne House Nine Mile Ride Wokingham Berkshire RG40 3GZ
Bankers	National Westminster Bank PLC 4 Abbey Street Reading Berkshire RG1 3BA

THE ROMANS GROUP (UK) LIMITED

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THE ROMANS GROUP (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report together with the unaudited 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 the provision of property services. 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 March 2022, the company acquired Northfields Holdings Limited ("Northfields"), a residential lettings and sales agency located in four locations across West London. 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 £53,562,649, compared to £43,278,916 for the year ended 31 December 2021. The operating profit before amortisation for the year ended 31 December 2022 was £6,876,051, compared to £5,598,284 for the year ended 31 December 2021. The loss before taxation for the year ended 31 December 2022 was £3,299,489 compared to a profit of £644,375 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).

Financial key performance indicators

During 2022, the Board has continued to focus on the lettings teams' core KPI's in order to drive organic performance. We have seen improving trends on core performance demonstrated consistently across the lettings division throughout the year, underlined by consistent gains in market share.

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	£ 53,562,649	£ 43,278,916
Operating profit before amortisation	£ 6,876,051	£ 5,598,284
Letting properties under management (no.)	14,848	13,315
Residential sales pipeline	£ 4,020,994	£ 5,313,587
Residential sales new instructions (no.)	6,195	5,311

THE ROMANS GROUP (UK) LIMITED

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

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.

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.

Whilst revenue increased in the period due to the onboarding of new acquisitions, the overall performance of the residential sales division was hit by wider uncertainty in the UK economy. UK transaction volumes dropped by 219k (down 14.9%). House prices also dropped towards the end of 2022 as inflation increased to records level. As a result, the sales pipeline dropped compared to 2021 but the number of instructions increased as a result of the new acquisitions.

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 divisions are closely related to that in the housing marketplace. Though we face risks associated with the housing marketplace the directors feel that our diversity of operations in second hand sales, lettings, new homes, planning, residential surveys, mortgages and auctions and 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 company's credit risk is primarily attributable to its trade receivables. Credit risk is managed through strict credit vetting and monitoring. Credit limits are set for customers and where appropriate work is reviewed against available credit before being undertaken. Trade receivables are pursued vigorously by the company.

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 business. 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 company'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 to mitigate this risk are included in the s.172 Statement below.

THE ROMANS GROUP (UK) LIMITED

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

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 group. 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.

The interests of the group's employees

We believe that our strength lies in our people and in our strong 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.

We have invested in an Employee Assistance Programme, Employee Care, which is 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 every day issues. In addition the group is further investing in the mental health and wellbeing of its employees and has trained several 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 company is a member of ARLA Propertymark and all client monies are subject to strict annual audits and protected by the rules of the ARLA Propertymark body.

THE ROMANS GROUP (UK) LIMITED

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

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 we 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.

We have 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 13 September 2023 and signed on its behalf.



P L Aitchison
Director

THE ROMANS GROUP (UK) 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 £526,477 (2021 - loss £750,306).

The directors do not recommend the payment of a 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
P Kavanagh
M B Cook
M J Light
K Shaw
S M P Adcock (resigned 28 February 2022)
T Shelford (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 supports 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. Senior members of the management team, including the CEO, CFO and Group MD hold a conference at least annually with members of management from across the business to share and discuss the performance of the business. Feedback from the conference is then shared amongst the wider employee base. We also run an annual director governance program that consists of business updates and sharing of business plans. In addition, senior members of the management team hold regular webinars which employees are encouraged to attend and at which questions can be asked in respect of Group performance or other matters, supporting us in driving an open culture. The Group also has an anonymous feedback/suggestion platform as well as an employee voice group that consists of employees operating at all levels across all divisions which provides opportunity to input on business operations or for the senior management team to ask for their input before moving forward with changes.

THE ROMANS GROUP (UK) LIMITED

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

Streamlined Energy and Carbon Reporting (SECR)

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.

Clients' money balances

At the balance sheet date, the company held amounts on behalf of clients totalling £32,290,410 (31 December 2021: £29,132,139).

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 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 13 September 2023 and signed on its behalf.



P L Aitchison
Director

THE ROMANS GROUP (UK) LIMITED

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

	Note	2022 £	2021 £
Turnover	4	53,562,649	43,278,916
Gross profit		53,562,649	43,278,916
Administrative expenses (excl. amortisation)		(46,812,967)	(37,790,296)
Amortisation		(10,656,886)	(5,167,046)
Other operating income		126,369	109,664
Operating (loss)/profit	5	(3,780,835)	431,238
Income from other fixed asset investments		-	6,924,409
Amounts written off investments		-	(6,924,409)
Interest Receivable	8	742,864	716,139
Interest payable and similar expenses	9	(261,518)	(279,895)
Other finance income		-	(223,107)
(Loss)/profit before tax		(3,299,489)	644,375
Tax on (loss)/profit	10	2,773,012	(1,394,681)
Loss for the financial year		(526,477)	(750,306)

The notes on pages 11 to 33 form part of these financial statements.

THE ROMANS GROUP (UK) LIMITED
REGISTERED NUMBER:02161874

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	9,561,539	15,811,581
Tangible assets	13	6,586,795	7,920,811
Investments	14	19,743,123	16,074,240
		<u>35,891,457</u>	<u>39,806,632</u>
Current assets			
Stocks	15	-	527
Debtors: amounts falling due within one year	16	129,154,475	97,482,323
Cash at bank and in hand		155,140	662,249
		<u>129,309,615</u>	<u>98,145,099</u>
Creditors: amounts falling due within one year	17	(130,064,762)	(100,771,753)
Net current liabilities		<u>(755,147)</u>	<u>(2,626,654)</u>
Total assets less current liabilities		<u>35,136,310</u>	<u>37,179,978</u>
Creditors: amounts falling due after more than one year	18	(1,679,674)	(2,013,353)
Provisions for liabilities			
Deferred tax	11	(463,857)	(1,653,106)
Other provisions	19	(5,737)	-
		<u>(469,594)</u>	<u>(1,653,106)</u>
Net assets		<u><u>32,987,042</u></u>	<u><u>33,513,519</u></u>
Capital and reserves			
Called up share capital	25	12,415	12,415
Share premium account		2,937,743	2,937,743
Capital redemption reserve		999	999
Other reserves		1,400,080	1,400,080
Profit and loss account		28,635,805	29,162,282
		<u><u>32,987,042</u></u>	<u><u>33,513,519</u></u>

THE ROMANS GROUP (UK) LIMITED
REGISTERED NUMBER:02161874

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 13 September 2023.



P L Aitchison
Director

The notes on pages 11 to 33 form part of these financial statements.

THE ROMANS GROUP (UK) LIMITED

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

	Share capital £	Share premium £	Capital redemption reserve £	Other reserve £	Profit and loss account reserve £	Total £
At 1 January 2021	12,415	2,937,743	999	-	29,912,588	32,863,745
Loss for the year	-	-	-	-	(750,306)	(750,306)
Movement during the year	-	-	-	1,400,080	-	1,400,080
Total comprehensive income for the year	-	-	-	1,400,080	(750,306)	649,774
At 1 January 2022	12,415	2,937,743	999	1,400,080	29,162,282	33,513,519
Loss for the year	-	-	-	-	(526,477)	(526,477)
Total comprehensive income for the year	-	-	-	-	(526,477)	(526,477)
At 31 December 2022	12,415	2,937,743	999	1,400,080	28,635,805	32,987,042

The notes on pages 11 to 33 form part of these financial statements.

THE ROMANS GROUP (UK) LIMITED

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

1. Nature of operations and general information

The Romans Group (UK) 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. Accounting policies

2.1 Basis of preparation of financial statements

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.

THE ROMANS GROUP (UK) LIMITED

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

2. Accounting policies (continued)

2.5 Turnover

Turnover comprises amounts recognised in respect of goods and services supplied during the year 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.

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

Rendering of services

Turnover from a contract to provide services which are completed at an identifiable point in time is recognised when the performance obligation is met, the amount of turnover can be measured reliably, and it is probable that the Company will receive the consideration due under the contract.

Turnover represents the amounts (excluding VAT) derived from the provision of work for clients during the year. The transaction price is determined based on the contract, which either specifies fixed fees (for certain service types) or a fee based on the monthly rental income (for lettings) or eventual sale price (for sales). Estate agency income, which represents fees receivable in connection with the sale, purchase and letting of properties, is recognised and invoiced on exchange of contracts.

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.

THE ROMANS GROUP (UK) LIMITED

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

2. Accounting policies (continued)

2.7 Intangible assets (continued)

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
Non-compete	-	Over 3 years
Customer lists	-	Over 0.5 years
Brand	-	Over 1 year
Goodwill	-	Over 2 years
Website development	-	Over 4 years

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 the following basis:

Short leasehold property	- Over the term of the lease
Fixtures, fittings and equipment	- 15 to 33% per annum on cost
Motor vehicles	- 20 to 25% 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 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

2. Accounting policies (continued)

2.10 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.

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.

2.11 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.

THE ROMANS GROUP (UK) LIMITED

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

2. Accounting policies (continued)

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.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

THE ROMANS GROUP (UK) LIMITED

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

2. Accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.14 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.15 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 other payables as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 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.

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

2. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 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.

2.20 Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares issued.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Profit and loss account reserve" represents the accumulated profits and losses attributable to equity shareholders.
- "Capital redemption reserve" contains the nominal value of own shares that have been acquired by the company and cancelled.
- "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 either as a lessor or 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.

Debtors 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 revenue which are periodically reviewed 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 future years.

THE ROMANS GROUP (UK) 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 £163,554 (2021: £2,000,000).

4. 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 activity.

5. Operating (loss)/profit

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

	2022 £	2021 £
Depreciation of tangible fixed assets - owned assets	1,040,620	894,726
Depreciation of tangible fixed assets - assets held under finance leases	390,218	294,576
Intangible fixed assets - amortisation	10,656,886	5,167,046
Other operating lease rentals	2,486,665	2,026,903
Group settled share based payment	-	2,647,857
Profit/loss on sale of tangible assets	(473,847)	(831,766)

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.

THE ROMANS GROUP (UK) LIMITED

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

6. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	24,057,630	18,821,505
Social security costs	2,415,428	1,873,641
Pension costs	477,240	392,253
	<u>26,950,298</u>	<u>21,087,399</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 £1,152,115.

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

	2022 No.	2021 No.
Sales and distribution	419	352
Administration and management	282	217
	<u>701</u>	<u>569</u>

7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	711,183	3,144,061
Pension contributions	24,209	22,971
	<u>735,392</u>	<u>3,167,032</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 £167,322 (2021 - £2,631,349).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £914 (2021 - £1,758).

Directors' remuneration includes amounts allocated from group companies.

During the prior year, the group established a management incentive plan under which shares were awarded to certain employees within the company. The directors' emoluments expense for 2021 includes the share based payment expense, calculated in accordance with FRS 102, in respect of those recipients of shares to the extent they are directors.

THE ROMANS GROUP (UK) LIMITED

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

8. Interest receivable

	2022	2021
	£	£
Interest on cash deposits	216,110	179,199
Interest on intercompany balances	526,754	536,940
	742,864	716,139

9. Interest payable and similar expenses

	2022	2021
	£	£
Other loan interest payable	80	2
Finance leases and hire purchase contracts	261,438	279,893
	261,518	279,895

10. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	1,517,851
Adjustments in respect of previous periods	(1,583,763)	(37,040)
	(1,583,763)	1,480,811
Total current tax	(1,583,763)	1,480,811
Deferred tax		
Origination and reversal of timing differences	(578,333)	(475,858)
Adjustment in respect of previous years	(427,748)	(248)
Changes to tax rates	(183,168)	389,976
Total deferred tax	(1,189,249)	(86,130)
Taxation on profit on ordinary activities	(2,773,012)	1,394,681

THE ROMANS GROUP (UK) LIMITED

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

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher 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	(3,299,488)	644,375
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(626,903)	122,431
Effects of:		
Expenses not deductible for tax purposes	1,708,141	2,516,076
Capital allowances super deduction	(25,756)	(10,550)
Non-taxable income	-	(1,315,638)
Other tax adjustments, reliefs and transfers	1,729	(141,449)
Adjustments to tax charge in respect of prior periods	(2,011,511)	(37,288)
Group relief	(1,635,544)	(128,877)
Tax rate changes	(183,168)	389,976
Total tax charge for the year	(2,773,012)	1,394,681

Factors that may affect future tax charges

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.

THE ROMANS GROUP (UK) LIMITED

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

11. Deferred taxation

	2022 £	2021 £
At beginning of year	(1,653,106)	(240,803)
Charged to profit or loss	1,189,249	89,058
Arising on business combinations	-	(1,501,361)
At end of year	(463,857)	(1,653,106)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	167,674	194,871
Short term timing differences	9,546	-
Business combinations	(641,077)	(1,847,977)
	(463,857)	(1,653,106)

THE ROMANS GROUP (UK) LIMITED

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

12. Intangible assets

	Goodwill £	Customer Relationships £	Brand £	Customer Lists £	Non- Compete £	Website Development £	Total £
Cost							
At 1 January 2022	29,250,359	8,841,417	3,817,844	3,565,241	479,618	31,808	45,986,287
Additions	-	-	-	-	-	5,100	5,100
Acquisitions	4,395,127	-	-	-	-	6,617	4,401,744
At 31 December 2022	33,645,486	8,841,417	3,817,844	3,565,241	479,618	43,525	50,393,131
Amortisation							
At 1 January 2022	19,205,710	5,245,282	3,028,355	2,213,351	479,618	2,390	30,174,706
Charge for the year	7,470,555	1,034,216	789,489	1,351,890	-	10,736	10,656,886
At 31 December 2022	26,676,265	6,279,498	3,817,844	3,565,241	479,618	13,126	40,831,592
Net book value							
At 31 December 2022	6,969,221	2,561,919	-	-	-	30,399	9,561,539
At 31 December 2021	10,044,649	3,596,135	789,489	1,351,890	-	29,418	15,811,581

The amortisation charge is included within administrative expenses.

THE ROMANS GROUP (UK) LIMITED

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

13. Tangible fixed assets

	Short Leasehold Property £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 January 2022	6,306,461	5,356,694	8,494,135	20,157,290
Additions	72,887	136,934	948,434	1,158,255
Disposals	-	-	(523,349)	(523,349)
At 31 December 2022	<u>6,379,348</u>	<u>5,493,628</u>	<u>8,919,220</u>	<u>20,792,196</u>
Depreciation				
At 1 January 2022	4,559,699	4,325,530	3,351,250	12,236,479
Charge for the year on owned assets	447,662	592,958	-	1,040,620
Charge for the year on financed assets	-	-	1,385,078	1,385,078
Disposals	-	-	(456,776)	(456,776)
At 31 December 2022	<u>5,007,361</u>	<u>4,918,488</u>	<u>4,279,552</u>	<u>14,205,401</u>
Net book value				
At 31 December 2022	<u>1,371,987</u>	<u>575,140</u>	<u>4,639,668</u>	<u>6,586,795</u>
At 31 December 2021	<u>1,746,762</u>	<u>1,031,164</u>	<u>5,142,885</u>	<u>7,920,811</u>

Depreciation is included within administrative expenses.

Included within the motor vehicles net book values above are £4,639,668 (2021 - £5,142,885) relating to assets held under finance leases.

The accumulated depreciation for motor vehicles held under finance leases was £4,279,552 (2021 - £3,351,250).

THE ROMANS GROUP (UK) LIMITED

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

14. Investments

	Shares in subsidiary companies £
Cost	
At 1 January 2022	22,596,657
Additions	3,668,883
At 31 December 2022	26,265,540
Impairment	
At 1 January 2022	6,522,417
At 31 December 2022	6,522,417
Net book value	
At 31 December 2022	19,743,123
At 31 December 2021	16,074,240

The additions during the year represent the acquisition of Northfields Holdings Limited.

Subsidiary undertakings

Name	Registered office	Principal activity	Holding
Boyer Planning Limited	England & Wales	Planning consultants	100 %
LRG Financial Services Limited	England & Wales	Mortgage advisers	100 %
Romans Professional Services Limited	England & Wales	Chartered surveyors	100 %
Amethyst Lettings Holdings Limited	England & Wales	Dormant	100 %
Amethyst Lettings Limited (*)	England & Wales	Dormant	100 %
Atkinson & Keene Limited	England & Wales	Dormant	100 %
Bath Property Letting Limited	England & Wales	Dormant	100 %
Bennett Residential Limited	England & Wales	Dormant	100 %
Brampton Sales and Lettings Limited	England & Wales	Dormant	100 %
Campsie Lettings Limited	England & Wales	Dormant	100 %
Caroline Clark & Associates Limited	England & Wales	Dormant	100 %
CF Lettings (Bath) Limited	England & Wales	Dormant	100 %
Dewhurst Holdings Limited	England & Wales	Dormant	100 %
Dewhurst Lettings Limited (*)	England & Wales	Dormant	100 %
Drummonds Property Rentals Limited	England & Wales	Dormant	100 %
First Contact Limited T/A Clearmove	England & Wales	Dormant	100 %

THE ROMANS GROUP (UK) LIMITED

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

14. Investments (continued)

Name	Registered office	Principal activity	Holding
Gibbs Gillespie Lettings Limited	England & Wales	Dormant	100 %
Gibbs Gillespie Sales Limited	England & Wales	Dormant	100 %
Handovers (Lettings) Limited	England & Wales	Dormant	100 %
Harmers Limited (*)	England & Wales	Dormant	100 %
Hello Ted Limited	England & Wales	Dormant	100 %
Jacksons Residential Limited	England & Wales	Dormant	100 %
James Griffin Lettings Limited	England & Wales	Dormant	100 %
JM Lettings Limited	England & Wales	Dormant	100 %
Lets Rent Limited	England & Wales	Dormant	100 %
Marlows Lettings & Property Management Limited	England & Wales	Dormant	100 %
Moginie James Financial Services Limited	England & Wales	Dormant	100 %
Moginie James Limited	England & Wales	Dormant	100 %
Mortgage & Insurance Bureau Limited (*)	England & Wales	Dormant	100 %
Northfield Estates Limited (*)	England & Wales	Dormant	100 %
Northfields Estates Limited (*)	England & Wales	Dormant	100 %
Northfields Holdings Limited	England & Wales	Dormant	100 %
Orchards of London Limited	England & Wales	Dormant	100 %
Penyards Property Management Holdings Limited	England & Wales	Dormant	100 %
Penyards Property Management Limited (*)	England & Wales	Dormant	100 %
Property Concept Limited	England & Wales	Dormant	100 %
Romans Commercial Limited	England & Wales	Dormant	100 %
Romans Sales and Lettings Limited	England & Wales	Dormant	100 %
Sherriff Mountford Limited	England & Wales	Dormant	100 %
The Brampton Partnership (Estate Agents) Limited	England & Wales	Dormant	100 %
Thorgills Property Group Limited	England & Wales	Dormant	100 %

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

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

15. Stocks

	2022 £	2021 £
Finished goods and goods for resale	-	527
	<u>-</u>	<u>527</u>

THE ROMANS GROUP (UK) LIMITED

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

16. Debtors

	2022 £	2021 £
Trade debtors	3,110,002	3,213,647
Amounts owed by group undertakings	121,724,008	89,653,252
Other debtors	408,697	501,917
Prepayments and accrued income	1,425,893	1,644,136
Tax recoverable	2,485,875	2,469,371
	<u>129,154,475</u>	<u>97,482,323</u>

All amounts shown under debtors fall due for payment within one year.

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

Included within amounts owed by group undertakings above are debtors amounting to £5,910,525 (2021 - £5,910,525) on which interest is charged at a rate of 9% per annum. All other intercompany balances are interest free.

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,077	709,267
Amounts owed to group undertakings	122,000,238	89,143,075
Other taxation and social security	2,363,196	63,216
Other creditors	137,562	911,896
Obligations under finance lease and hire purchase contracts	2,175,761	2,632,704
Accruals and deferred income	3,377,928	7,311,595
	<u>130,064,762</u>	<u>100,771,753</u>

Included within amounts owed to group undertakings above are creditors amounting to £30,000 (2021 - £30,000) on which interest is charged at a rate of 9% per annum. All other intercompany balances are interest free.

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	1,679,674	2,013,353
	<u>1,679,674</u>	<u>2,013,353</u>

THE ROMANS GROUP (UK) LIMITED

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

19. Provisions

	NDO Provision £
At 1 January 2022	-
Charged to profit or loss	5,737
At 31 December 2022	5,737

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

20. Client money balances

	2022 £	2021 £
Amounts held on behalf of clients	32,290,410	29,132,139
Amounts due to clients	(32,290,410)	(29,132,139)

21. 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 £477,240 for the year (year ended 31 December 2021: £392,253). Contributions totalling £Nil (2021 - £Nil) were payable to the funds at the reporting date and are included in other payables.

THE ROMANS GROUP (UK) LIMITED

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

22. 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 years.

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	1,957,959	1,912,550
Later than 1 year and not later than 5 years	6,186,050	6,423,312
Later than 5 years	3,917,101	4,547,130
	<u>12,061,110</u>	<u>12,882,992</u>

23. Finance leases

The Company leases certain items of its equipment under finance leases.

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

Minimum lease payments under finance leases fall due as follows:

	2022 £	2021 £
Within one year	2,175,761	2,632,705
Between 1-5 years	1,679,674	2,013,353
	<u>3,855,435</u>	<u>4,646,058</u>

24. 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 £497,259 (2021: £339,689).

THE ROMANS GROUP (UK) LIMITED

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

25. Share capital

	2022 £	2021 £
Allotted, issued and fully paid		
12,415,000 (2021 - 12,415,000) Ordinary shares of £0.001 each	12,415	12,415

26. 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.

27. Controlling party

The company is a subsidiary of Romans 3 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 The Romans Group (UK) Limited is Platinum Equity Small Cap Fund International (Cayman), L.P.

THE ROMANS GROUP (UK) LIMITED

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

28. Business combinations

Acquisition of trade and net assets of Northfields Estates Limited

On 4 March 2022, the company acquired the trade and net assets of Northfields Estates Limited, a fellow group company, for a consideration of £4,039,696. The book and fair value of the assets acquired, and the resulting goodwill arising, is shown in the table below.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value	Fair value	Fair value
	£	adjustments	£
		£	£
Fixed Assets			
Tangible fixed assets	61,731	-	61,731
	<u>61,731</u>	<u>-</u>	<u>61,731</u>
Current Assets			
Debtors	172,348	-	172,348
Cash at bank and in hand	83,225	-	83,225
	<u>317,304</u>	<u>-</u>	<u>317,304</u>
Total Assets			
Creditors			
Due within one year	(430,628)	-	(430,628)
	<u>(113,324)</u>	<u>-</u>	<u>(113,324)</u>
Total Identifiable net liabilities			
Goodwill			4,153,020
Total purchase consideration			<u>4,039,696</u>
Consideration			
			£
Settled via intercompany			<u>4,039,696</u>

THE ROMANS GROUP (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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28. Business combinations (continued)

Acquisition of part of the trade and net assets of Hose Rhodes Dickson Limited

On 10 August 2022, the company acquired part of the trade and net assets of Hose Rhodes Dickson Limited, a fellow group company, for a consideration of £245,268. The book and fair value of the assets acquired, and the resulting goodwill arising, is shown in the table below.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Current Assets			
Debtors	3,078	-	3,078
Cash at bank and in hand	592	-	592
Total Assets	3,670	-	3,670
Creditors			
Due within one year	(509)	-	(509)
Total identifiable net assets	3,161	-	3,161
Goodwill			242,107
Total purchase consideration			245,268
Consideration			
			£
Settled via intercompany			245,268