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Registered number: 09939099

The Leaders Romans Group Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

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Company information

Directors	S M P Adcock P L Aitchison P Kavanagh P S Weller R A Connell (resigned 28 February 2022) M B Cook (resigned 28 February 2022) C T Ind (resigned 28 February 2022) M J Light (resigned 28 February 2022) K Shaw (resigned 28 February 2022) T Shelford (resigned 28 February 2022)
Company secretary	P L Aitchison
Registered number	09939099
Registered office	Crowthorne House Nine Mile Ride Wokingham Berkshire RG40 3GZ
Independent auditor	Grant Thornton UK LLP First Floor One Valpy 20 Valpy Street Reading RG1 1AR
Bankers	National Westminster Bank PLC Abbey Gardens 4 Abbey Street Reading Berkshire RG1 3BA

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Strategic Report

The Directors present their report together with the audited financial statements for the year ended 31 December 2021. The comparatives are for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is that of a holding company. These consolidated financial statements also include the company's subsidiary undertakings, whose principal activities are the provision of Lettings, Estate Agency, Mortgage Advisory, Chartered Surveying, Planning Consultancy, Block Management and Commercial Property Consulting Services. There have been no significant changes in the activities of the Group in the year under review.

Review of the business

The Group has performed in line with the Directors' expectations in 2021 taking into account challenges faced in the year. The Board have continued to adapt in 2021 and have addressed a number of significant challenges – the largest being the continued impact of additional lockdowns due to the global Covid-19 pandemic.

The Board have responded to the pandemic with a number of initiatives to ensure we strengthen our business and service offering to our customers. One of these initiatives is 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.

During the year the Group completed eight acquisitions.

In January 2021, the group acquired the trade of Eurolet LLP, a single branch residential lettings and sales agency located in Bishop's Stortford.

In February 2021, the group acquired Gibbs Gillespie, a residential sales and letting agency with a financial services business, located in 10 locations across Middlesex, Hertfordshire and Buckinghamshire. In the same month the group also acquired the entire share capital of Hill & Clark Limited, a 5 branch lettings and sales agency located in Lincolnshire.

In March 2021, the group acquired the trade of Guardian Residential Lettings & Sales LLP, a single branch residential lettings agency located in Harlow, Essex.

In August 2021, the group acquired Dewhurst Lettings Limited, a lettings business based in Swindon.

In September 2021, the group acquired the entire share capital of Portico Property Limited. Portico is a successful 15 branch residential lettings and sales agency located in 15 locations across West, East and Central London.

In October 2021, the group acquired Orchards of London Limited and Thorgills Property Group Limited. Both companies are lettings and sales businesses, based in West London.

The acquisitions were settled in cash, funded from our acquisitions facility or retained cash.

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Strategic Report (continued)

Our branch network has remained open throughout 2021 and have been able to operate during any national or localised lockdowns or restrictions. Activities within the sales market were buoyed from both an element of pent up demand and the creation of the Stamp Duty ("SDLT") Holiday. The SDLT holiday, originally due to end in March 2021, was extended to June 2021 and phased out by the end of September 2021. During these months, the Group benefitted from a strong sales market off the back of subdued levels in 2020, particularly during the first lockdown.

The Group has made use of various Government grants and support made available as a result of Covid-19. Branches remained open in accordance with government guidelines throughout 2021 and operated in a Covid secure way.

The Group utilised the following Covid-19 schemes:

- Coronavirus Job Retention Scheme: Most staff worked throughout 2021 and our branches remained open. Central services often worked remotely and hybrid working has been embraced. The company made use of the CJRS mostly during Q1 when the UK was in lockdown predominantly for property inspectors who were unable to fulfil their duties.
- VAT deferral scheme: The Group reached an agreement with HMRC to defer VAT and certain PAYE payments in 2020 and repay them throughout 2021. The amounts were all repaid by the end of the year.
- Business Rates Holiday: The Group has benefitted from the Retail, Hospitality & Leisure Business Rate Holiday scheme and has not been charged rates for a large number of our branches for part of the year.

There were some fundamental shifts in the housing and lettings industry, mainly the increased use of virtual viewings and a shift away from city centre apartment living towards out of city centres driven by increased working from home and the desire for additional bedrooms/work spaces as well as outdoor space. Both the Leaders and Romans brands have been in a position to gain from this shift due to our portfolio location which lends itself to outer city/suburbs as opposed to central London/inner city living.

Financial review

During the year ended 31 December 2021, the Group's revenue was £165,049,931, compared to £126,540,557 for the year ended 31 December 2020. The operating profit before amortisation and exceptional items for the year ended 31 December 2021 was £29,526,401, compared to £20,550,434 for the year ended 31 December 2020. The exceptional costs charged in arriving at operating profit amounted to £3,079,544 (2020: £4,312,251) and are detailed in note 5 to the consolidated financial statements. The operating loss for the year ended 31 December 2021 was £10,684,344 (2020: £13,270,268) and the loss before taxation was £52,200,880 (2020: £45,354,295).

The Group 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 2021 held cash of £15,040,329 (31 December 2020 - £33,695,525).

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Strategic Report (continued)

The Directors' going concern assessment is set out in note 2.3. The Directors have reviewed the Group's forecasts and covenant compliance projections to 31 May 2023, being a period of not less than 12 months from the date of approval of these financial statements, recognising the uncertain economic environment and taking account of reasonably possible changes in trading performance. These show that the Group is able to generate sufficient liquidity to operate within covenants and continue in operational existence for the foreseeable future.

Key performance indicators ("KPI's")

During 2021, 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 KPI's for the Group are based around revenue and operating profit before amortisation and exceptional items. A summary of KPI's for the years ended 31 December 2021 and 31 December 2020 are shown below:

	Year to 31 December 2021	Year to 31 December 2020
Revenue	**£165,049,931**	£126,540,557
Operating profit before amortisation and exceptional items	**£29,526,401**	£20,550,434
Lettings properties under management (no.)	**59,779**	51,857
Residential sales pipeline (at 31 December)	**£9,080,205**	£8,537,994
Residential sales new instructions (no.)	**11,881**	10,942

The increase in revenue during the year reflects the contribution to the Group's results from acquisitions. The increase in operating profit before amortisation and exceptional items can be attributed to the contribution from acquisitions coupled with a strong management focus on cost savings throughout the year and strong growth in our residential sales division.

Lettings performance has been driven by the same reasons as sales; many customers want outdoor space, and an office for home working. Lettings has benefited from organic growth in 2021 as well as a result of the numerous acquisitions mentioned above.

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Strategic Report (continued)

Principal risks and uncertainties

The Group 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 Group's businesses 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 Group 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'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 Group.

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 Group is required to comply with various legal and regulatory requirements, including those issued by the Financial Conduct Authority relating to its insurance broking activities. Any breach of these requirements could expose the Group 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 Group'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 Group 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 s.172 Statement below.

The Group depends on systems for its day to day operations. Any significant interruption to the Group's IT systems or a data security breach would have an adverse impact on its ability to trade effectively. The Group's systems could also be subject to the increasing risks from cyber security attacks. To mitigate these risks, the Group continues to invest in IT and data security systems and has in place disaster recovery procedures. Regular training is also provided to all employees to advise on good security procedures and data protection requirements.

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Strategic Report (continued)

s.172 Companies Act 2006 Statement and Statement of engagement with suppliers, customers and others:

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 200 branches across the country and employ over 2,500 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.

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 our 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 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 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:

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Strategic Report (continued)

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 Propertymark and all client monies are subject to strict annual audits and protected by the rules of the ARLA Propertymark 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.

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.

Strategic Report (continued)

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.

Approval

This strategic report was approved on behalf of the Board on 30 May 2022.

Paul Aitchison

P L Aitchison
Director

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Directors' Report for the year ended 31 December 2021

The Directors present their report together with the audited financial statements for the year ended 31 December 2021. Comparative information is provided for the year ended 31 December 2020 for the Group.

Results and dividends
The consolidated profit and loss account is set out on page 25 and shows the loss for the current and previous years. No dividends were paid during the year (2020: £Nil).

The directors do not recommend the payment of a dividend (year ended 31 December 2020 - £Nil).

Disclosures relating to information which is strategically important to the Group are made within the Strategic Report.

Statement of corporate governance arrangements
The Board is committed to high standards of corporate governance, which it considers are critical to business integrity and to maintaining stakeholders' trust in the Group. The Group expects all its directors and employees to act with honesty, integrity and fairness. The Group will strive to adopt proper standards of business practice and procedure and operate with integrity and has followed these standards throughout the reporting period.

Our vision for governance and responsibility is to provide our shareholders and other stakeholders with the confidence that The Leaders Romans Group ("LRG") is a well-managed and responsible Group. The Board takes steps to engage with shareholders and to evaluate the relevant financial, social, ethical and environmental issues that may influence or affect LRG. Our Guiding Principles and Values support our vision, underpin our values and define our approach to all aspects of our business. We strive to do the right thing; we're committed to creative, commercial thinking; we listen, we care and we deliver; we always take a collaborative approach.

Governance and Responsibility framework
Whilst one set of formal governance principles have not been adopted by the board, the directors believe that good corporate governance is central to achieving the Group's objectives and maximising shareholder value, and are committed to high standards of corporate governance. The Board confirms that it has applied the principles as set out below.

There are six principles relating to Corporate Governance which the board regularly challenge and ensure compliance with:

1. Purpose and leadership

The Board believes that in order for LRG to be successful it is important that the Board demonstrates clear leadership and strategic direction in all of its decision making and that this is then clearly and concisely communicated down throughout the organisation.

This need for communication also extends to our stakeholders and representatives of our private equity stakeholder, who sit on the Board and attend monthly Board meetings and have regular contact with the senior management team. There are also regular communications between the CEO, CFO and our private equity investors to ensure that there is a clear understanding of the strategic direction in which the business is moving.

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Directors' Report for the year ended 31 December 2021 (continued)

Communication within the organisation is carried out through the use of the Group intranet, regular email communications and updates to the business, including updates from the CEO concerning key events. Quarterly and yearly events are also held as well as monthly team meetings to ensure that key strategies and messages are communicated effectively throughout the organisation.

Our culture has been embedded through the development of an employee induction for all new LRG employees. This has allowed the Group to introduce new employees to the business through a consistent approach. We strive for all services and functions within the business to work together and we use the induction to highlight that mission and to demonstrate how it drives the success of our business.

Should an employee have an issue that they are concerned about or a grievance that they want to raise there are processes in place for employees to address these as well as whistle blowing procedures. Our employee handbook includes clear instructions on the grievance procedure, as well as an anonymous employee helpline where employees can raise concerns to our HR and compliance teams. All complaints are monitored by the Board.

2. Board composition

The LRG Board consists of a non-executive Chairman, Chief Executive Officer, Chief Financial Officer, Lettings Director and Sales Director as well as representatives from our Investors. There is also a non-executive director to provide additional support, challenge and advice to the main executive board.

The role of Chairman and the role of Chief Executive are clearly defined and segregated. The Chairman's main responsibility is to lead and manage the work of the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. Accurate, timely and clear information is provided to all directors and the Chairman is satisfied that effective communication, principally by the Chief Executive and the Chief Financial Officer, is undertaken with the shareholders.

The Chairman facilitates the contribution of the non-executive director and the relationship with the executive directors. The non-executive director plays a full part by constructively challenging and contributing to the development of strategy. The performance of management is monitored, as is the integrity of financial information and effectiveness of financial controls and risk management systems.

The Board has delegated the responsibility for the day-to-day management of the Group to the Chief Executive Officer, who is responsible for recommending strategy to the Board, leading the executive Directors and for making and implementing operational decisions.

The Board meets on a monthly basis to discuss performance and future strategy and planning. At each Board meeting the Chief Executive Officer provides a review of the business and how it was performing and the Chief Financial Officer provides a detailed review of the Group's financial position. Directors receive reports from each of the key business areas. The Board, supplied with information that is both timely and appropriate, deals with those matters reserved for its decision, and takes all material decisions affecting the Group.

All divisions within the Group provide monthly reports to the executive team which highlight performance and concerns, including HR issues. In 2021 the range of subjects discussed included the

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Directors' Report for the year ended 31 December 2021 (continued)

ongoing and changing impact of the Pandemic and the government restrictions in place, and a review of possible acquisitions. Additionally, the Board discussed the Group's financial results, the Budget for 2022, and any Regulatory and governance issues.

3. Director responsibilities

Director compliance has continued to be a focus during 2021 and we have a robust structure through carrying out background checks both on initial appointment and also following any promotion to a more senior role to ensure that we are satisfied with our directors' conduct. We are also working on initiating training around Ethnicity, Diversity & culture, with annual skill gap analysis being undertaken.

There are clear lines of reporting within our organisational structure as well as job specifications outlining roles and responsibilities. The Board encourages independent and creative thinking whilst ensuring that there is a robust organisational structure in place to ensure that Directors and managers retain accountability for their decisions and their team members.

We have an internal compliance team whose role it is to ensure that systems and controls are operating effectively and to highlight any areas of concern. They regularly review Company and Group policies around anti-money laundering, whistle blowing policies, GDPR, IT and social media policies as well as the overall governance and compliance of our numerous branch employees. Additionally we have clear review and appeal processes in place to ensure that we are able to conduct an independent review of any decision should an employee deem the outcome to be unfair.

In order to provide additional oversight and control within the Group, we have an audit committee headed by an independent non-executive director.

The Group also has a remuneration committee which reviews senior staff salaries and benefit packages to ensure that Directors' remuneration is fair and reasonable and any senior positions must be approved by the Private Equity Investor as well as by the Board.

4. Opportunity and risk

The Group's creation and preservation of value over the long term can be seen through our core values; we do the right thing; we're committed to creative, commercial thinking; we listen, we care and we deliver; we always take a collaborative approach. Through these values the group supports innovation and encourages entrepreneurship which in turn helps to identify local initiatives as well as opportunities to explore at a group level. These values are regularly communicated at the beginning of team meetings.

Reporting is carried out on a monthly, quarterly and annual basis and each year we undergo budget planning for the following year, as well as a review of our 5 year strategy. Every month there is a Board meeting attended by the investors where the Board review that month's performance and discuss any areas of concern or areas of opportunity. Strategic decisions are made during these monthly Board meetings and the action points are then distributed down to the Directors and the operational teams. Outside of these monthly Board meetings, the senior management team and the direct reports of the CEO meet on a weekly basis where there is the opportunity to discuss any issues and areas of concern and to update the Directors on the progress made to date.

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Directors' Report for the year ended 31 December 2021 (continued)

Additional risk management and assessment is carried out through our Health and Safety team with regular health and safety assessments being carried out on a rolling basis across all areas of the business and in particular at branch level and head office.

The Board is responsible for reviewing and approving the Group's system of internal controls and its adequacy and effectiveness. This system of internal controls includes financial, operational and compliance controls and risk management. It is the role of management to implement the agreed policies on risk and control. Our system of internal financial and operational controls is designed to meet the Group's particular needs and aims to facilitate effective and efficient operations, to safeguard the Group's assets, ensure proper accounting records are maintained and ensure that the financial information used within the business and for publication is reliable.

Key features of our system of internal control are as follows:

Group organisation and culture - Through its statements and actions the Board emphasises a culture of integrity, competence, fairness and responsibility. The Board focuses mainly on strategic issues, senior management performance and financial performance. Our Chief Executive and the Group Executive, as his senior executive team, concentrate on operational performance, operational decision-making and the formulation of strategic proposals to the Board. The Group's managing directors manage their businesses with the support of senior managers. The Board determines how the chief executive operates within a framework of delegated authorities and reserved powers which seek to ensure that certain transactions, significant in terms of their size or type, are undertaken only after Board review.

Control environment - Our operational structure has clearly documented and communicated principles of delegation of authority and segregation of duties. The Group's management systems include financial policies and procedures, corporate and business quality assurance manuals, health and safety procedures and environmental management procedures. These procedures are subject to review to ensure that improvements to enhance controls can be made.

Financial reporting - The Board approves a strategic plan and annual budgets for the Group. The financial performance of individual business segments is reported regularly and compared to annual budgets. Forecasts for the Group are updated and reviewed by the Board regularly.

Business conduct policy - The Group believes that integrity is a fundamental prerequisite for successful business relationships, both internally and externally. Reputation, trust and confidence are essential elements that we seek to protect and enhance to the benefit of all with whom we have a relationship. The Group seeks to understand and meet its customers' needs, whilst seeking continuous improvement. Across the Group there are procedures in place that seek to underpin this approach. By so doing the Group aims to meet the needs of all stakeholders.

Functional reporting - The Board assesses the risks facing the business on an ongoing basis and has identified a number of other key areas that are subject to regular reporting to the Board such as human resources and health and safety. Furthermore during the induction process staff are tested on key policies including:

- Tax evasion
- Anti-Money Laundering
- Bribery risks
- GDPR

Staff are also given copies of the employee handbook and trained on other key areas including equal opportunities, health and safety, IT policies and other security policies within the Group.

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Directors' Report for the year ended 31 December 2021 (continued)

5. Remuneration

The Board believes that executive remuneration should be aligned to the Group's purpose and values, and it should be clearly linked to the successful delivery of the company's long-term strategy. The CEO, CFO and the HR Director together with the Chairman, Investor Directors and non-executive director are engaged in the process for setting remuneration for other directors to ensure that remuneration is fair and incentivised in-line with the company's long term strategic goals. By taking into consideration their duties, responsibilities, experiences and performance, the wages and the benefits of senior management are determined in a manner that is compatible to equivalent job conditions and the Company's strategies and polices.

LRG has a structured remuneration policy based around the organisational structure of the business and job grades which are matched to roles and responsibilities. This ensures that the wider workforce's remuneration packages are fair and comparable across the group by division and function and are regularly reviewed by the senior management team. Deviation from these grades require board sign off in advance.

The Group also runs a commission based pay structure within its customer facing roles to ensure that employee remuneration and reward is linked to the key business objectives, goals and strategy.

6. Stakeholder relationships and engagement

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 have impacts on the long term success of the business, employee and stakeholder engagement as well as on the environment and local communities.

The Board has outlined within its strategic report and its' s.172 statement how it considers the impacts of the Group's activities on its current and future stakeholders. This can be found on page 8.

Stakeholder engagement is a key component of how the business operates – with employee engagement being a key pillar. Decisions concerning operational changes are often made through input from our employees following our employee engagement surveys. We also operate an open culture between our senior management team and employees, meaning staff are able to raise any feedback directly with our CEO and other executive board members. We run a question forum to allow employees to submit questions to our CEO which also allows them the opportunity to submit suggestions or concerns. The output of these forums are communicated to all staff.

Another way we engage with our employees is through recognition. We run quarterly awards and incentives for all employees across the group. Furthermore staff have access to a helpline where they can anonymously raise concerns or grievances if it is not appropriate to follow the procedures set out in our Grievance Policy.

The Group actively promotes charity work and support throughout its network of branches and to its employees, and asks its local branches to be involved within the communities in which they are placed.

Through following these principles of governance, combined with our values, the Group seeks to put its' stakeholders best interests first, invest in its employees, support the communities in which it

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Directors' Report for the year ended 31 December 2021 (continued)

operates and strives to generate sustainable profits for its investors. All the Group's policies are regularly reviewed to ensure they are up to date and require director sign off.

Employment of disabled persons
The Group 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 group. 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 Group.

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

Streamlined Energy and Carbon Reporting (SECR)

Our SECR carbon emissions for the year 2021 amounted to **1,609 tCO_2e**, with 50% arising from electricity. When green energy is considered, total 'market-based' emissions amounted to **1,331 tCO_2e**, with electricity contributing 40%.

Since last year, overall emissions have risen by 4%, though they are down by 14% if the green electricity is taken into account.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO_2e)

	Unit	2021	2020	% change
Energy consumption	kWh	**7,515,274**	**7,210,476**	
Scope 1 - Direct Emissions	tCO_2e	660.1	536.8	
Scope 2 - Energy Indirect Emissions - location-based	tCO_2e	806.3	733.8	
Scope 2 - Energy Indirect Emissions - market-based	tCO_2e	527.9	733.8	
Scope 3 - Other Indirect Emissions	tCO_2e	142.6	269.2	
Total Emissions - location-based	tCO_2e	1,608.9	1,539.8	5%
Relative Emissions - location-based	tCO_2e/£m	10.0	12.2	-18%
Market-based emissions take into account purchase of green energy:				
Total Emissions - market-based	tCO_2e	1,330.6	1,539.8	-14%
Relative Emissions - market-based	tCO_2e/£m	8.3	12.2	-32%

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Directors' Report for the year ended 31 December 2021 (continued)

Energy Efficiency Projects

Because of the ongoing Covid-19 pandemic, we have worked hard to keep our offices and branches open and safe for our staff and customers.

We have refurbished a number of branches, which includes redecoration, new carpeting, removing gas boilers and replacing lighting with LED fittings. We are also developing a model for a 'sustainable office', choosing materials with lower environmental impact.

LED lighting has been installed at our head office Crowthorne House and controls on the Building Management System should ensure this runs the heating and ventilation more efficiently.

The car fleet continues to evolve, with smaller sized engines being chosen, some hybrids and now an electric vehicle is being trialled.

We have recently launched a partnership with GreenTheUK to plant one tree for every house sold or let.

The group has set a target to be Net Zero by 2030 and our Environmental Committee has developed an action plan of projects to help reduce carbon and involve staff across the business.

This year we started to purchase 100% renewable energy – this will reduce our emissions significantly, given that electricity comprises half of our emissions.

SECR Emissions Calculations – Methodology

We have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statements.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2021. In order to track progress, historic data was recalculated using current emissions factors (hence carbon figures for last year differ slightly from those reported in our previous Annual Report).

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Location-based emissions are calculated as the average emissions intensity of the electricity grid, while market-based emissions take into account our green energy purchasing.

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Directors' Report for the year ended 31 December 2021 (continued)

Clients' money balances
At the balance sheet date, the group held amounts on behalf of clients totalling £102,966,699 (31 December 2020 - £83,273,885). 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
The Directors of the Company during the year and post year end were as follows:

S M P Adcock
P L Aitchison
R A Connell (resigned 28 February 2022)
M B Cook (resigned 28 February 2022)
C T Ind (resigned 28 February 2022)
P Kavanagh
M J Light (resigned 28 February 2022)
K Shaw (resigned 28 February 2022)
T Shelford (resigned 28 February 2022)
P S Weller

At 31 December 2021 and throughout the year, third party indemnity provision for the benefit of the Company's directors was in force.

Post balance sheet events

On 28 February 2022, the Leaders Romans Group was acquired by certain investment vehicles advised by Platinum Equity Advisors, LLC. As part of the transaction, the group's bank debt was refinanced, with existing facilities being repaid and replaced with new facilities which have repayment dates between 2027 and 2029.

On 2 March 2022 the group acquired the entire share capital of Northfields Holdings Limited and its subsidiary companies ("Northfields"). Northfields is a residential lettings and sales agency based in four locations across West London.

Future developments
The Group continues to look for suitable opportunities to acquire lettings businesses to grow its portfolio and geographic network.

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Directors' Report for the year ended 31 December 2021 (continued)

Directors' responsibilities

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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law including FRS 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 and profit or loss of the company and group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Grant Thornton UK LLP, is deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

On behalf of the Board

Paul Aitchison

P L Aitchison
Director
30 May 2022

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED

Opinion

We have audited the financial statements of The Leaders Romans Group Limited and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the consolidated profit and loss account, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement teams understanding of the legal and regulatory framework and which laws and regulations the engagement team identified as being significant in the context of the entity

The Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, to understand these:

- We enquired of management, the audit committee and those charged with governance, concerning the Group's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, the audit committee and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

- We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We identified whether there is a culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- In addition, we concluded that there are certain significant laws and regulations, such as Estate Agents Act 1979, The Consumers, Estate Agents and Redress Act 2997, ARLA Propertymark Rules, The FCA's Client Assets Sourcebook (CASS), The Insurance Business (Bailiwick of Guernsey) Law 2002, Employment Law and Health and Safety regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to client monies, consumer credit licences, health and safety, employee matters, environmental matters, data protection, and bribery and corruption practices.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The engagement team's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; and
  - potential management bias in determining estimates and judgements, particularly in relation to assessing the impairment of intangible assets and calculating the fair value of certain financial liabilities.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing; with a focus on material manual journals, including those with unusual account combinations and those posted directly to cash, debtors and creditors control accounts;
  - utilising a valuation specialist to review valuation models and assessments prepared by management in respect of determining the fair value of certain financial liabilities;
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement items.

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

- In addition, we completed audit procedures to conclude on the compliance of disclosures in the *financial statements with applicable financial reporting requirements.*
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations

- Assessment of the appropriateness of the collective competence and capabilities of the *engagement team included consideration of the engagement team's:*

  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the entity operates; and
  - understanding of the legal and regulatory requirements specific to the entity.

Matters about non-compliance with laws and regulations and fraud that were communicated with the engagement team

- We communicated identified laws and regulations throughout the engagement team, including component auditors, and remained alert to indications of non-compliance and the potential for fraud.

Use of our report

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

Grant Thornton UK LLP

Norman Armstrong BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountant
Southampton

30 May 2022

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Consolidated Profit and Loss Account for the year ended 31 December 2021

	Note	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Turnover	4	165,049,931	126,540,557
Administrative expenses	5	(175,853,859)	(146,205,608)
Other operating income	5	119,584	6,394,783
Operating profit before amortisation and exceptional items		29,526,401	20,550,434
Amortisation		(37,131,201)	(29,508,451)
Exceptional items	5	(3,079,544)	(4,312,251)
Operating loss	5	(10,684,344)	(13,270,268)
Interest receivable and similar income	8	364,123	1,307,110
Interest payable and similar charges	9	(41,727,238)	(32,756,241)
Change in fair value of investments		(153,421)	(634,896)
Loss before taxation		(52,200,880)	(45,354,295)
Taxation	10	479,084	5,005,372
Loss after taxation		(51,721,796)	(40,348,923)
Loss and total comprehensive expense for the year		(51,721,796)	(40,348,923)
Attributable to:			
Equity holders of the parent		(51,836,572)	(40,502,974)
Non-controlling interests		114,776	154,051

All amounts relate to continuing operations.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 29 to 73 form an integral part of these financial statements.

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Consolidated Balance Sheet as at 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Assets			
Non-current assets			
Intangible assets	11	87,638,829	81,981,808
Tangible assets	12	13,211,193	12,356,675
Investments	13	155,989	115,951
		101,006,011	94,454,434
Current assets			
Stocks	14	26,665	28,656
Debtors	15	22,637,725	19,241,709
Cash at bank and in hand		15,040,329	33,695,525
		37,704,719	52,965,890
Creditors: amounts falling due within one year	16	(126,857,196)	(111,540,970)
Net current liabilities		(89,152,477)	(58,575,080)
Total assets less current liabilities		11,853,534	35,879,354
Creditors: amounts falling due after more than one year	17	(312,792,159)	(292,404,565)
Provisions for liabilities	20	(7,948,342)	(6,467,460)
Net liabilities		(308,886,967)	(262,992,671)
Capital and reserves			
Called up share capital	23	550	550
Share premium		91,897	91,897
Profit and loss account reserve		(242,327,525)	(196,318,453)
Merger reserve		(66,989,657)	(66,989,657)
Non-controlling interest	26	337,768	222,992
Shareholders' deficit		(308,886,967)	(262,992,671)

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2022 and were signed on its behalf by:

Paul Aitchison

P L Aitchison
Director
Company registration number: 09939099

The notes on pages 29 to 73 form an integral part of these financial statements.

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Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Share premium	Profit and loss account reserve	Merger reserve	Non-Controlling Interest	Total
	£	£	£	£	£	£
Balance at 1 January 2021	550	91,897	(196,318,453)	(66,989,657)	222,992	(262,992,671)
Loss for the year	-	-	(51,836,572)	-	-	(51,836,572)
Non-controlling interest – share of profit for year	-	-	-	-	114,776	114,776
Total comprehensive loss for the year	-	-	(51,836,572)	-	114,776	(51,721,796)
Issue of shares by subsidiary in the year	-	-	267,000	-	-	267,000
Share based payment credit	-	-	5,560,500	-	-	5,560,500
Total contributions by and distributions to owners	-	-	5,827,500	-	-	5,827,500
Balance at 31 December 2021	550	91,897	(242,327,525)	(66,989,657)	337,768	(308,886,967)

For the year ended 31 December 2020

	Share capital	Share premium	Profit and loss account reserve	Merger reserve	Non-Controlling Interest	Total
	£	£	£	£	£	£
Balance at 1 January 2020	550	91,897	(155,815,479)	(66,989,657)	72,413	(222,640,276)
Loss for the year	-	-	(40,502,974)	-	-	(40,502,974)
Non-controlling interest – share of profit for year	-	-	-	-	154,051	154,051
Total comprehensive loss for the year	-	-	(40,502,974)	-	154,051	(40,348,923)
Adjustment to non-controlling interest arising on acquisition	-	-	-	-	(3,472)	(3,472)
Balance at 31 December 2020	550	91,897	(196,318,453)	(66,989,657)	222,992	(262,992,671)

The notes on pages 29 to 73 form an integral part of these financial statements.

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Consolidated Statement of Cash Flows for the year ended 31 December

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Cash flow from operating activities		
Loss for the year	(51,721,796)	(40,348,923)
Depreciation	4,244,585	6,073,242
Amortisation	37,131,201	29,508,451
Profit on disposal of fixed assets	(841,766)	(297,498)
Share based payment charge	5,560,500	-
FV losses/(gains) recognised in profit and loss	153,421	634,896
Interest receivable	(364,123)	(1,307,110)
Interest payable	41,727,238	32,756,241
Taxation (credit) / charge	(479,084)	(5,005,372)
Decrease in stocks	1,991	13,174
Decrease in trade and other debtors	1,632,606	4,198,106
(Decrease)/increase in trade and other creditors	(12,702,056)	12,230,337
(Decrease)/increase in provisions	(66,254)	101,984
Cash from operations	24,276,463	38,557,528
Tax paid	(3,493,399)	(1,792,109)
Interest on bank loans	(12,136,297)	(11,401,122)
Interest on finance leases	(392,516)	(384,682)
Other interest	(156,866)	-
Net cash generated from operating activities	8,097,385	24,979,615
Cash flow from investing activities		
Purchase of plant and equipment	(2,137,377)	(2,012,917)
Receipts from sale of plant and equipment	215,879	87,718
Purchase of intangible fixed assets	(1,457,359)	(364,224)
Purchase of subsidiary undertakings	(40,190,449)	(20,591,321)
Cash acquired with subsidiary undertakings	5,008,966	3,093,610
Interest received	364,123	1,281,661
Net cash outflow from investing activities	(38,196,217)	(18,505,473)
Net cash flow from financing activities		
Repayment of loans	-	(2,999,895)
New loans	14,018,269	23,770,000
Finance costs on debt	(254,368)	-
Capital element of finance lease payments	(2,320,265)	(1,799,644)
Net cash inflow/(outflow) from financing activities	11,443,636	18,970,461
Net increase/(decrease) in cash and cash equivalents	(18,655,196)	25,444,603
Cash and cash equivalents at beginning of financial year	33,695,525	8,250,922
Cash and cash equivalents at end of financial year	15,040,329	33,695,525
Comprising		
Cash at bank and in hand	15,040,329	33,695,525

The notes on pages 29 to 73 form an integral part of these financial statements.

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Notes to the consolidated financial statements

1. Nature of operations and general information

The Leaders Romans Group Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the Group'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 in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

2.2 Basis of preparation and consolidation

The consolidated financial statements of The Leaders Romans Group Limited and entities controlled by the Company (its subsidiaries) (together, the "Group") present information as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

A subsidiary is a company controlled directly by the Group. Control is achieved where the Group has the power over the investee, rights to variable returns and the ability to use the power to affect the investee's returns.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Parent Company.

The only exception to the above method relates to the acquisition of Leaders Lettings Limited by the group on 15 March 2016. This has been accounted for as a group reconstruction with merger accounting principles applied. The Directors believe the substance of the transaction was a group reconstruction and to apply purchase accounting would fail to give a true and fair view.

Where the Group does not acquire 100% of the share capital as part of an acquisition, the Group recognises a non-controlling interest. This represents the minority shareholders' ownership interest in non-wholly owned subsidiaries. The non-controlling interest in subsidiaries is shown as a separate component of equity in the consolidated balance sheet with any net profit or loss attributable to the non-controlling interest reported in the consolidated profit and loss account.

All accounting policies disclosed below apply to the Group for the years presented, unless otherwise explicitly stated.

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Notes to the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention.

Financial Information is presented in British pounds sterling (£).

The Directors of The Leaders Romans Group Limited are responsible for the financial information and contents of the consolidated financial statements.

2.3 Going concern

The Directors have considered the cash flow requirements for the Group to 31 May 2023, being a period of not less than twelve months from the date of approval of these financial statements. Based on these projections the directors consider that both the Company and the Group will have sufficient cash resources during this period to pay all of its liabilities as they fall due and therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

The Group incurred a loss before tax of £52,200,880 for the year ended 31 December 2021 (2020: £45,354,295) and had net liabilities of £308,886,967 (31 December 2020: £262,992,671) at the balance sheet date. The Group generated operating profit before amortisation and exceptional items £29,526,401 (31 December 2020: £20,550,434) and, as is typical of a Private Equity controlled group, both the loan notes and bank loans are long term liabilities and do not fall due until 2023 or 2024. Subsequent to the year end, the bank debt was refinanced with existing facilities being repaid and replaced with new facilities which have repayment dates between 2027 and 2029. The Directors are confident in the cash generation of the business with cash generated from operations of £24,276,463 (2020: £38,557,528) allowing the group to fund a number of acquisitions in the year from cash. Cash held at the balance sheet date of £15,040,329 (31 December 2020: £33,695,525).

During the year, the profit and loss, balance sheet and cash flow forecasts were regularly reviewed and shared with the board. The latest trading levels and forecasts available to the Group were also reviewed regularly. Performance was continually monitored against these forecasts. The Directors have reviewed the covenant requirements and have determined the circumstances under which the group might breach covenants, this would only arise in the highly unlikely combination of circumstances resulting in revenues falling by more than 10%, in which event, mitigating actions could be taken to ensure covenants were met.

Having reviewed the Group's forecasts, projections and required covenant compliance to 31 May 2023, recognising the uncertain economic environment and taking account of reasonably possible changes in trading performance, these show that the Group is able to generate sufficient liquidity to operate within covenants and continue in operational existence for the foreseeable future. On this basis, the Directors believe that the Group will be able to generate sufficient cash through its normal business trading to enable it to continue its operations, and continue to meet, as and when they fall due, its planned and committed liabilities for at least the next twelve months from the date of approval of these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the Group and Company financial statements.

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2.4 Turnover

Turnover comprises amounts recognised in respect of goods and services, supplied during the period and is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue 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.

Estate agency income, represents fees receivable in connection with the sale, purchase and letting of properties. Sales income is recognised on exchange of contracts and lettings commission is recognised when performance obligations have been satisfied which is dependent on the type of lettings activity involved.

Financial consultancy income represents fees and commissions receivable in respect of financial advice provided. Commissions are recognised as turnover when the related financial products are placed "on risk" (mortgage has been agreed by both the customer and the mortgage provider, but the fee has not yet been paid to the mortgage broker). Administration fees are recognised on receipt.

Chartered surveying, planning consultancy and commercial property consulting income represents fees receivable in respect of services provided to third parties is recognised as the related work is undertaken. Services of this type provided to clients during the period, which at the balance sheet date have not been billed to clients, have been recognised as turnover based on the value of time spent to date, in accordance with customer contracts, and included within accrued income.

2.5 Interest receivable

Interest receivable is recognised in the period to which it relates.

2.6 Investments

Investments held as fixed assets are stated at cost less provision for any impairment. Investments in listed company shares are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the profit and loss account for the period.

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2.7 Goodwill

Purchased goodwill relates to the acquisition of a trade or book of letting properties and represents the difference between the fair value of the consideration paid and the fair value of any assets and liabilities acquired. Purchased goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful life of 2 to 10 years.

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Goodwill arising on an acquisition of a subsidiary undertaking is capitalised and amortised through the profit and loss account over the directors' estimate of its useful life of 2 to 10 years.

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

2.8 Intangible assets

Acquired intangible assets

Externally acquired intangible assets are usually recognised at cost and subsequently amortised on a straight-line basis over their useful economic life.

Customer relationships	Over 7 years
Non-compete	Over 3 years
Customer lists	Over 0.5 years
Brand	Over 1 to 10 years
Software	Over 1 to 5 years
Website	5 years
Intellectual property	3 years

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

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2.9 Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the profit and loss account in the period in which they are incurred.

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

Freehold buildings	2% per annum on a straight-line basis
Short leasehold improvements	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

Depreciation is provided on cost less residual value. The residual value, depreciation methods and useful lives are annually reassessed.

Each asset's estimated useful life has been assessed with regard to its own physical life limitations and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all vehicles, fixtures, fittings and equipment, with annual reassessments for major items. Changes in estimates are accounted for prospectively.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the profit and loss account.

2.10 Impairment of fixed assets and goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group'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 Group that independent cash flows are monitored. A cash-generating unit to which goodwill has been allocated is tested for impairment when there is indication that the unit may be impaired.

If there are indicators of impairment, the Directors review the carrying amounts of the Group's non-current assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. 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

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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 periods.

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 periods. A reversal of an impairment loss is recognised in the profit and loss account immediately.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

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 the profit and loss account.

2.12 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.

2.13 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- *fair value through profit and loss (FVTPL)*
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVOCI.

All income and expenses relating to financial assets that are recognised in the profit and loss account are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other administrative expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets that are not held at amortised cost are categorised at fair value through the profit and loss account.

The category includes derivatives and also contains an equity investment.

Assets in this category are measured at fair value with gains or losses recognised in the profit and loss account. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through the profit and loss account.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in the profit and loss account.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the profit and loss account are included within finance costs or finance income.

2.14 Impairment of financial assets

An impairment loss on financial assets held at amortised cost is recognised where there is objective evidence that a financial asset or group of financial assets is impaired. The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

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

2.16 Current taxation
Current taxation for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

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

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

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

Deferred tax liabilities are provided in full, and are not discounted.

2.18 Employment benefits
Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including non-monetary benefits and annual leave obliged to be settled within 12 months of the balance sheet date, are recognised in accruals.

Pension costs
The company operates defined contribution pension schemes for the benefit of employees. The assets of the schemes are administered by trustees in funds independent from those of the company. The pension costs charged against profits represent the amount of contributions payable to the schemes in respect of the accounting period.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which has 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.

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2.19 Share based payments

The Group issues equity settled share based payments to directors and employees which must be measured at fair value and recognised as an expense in profit or loss, with a corresponding increase in equity. The fair values of equity settled payments are measured at the dates of grant using option pricing models or other appropriate method, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the Group's estimate of the number of awards which will be forfeited, either due to employees leaving the Group prior to vesting or due to non-market based performance conditions not being met. Where an aware has market-based performance conditions, the fair value of the award is adjusted for the probability of achieving these. The total amount recognised in the consolidated profit and loss account as an expense is adjusted to reflect the actual number of awards that vest. In the Company accounts where the grants relate to subsidiary employees the initial fair value and any subsequent adjustments are recognised as an intercompany receivable with the relevant subsidiary company over the vesting period.

2.20 Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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2.21 Insurance contracts

Classification

The Group issues contracts that transfer insurance risk which are classified as insurance contracts. As a general guideline, the Group defines significant insurance risk as the possibility of having to compensate the policyholder if a specified uncertain future event (the insured event) adversely effects the policyholder.

(i) Insurance and reinsurance premiums written
Insurance and reinsurance premiums written relate to business incepted during the period together with any differences between final premiums from prior periods and those previously accrued, and include estimates of premiums due and not yet receivable or notified to the Group, less an allowance for cancellations. Premiums are gross of commissions payable to intermediaries and insurers, and net of insurance premium taxes.

(ii) Outward reinsurance premium
Reinsurance premium is brought into the profit and loss account on an accruals basis. The proportion of any premium un-expensed at the reporting date is carried forward as an un-expensed *reinsurance premium balance*.

(iii) Ceding commission
Ceding commission is payable to the insurer on business reinsured by the Group as a percentage of the gross insurance premiums written by the insurer.

(iv) Unearned premiums
Unearned premiums represent the proportion of premiums written in the period that relates to unexpired terms of policies in force at the reporting date, calculated on a time apportionment basis.

(v) Claims paid
Claims paid comprise claims and related expenses paid in the period.

(vi) Claims outstanding
Provision has been made for the estimated value of claims and expenses attributable to unexpired policy periods which are not coterminous with the Group's financial reporting date. When the estimated value of claims attributable to the unexpired period in force at the reporting date exceeds the unearned premium reserve, a provision for claims outstanding would be established.

2.22 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.
- "Merger reserve" represents amounts arising from merger accounting applied to business combinations.
- "Non-controlling interest" – the share of net assets in subsidiary undertakings not owned by the Group.

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2.23 Provisions

A clawback provision is recognised in respect of the potential commission that has been earned by the group on the sale of financial products that may need to be repaid in future accounting periods as a result of cancellation of those products.

An unearned premiums provision is recognised for commission received in respect of policies cancelled after the reporting date and is based on estimates of the unearned premium element of cancelled policies.

A claims outstanding provision is recognised in respect of the estimated direct costs to be incurred in settling claims, net of recoveries.

An NDO provision is recognised in respect of potential amounts payable to landlords at the balance sheet date under the terms of the group's NDO products.

2.24 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence. Items are identified as exceptional separating them from the underlying performance of the Group.

2.25 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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3. Significant management judgements and estimation 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 revenues and expenses during the reporting period.

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 period in which the revisions are made including all future periods affected.

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

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and timing differences on capital allowances can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. Judgement is also applied in the recognition of deferred tax assets in respect of losses, based on management's view of the availability of future profits to offset such losses.

Leases
Determine whether leases entered into by the group 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
Determine whether there are indicators of impairment of the group's 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.

Work in progress
Work in progress represents unbilled costs on projects undertaken for clients. Recoverability of work in progress is assessed on a monthly basis by the project managers responsible for the work, taking account of fees agreed for the work, the stage of completion of the work and the estimated time costs to complete the work. The estimated time costs to complete the work involves a significant degree of judgement and to the extent that this judgement changes from month to month, the level of provisions applied to work in progress and its carrying value will change.

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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.

Insurance liability adequacy
At each reporting date the Group performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flows, taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense in the profit and loss account by recognising an additional liability for claims provisions or recognising a provision for unexpired risks. The unexpired risks provision is assessed in aggregate for business classes which are managed together.

Insurance risk
The Group manages these risks through an underwriting strategy that is approved by the relevant board after having considered experts' advice. Insurance contracts are issued with limits on event or aggregate liability towards the policyholder. The reinsurance contracts are issued on a quota share basis. The Group engages the services of an insurance manager to assist in managing its operations. The risks underwritten during the period comprised tenant and landlord-related property insurance and reinsurance. Claims on contracts are accounted for on a claims-made basis. The Group is liable for all insured events that are made during the term of the contract. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of expected subrogation value and recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures.

Other key sources of estimation uncertainty:
Trade receivable 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 periods to review and whether to isolate exceptions in forming a general rule.

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.

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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 period that the assets will generate revenue which are periodically renewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the profit and loss account in specific periods.

Valuation of A Shares Liability
The Leaders Romans Bidco Limited, a subsidiary company, has issued A shares. The terms relating to these shares mean that it is necessary to undertake a calculation to calculate the fair value of the liability attached to these shares. As part of this calculation, it is necessary to estimate a future EBITDA multiple that may be receivable on the sale of the group. In the event that the actual EBITDA multiple differs from the estimated amount used in the calculations, the derived liability may be higher or lower than that stated in the balance sheet.

Valuation of bank loans
The company's bank loans are treated as complex financial instruments and are recorded in the financial statements at fair value. As part of the fair value calculation it is necessary to make judgements to arrive at an appropriate discount rate to be used. The application of alterative judgements may result in the calculation of a different discount rate and the derived liability may be higher or lower than that stated in the balance sheet.

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 £4.40m (2020: £4.56m).

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4. Turnover

Turnover represents amounts derived from the group's operations in the following areas, all of which arises in the United Kingdom:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Estate agency	142,347,152	107,706,844
Mortgage advisory	3,686,345	2,423,182
Chartered Surveying	1,989,258	1,426,019
Planning Consultancy	4,345,105	4,100,484
Risk Management	5,150,736	4,934,877
Commercial Property Consulting	3,513,511	3,657,463
Property Maintenance	3,871,959	2,140,646
Other	145,865	151,042
Total	165,049,931	126,540,557

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5. Operating loss

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets - owned	2,870,231	4,956,944
Depreciation of tangible fixed assets - leased	1,374,354	1,116,298
Amortisation of intangible assets	37,131,201	29,508,451
Profit on disposal of fixed assets	(841,766)	(297,498)
Operating lease costs	6,086,320	5,427,050
Covid-19 related Government support	(207,044)	(6,290,658)
Share based payment	5,560,500	-
Auditor's remuneration - fees payable to the Company's Auditor and its Associates for:		
- the audit of the Company's annual accounts	3,000	2,705
- the audit of the Company's subsidiaries pursuant to legislation	362,100	265,000
- audit related assurance services	41,200	39,900
- other services	2,000	5,000

There are no unfulfilled conditions or other contingences attached to the Government support noted above, which is included within other operating income.

During the year ended 31 December 2021, a subsidiary company, The Leaders Romans Midco 2 Limited, issued shares to certain of the group's employees. An equity settled share-based payment expense is recognised in subsidiary companies, 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. The amount charged to profit and loss account is as shown above. The group did not enter into any share based payment transactions with parties other than employees during the current or previous periods.

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During the year, the following exceptional costs were incurred:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Covid-19 related costs	233,961	2,055,517
Costs in respect of one-off projects	1,030,557	289,366
Redundancy and restructuring costs	552,406	1,004,595
Exceptional legal & professional costs	136,842	197,150
Costs associated with refinancing & subsequent amendments	120,464	116,799
Onerous lease costs	413,756	397,144
Dilapidation costs	-	11,125
Non recoverable VAT	87,582	34,418
Aborted acquisition costs	-	105,497
Costs in respect of sale of group	350,440	-
Other exceptional costs	153,536	100,640
	3,079,544	4,312,251

Covid-19 related costs include rent and rates costs incurred whilst office and branches were closed, the costs associated with ensuring the group's businesses were Covid Secure when re-opening, including the costs of PPE, and the ongoing additional costs associated with Covid-19 .

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6. Employees

The aggregate payroll costs of employees (including directors) were as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Staff costs		
Wages and salaries	74,596,670	63,265,955
Social security costs	8,120,002	6,212,656
Pension costs	1,735,790	1,545,474
	84,452,462	71,024,085

Average monthly number of persons employed by the Group during the year was as follows:

	Year ended 31 December 2021 Number	Year ended 31 December 2020 Number
By activity:		
Sales	1,379	1,185
Engineers	19	4
Administration and management	1,284	983
	2,682	2,172

7. Directors' Remuneration

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Directors' emoluments	7,046,350	1,446,541
Pension contributions	63,674	46,189
Compensation for loss of office	-	129,624
	7,110,024	1,622,354

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There were 6 directors in the group's defined contribution pension scheme (2020: 6).

Emoluments of the highest paid director were £2,791,365 (2020 - £324,155). Group pension contributions of £3,517 (2020 - £3,503) were made to a money purchase scheme on their behalf.

During the year, the group established a management incentive plan under which shares were awarded to certain employees within the group. 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.

8. Interest receivable and similar income

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Interest on cash deposits	364,123	1,262,465
Other interest	-	44,645
	364,123	1,307,110

9. Interest payable and similar charges

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Loan note interest	18,090,431	16,596,726
Interest on bank borrowings	16,367,405	16,475,664
Interest on finance leases	392,516	254,280
Other finance (credits)/costs	6,720,519	(578,239)
Other interest payable	156,367	7,810
	41,727,238	32,756,241

The other finance (credits)/costs above relate to the fair value assessment of the group's non-basic financial instruments.

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10. Taxation

Analysis of (credit)/charge in the year

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Corporation tax – current year:		
Current tax on losses of the period	1,921,386	267,645
Adjustment in respect of previous periods	(183,053)	(849,814)
Deferred tax – current year:		
Origination and reversal of timing differences	(2,738,856)	(2,422,980)
Adjustment in respect of previous periods	(85,567)	(2,129,530)
Changes to tax rates	607,006	129,307
Total tax charge	(479,084)	(5,005,372)

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Loss before taxation	(52,200,880)	(45,354,295)
Loss by rate of tax of 19% (2019: 19%)	(9,918,167)	(8,617,316)
Expenses not deductible for tax purposes	10,604,135	9,480,481
Income not chargeable for tax purposes	(1,811,227)	(1,818,878)
Tax assessed under CFC rules	242,825	146,355
Deferred tax not recognised	651,221	(680,213)
Adjustments in respect of prior periods	(268,620)	(2,979,344)
Effect of change in tax rate	357,355	(13,298)
Other items	(246,618)	(523,159)
Capital allowances super deduction	(89,988)	-
Total tax	(479,084)	(5,005,372)

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The group has unutilised tax losses of £17,634,591 (2020 - £3,431,027) available for offset against future taxable profit subject to agreement from HMRC. A deferred tax asset in respect of losses and short term timing differences amounting to £4,408,649 (2020 - £2,588,919) 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.

There were no other factors that may affect future tax charges.

11. Intangible assets

	Customer Relationships	Brand	Non-Compete	Customer Lists	Software	Website	I.P.	Goodwill	Total
	£	£	£	£	£	£	£	£	£
Cost									
At 1 January 2021	35,175,544	31,257,712	565,307	4,765,424	1,349,549	107,710	428,902	175,754,354	249,404,502
Additions	-	-	-	-	1,445,001	-	-	-	1,445,001
Acquisitions	6,251,472	3,532,614	-	7,929,563	561,323	50,507	-	22,863,578	41,189,057
Adjustments	-	-	-	-	83,764	-	-	17,358	101,122
Disposals	-	-	-	-	(5,000)	-	-	-	(5,000)
At 31 December 2021	41,427,016	34,790,326	565,307	12,694,987	3,434,637	158,217	428,902	198,635,290	292,134,682
Accumulated Amortisation									
At 1 January 2021	20,595,084	16,128,584	565,307	4,056,088	688,387	103,928	428,902	124,856,414	167,422,694
Charge for year	4,990,584	4,192,730	-	6,152,922	265,880	12,515	-	21,458,528	37,073,159
Disposals	-	-	-	-	-	-	-	-	-
At 31 December 2021	25,585,668	20,321,314	565,307	10,209,010	954,267	116,443	428,902	146,314,942	204,495,853
Net book value									
At 31 December 2021	15,841,348	14,469,012	-	2,485,977	2,480,370	41,774	-	52,320,348	87,638,829
At 31 December 2020	14,580,460	15,129,128	-	709,336	661,162	3,782	-	50,897,940	81,981,808

The amortisation charge is included within administrative expenses.

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12. Tangible fixed assets

	Freehold Land & Buildings	Short Leasehold Property	Fixtures, Fittings & Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	196,957	9,091,394	13,747,826	10,219,643	33,255,820
Additions	-	270,265	1,861,020	2,706,111	4,837,396
Acquisitions	9,805	32,205	568,768	227,401	838,179
Adjustments	-	-	(83,764)	-	(83,764)
Disposals	-	(10,567)	(37,184)	(3,295,612)	(3,343,363)
At 31 December 2021	206,762	9,383,297	16,056,666	9,857,543	35,504,268
Accumulated Depreciation					
At 1 January 2021	20,424	5,195,786	10,250,940	5,431,995	20,899,145
Charge for year	4,618	930,724	1,757,238	1,582,431	4,275,011
Disposals	-	(4,117)	(27,574)	(2,849,390)	(2,881,081)
At 31 December 2021	25,042	6,122,393	11,980,604	4,165,036	22,293,075
Net book value					
At 31 December 2021	181,720	3,260,904	4,076,062	5,692,507	13,211,193
At 31 December 2020	176,533	3,895,608	3,496,886	4,787,648	12,356,675

Depreciation is included within administrative expenses.

Included within the motor vehicles net book values above are £5,439,311 (2020: £4,765,413) relating to assets held under finance leases.

The accumulated depreciation for motor vehicles held under finance leases was £4,891,458 (2020 - £5,350,352).

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13. Investments

	31 December 2021 £	31 December 2020 £
Cost – 1 January 2021 / 1 January 2020	115,951	15,840
Acquired in the year	3,818	76,117
Changes in fair value of listed investments	36,220	23,994
At 31 December	155,989	115,951

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Group	
			2021	2020
The Leaders Romans Midco Limited	Holding Company	England & Wales	100	100
The Leaders Romans Midco 2 Limited*	Holding Company	England & Wales	100	100
The Leaders Romans Bidco Limited*	Holding Company	England & Wales	100	100
LRG Employees Limited*	Payroll Services	England & Wales	100	100
Romans 1 Limited*	Holding Company	England & Wales	100	100
Romans 2 Limited*	Holding Company	England & Wales	100	100
Romans 3 Limited*	Holding Company	England & Wales	100	100
The Romans Group (UK) Limited*	Estate Agency	England & Wales	100	100
LRG Financial Services Limited*	Mortgage Advisers	England & Wales	100	100
Romans Professional Services Limited*	Chartered Surveyors	England & Wales	100	100
Boyer Planning Limited*	Planning Consultants	England & Wales	100	100
Harmers Limited*	Dormant	England & Wales	100	100
Atkinson & Keene Limited*	Dormant	England & Wales	100	100
JM Lettings Limited*	Dormant	England & Wales	100	100
Romans Sales and Lettings Limited*	Dormant	England & Wales	100	100
Jacksons Residential Limited*	Dormant	England & Wales	100	100
Caroline Clark & Associates Limited*	Dormant	England & Wales	100	100
Sherriff Mountford Limited*	Dormant	England & Wales	100	100
Drummonds Property Rentals Limited*	Dormant	England & Wales	100	100
Campsie Lettings Limited*	Dormant	England & Wales	100	100
Romans Commercial Limited*	Dormant	England & Wales	100	100
James Griffin Lettings Limited*	Dormant	England & Wales	100	100
Amethyst Lettings Holdings Limited*	Dormant	England & Wales	100	100
Amethyst Lettings Limited*	Dormant	England & Wales	100	100
Handovers (Lettings) Limited*	Dormant	England & Wales	100	100
Bennett Residential Limited*	Dormant	England & Wales	100	100
Brampton Sales & Lettings Limited*	Dormant	England & Wales	100	100
Let's Rent Limited*	Dormant	England & Wales	100	100
Leaders Lettings Limited*	Holding Company	England & Wales	100	100
Leaders First in Letting Limited*	Holding Company	England & Wales	100	100
Leaders The Rental Agents Limited*	Holding Company	England & Wales	100	100
Leaders Lettings Trading Limited*	Holding Company	England & Wales	100	100
Relocate UK Limited*	Management Services	England & Wales	100	100
Emperor Insurance Guernsey Limited*	Insurance Services	Guernsey	100	100
Leaders Group*	Holding Company	England & Wales	100	100
Bode Insurance Solutions Limited*	Insurance Services	England & Wales	100	100
Leaders Limited*	Estate Agency	England & Wales	100	100
Leaders Sales Limited*	Property Sales	England & Wales	100	100
Elldee Franchising Limited*	Management Services	England & Wales	100	100

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Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Group	
			2021	2020
MBM Management Limited*	Dormant	England & Wales	100	100
JSM Property Management Limited*	Dormant	England & Wales	100	100
Leaders Jordans Limited*	Dormant	England & Wales	100	100
Residential Holdings Limited*	Dormant	England & Wales	100	100
Jordans Residential Lettings Limited*	Dormant	England & Wales	100	100
Key Properties UK Limited*	Dormant	England & Wales	100	100
Brian Smith Property Management Limited*	Dormant	England & Wales	100	100
Saxon Management (New Milton) Limited*	Dormant	England & Wales	100	100
Saxon Management (Christchurch) Limited*	Dormant	England & Wales	100	100
Goddard & Co Rentals Limited*	Dormant	England & Wales	100	100
Goddard & Co Rentals (Felixstowe) Limited*	Dormant	England & Wales	100	100
Goddard & Co Rentals (Mid-Suffolk) Limited*	Dormant	England & Wales	100	100
Bush Property Management Limited*	Dormant	England & Wales	100	100
Lloyds Property Agents Limited*	Dormant	England & Wales	100	100
Lloyds Property Agents (Ashton) Limited*	Dormant	England & Wales	100	100
Lloyds Property Agents (Wigan) Limited*	Dormant	England & Wales	100	100
Spinnaker Residential Limited*	Dormant	England & Wales	100	100
Oaks Property UK Limited*	Dormant	England & Wales	100	100
Bulmer Estates Limited*	Dormant	England & Wales	100	100
Alexanders Residential Lettings Limited*	Dormant	England & Wales	100	100
Temples Property Management (BSE) Limited*	Dormant	England & Wales	100	100
Swan Residential Limited*	Dormant	England & Wales	100	100
Brookes Hall Limited*	Dormant	England & Wales	100	100
Isherwood Residential Limited*	Dormant	England & Wales	100	100
Mitchell and Perryer Limited*	Dormant	England & Wales	100	100
QB Management Limited*	Dormant	England & Wales	100	100
Simply Lets Limited*	Dormant	England & Wales	100	100
Lynda Paine Lettings Limited*	Dormant	England & Wales	100	100
Waterside Properties (Poole) Limited*	Dormant	England & Wales	100	100
Leaders Waterside Properties Limited*	Dormant	England & Wales	100	100
Perry Bishop and Chambers Limited*	Dormant	England & Wales	100	100
IMS Lettings Limited*	Dormant	England & Wales	100	100
Aston Mead Estate Agents Limited*	Dormant	England & Wales	100	100
Town & Country (Holdings) Limited*	Dormant	England & Wales	100	100
CT Trading Limited*	Dormant	England & Wales	100	100
Leeco (Buckingham) Limited*	Dormant	England & Wales	100	100
Heritage Property (Leamington Spa) Limited*	Dormant	England & Wales	100	100
Giles Fullerton (East Anglia) Limited*	Dormant	England & Wales	100	100
Tudor Property Consultants Limited*	Dormant	England & Wales	100	100
Premier Places Limited*	Dormant	England & Wales	100	100
Homesearch Property Management*	Dormant	England & Wales	100	100
Minchin Fellows Limited*	Dormant	England & Wales	100	100
Town & Country Property Services (Worcester) Limited*	Dormant	England & Wales	100	100
T&C (Lettings) Limited*	Dormant	England & Wales	100	100
Leaders MA (Holdings) Limited*	Dormant	England & Wales	100	100
Penyards Property Management Holdings Limited*	Dormant	England & Wales	100	100
Penyards Property Management Limited*	Dormant	England & Wales	100	100
City Lettings (Norwich) Limited*	Dormant	England & Wales	100	100
J South Limited*	Dormant	England & Wales	100	100
Leaders MA Limited*	Dormant	England & Wales	100	100
Allen Estates Limited*	Dormant	England & Wales	100	100
Watson Blackburn Limited*	Dormant	England & Wales	100	100
Watson Mitchell Limited*	Dormant	England & Wales	100	100
Ideal Homes (Bedford) Limited*	Dormant	England & Wales	100	100
The Brampton Partnership (Estate Agents) Limited*	Dormant	England & Wales	100	100
First Contact Limited t/a Clearmove*	Dormant	England & Wales	100	100
Bath Property Letting Limited*	Dormant	England & Wales	100	100

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Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Group	
			2021	2020
Temples (Nantwich) Limited*	Dormant	England & Wales	100	100
Temples (Northwich) Limited*	Dormant	England & Wales	100	100
PDC (Chester and Nantwich) Limited*	Dormant	England & Wales	100	100
Suttons City Living Limited*	Dormant	England & Wales	100	100
DPC Properties Limited t/a Upp Properties*	Dormant	England & Wales	100	100
GPS Property Management Limited*	Dormant	England & Wales	100	100
CF Lettings (Bath) Limited*	Dormant	England & Wales	100	100
Marlows Lettings & Property Management Limited*	Dormant	England & Wales	100	100
Property Concept Limited*	Dormant	England & Wales	100	100
Revolution Property Management Limited*	Block management	England & Wales	100	100
Capgen Services Limited*	Property services	England & Wales	90	90
Three Sixty Maintenance Limited*	Property Maintenance	England & Wales	100	100
Dunlop Heywood Limited*	Dormant	England & Wales	90	90
Rebloom Limited*	Dormant	England & Wales	100	100
Essex & Suffolk Lettings Limited*	Dormant	England & Wales	100	100
Moginie James Limited*	Dormant	England & Wales	100	100
Moginie James Financial Services Limited*	Dormant	England & Wales	100	100
Hello Ted Limited*	Lettings	England & Wales	100	100
Scott Fraser Limited*	Estate agency	England & Wales	100	100
Outlook Property Limited*	Estate agency	England & Wales	100	100
Lenwell Limited*	Dormant	England & Wales	100	100
Gibbs Gillespie Lettings Limited*	Dormant	England & Wales	100	-
Gibbs Gillespie Sales Limited*	Dormant	England & Wales	100	-
Mortgage & Insurance Bureau Limited*	Dormant	England & Wales	100	-
Hill & Clark Limited*	Estate Agency	England & Wales	100	-
Hill & Clark (Bourne) Limited*	Dormant	England & Wales	100	-
Dewhurst Holdings Limited*	Dormant	England & Wales	100	-
Dewhurst Lettings Limited*	Dormant	England & Wales	100	-
Portico Property Limited*	Estate Agency	England & Wales	100	-
Portico Financial Services Limited*	Mortgage Advisers	England & Wales	100	-
Portico Host Limited*	Dormant	England & Wales	100	-
Portico Payments Limited*	Dormant	England & Wales	100	-
Thorgills Property Group Limited*	Dormant	England & Wales	100	-
Orchards Of London Limited*	Dormant	England & Wales	100	-

*Held indirectly

With the exception of Emperor Insurance Guernsey Limited all undertakings' registered office is Crowthorne House, Nine Mile Ride, Wokingham, Berkshire, RG40 3GZ. The registered office for Emperor Insurance Guernsey Limited is PO Box 549, Town Mills, Rue du Pré, St Peter Port, Guernsey, GY1 6HS.

All subsidiaries are included in the consolidation and a list of those companies taking advantage from the exemption from audit under s479A Companies Act 2006 can be found in note 30.

14. Stocks

	31 December 2021 £	31 December 2020 £
Stocks of consumables	26,665	28,656

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15. Debtors

	31 December 2021 £	31 December 2020 £
Trade debtors	10,313,074	9,821,068
Other debtors	2,008,411	1,726,002
Corporation tax	2,544,946	1,509,317
Prepayments and accrued income	7,736,956	6,184,450
Derivatives	34,338	872
	22,637,725	19,241,709

16. Creditors: amounts falling due within one year

	31 December 2021 £	31 December 2020 £
Trade creditors	2,377,066	2,443,297
Other taxation and social security	6,827,641	16,382,500
Obligations under finance leases and hire purchase contracts	2,856,381	1,991,755
Other creditors	4,142,415	3,229,698
Accruals and deferred income	103,805,405	83,415,053
Equity deed liability	6,848,288	4,078,667
	126,857,196	111,540,970

The equity deed liability represents a potential liability payable by the group at the balance sheet date, under the terms of an equity deed that forms part of the documentation signed during the refinancing in July 2019.

Other tax and social security costs in 2020 included deferred taxes payable to HM Revenue & Customs amounting to £10,703,364.

Obligations under finance leases and hire purchase contracts are secured on the assets being financed.

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17. Creditors: amounts falling due after more than one year

	31 December 2021 £	31 December 2020 £
Bank loans	177,919,812	155,973,905
Obligations under finance leases and hire purchase contracts	2,013,353	3,571,666
9% Loan notes	132,858,994	132,858,994
	312,792,159	292,404,565

The maturity of sources of debt finance is as follows:

In one year or less, or on demand	2,856,381	1,991,755
In more than one year but not more than two years	1,154,913	1,327,102
In more than two years but not more than five years	311,637,246	291,077,463
	315,648,540	294,396,320

The group's bank loans are recorded at fair value in the financial statements and therefore differ to the actual amounts drawn. At 31 December 2021, the amount drawn under the group's banking facilities, including accrued PIK interest, where applicable, was as follows:

	£
Facility B	135,782,734
Facility C	26,313,906
Additional facility	12,982,565
Revolving facility	2,000,000

Summary of borrowing arrangements:

The bank loans are secured via a charge over the assets of the Group and are comprised of four facilities as follows:

- *Facility B is for £126,000,000 accruing interest at LIBOR plus 9.25%;*
- Facility C is for £25,000,000 accruing interest at LIBOR plus 9.25%;
- Additional facility is for £25,000,000 accruing interest at LIBOR plus 9.25%
- Revolving facility is for £2,000,000 accruing interest at LIBOR plus 2.25%;

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Cash interest on the B, C & Additional facilities is paid quarterly in arrears. Cash interest on the RCF facility is paid monthly in arrears. Facilities B, C & Additional are also subject to PIK interest which accrues monthly and compounds bi-annually in June and December.

The repayment terms for the outstanding loans are as follows:

- Facility B is repayable in full on 30 June 2024;
- Facility C is repayable in full on 30 June 2024;
- Additional facility is repayable in full on 20 June 2024;
- Revolving facility is repayable in full on 31 December 2023.

The Directors have considered the terms and conditions attaching to the refinancing, including those relating to the issue of A shares to the lenders, and have determined that the loans and A shares should be accounted for as non-basic financial instruments under FRS 102. Accordingly, the loans are carried at fair value in the balance sheet and an equity deed liability has been recognised in creditors, with finance costs charged to the profit and loss account.

Liquidity risk is managed through detailed cash forecasting and the application of strict cash management practices to ensure the group has sufficient funds for operations. The group has a working capital facility which the directors consider will be sufficient for the group's needs for the twelve months from the date of approval of these financial statements.

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18. Operating leases

Operating leases primarily relate to land and buildings. The Group does not have an option to purchase any of the operating leased assets at the expiry of the lease periods.

Payments recognised as an expense are disclosed in note 5.

Aggregate future minimum lease payments under non-cancellable operating lease commitments

	31 December 2021 £	31 December 2020 £
Land and buildings		
Not later than 1 year	5,694,120	4,671,166
After 1 year and not later than 5 years	17,429,612	14,978,993
After 5 years	9,573,153	10,136,165
	32,696,885	29,786,324

	31 December 2021 £	31 December 2020 £
Other		
Not later than 1 year	-	6,400

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19. Financial instruments

The Group's financial instruments may be analysed as follows:

	31 December 2021 £	31 December 2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	378,822	328,482
Financial assets that are debt instruments measured at amortised cost	30,948,587	46,680,199

	31 December 2021 £	31 December 2020 £
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	184,768,100	155,973,905
Financial liabilities measured at amortised cost	257,281,943	250,482,600

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, obligations under finance leases and hire purchase contracts, provisions and 9% loan notes.

Financial assets measured at fair value through profit or loss comprise other investments, derivative instruments and client money deposit interest dependent on exchange rates.

Financial liabilities measured at fair value through profit or loss comprise bank loans.

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20. Provisions

	NDO Provision	Claims Outstanding	Clawback Provision	Unearned Premiums	Deferred tax	Other Provisions	Total
	£	£	£	£	£	£	£
At 1 January 2021	120,127	408,772	311,951	1,670,123	3,956,487	-	6,467,460
Charge for year	(25,930)	(177,585)	144,618	78,499	(2,221,469)	-	(2,201,867)
Arising on business combinations	-	-	5,868	-	3,812,637	22,500	3,841,005
Transferred to debtors	-	-	-	(72,400)	-	-	(72,400)
Utilised during the year	-	-	(85,856)	-	-	-	(85,856)
At 31 December 2021	94,197	231,187	376,581	1,676,222	5,547,655	22,500	7,948,342

The NDO provision represents the potential amounts payable to landlords at the balance sheet date under the terms of the group's NDO products. At 31 December 2021, the group had a contingent liability in respect of these products amounting to £2,162,006 (2020: £1,774,768).

Claims outstanding is the estimate of direct costs to be incurred in settling claims, net of recoveries.

The clawback provision is an estimate of the potential commission that has been earned by the group on the sale of financial products that may need to be repaid in future accounting periods as a result of cancellation of those products.

An unearned premiums provision is made for commission received in respect of policies cancelled after the reporting date and is based on estimates of the unearned premium element of cancelled policies.

Deferred tax:

The deferred taxation provision represents timing differences between the treatment of items for tax and accounting purposes.

Deferred tax assets and liabilities are offset where the Group has a legal enforceable right to do so.

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The deferred tax liability consists of the following amounts:

	31 December 2021 £	31 December 2020 £
Accelerated capital allowances	(1,238,397)	(1,216,117)
Short term timing differences	(122,992)	(218,081)
Business combinations	6,909,044	5,390,685
	5,547,655	3,956,487

21. Client Money Balances

	31 December 2021 £	31 December 2020 £
Amounts held on behalf of clients	102,966,699	83,273,885
Amounts due to clients	*(102,966,699)*	*(83,273,885)*
	-	-

22. Retirement benefit plans

The group operates defined contributions pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £1,735,790 for the year (2020 - £1,545,474). Contributions totalling £352,724 (2020 - £268,900) were payable to the funds at the reporting date and are included in other payables.

23. Share capital

The total allotted share capital of the Company is:

Called up, allotted and unpaid:	2021 Number	£	2020 Number	£
A Ordinary shares of £0.0001 each	738,951	74	738,951	74
B Ordinary shares of £0.10 each	4,500	450	4,500	450
C1 Ordinary shares of *£0.0001* each	*260,989*	*26*	*260,989*	26
	1,004,440	550	1,004,440	550

A Ordinary shares represent 55% of the voting shares. B Ordinary shares represent 45% of the voting shares. C1 Ordinary shares carry no voting rights. All shares carry equal dividend rights.

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24. Related party transactions

Group only

Bowmark Capital Partners IV, a related entity of the ultimate parent at the year end, Bowmark Capital LLP, hold loan notes issued by the group amounting to £96,831,995 (2020 - £96,831,995). Interest on the loan notes is charged at 9% and an amount of £13,184,457 (2020 - £12,095,833) was charged to the profit and loss account. At 31 December 2021, the group owed Bowmark Capital Partners IV £159,678,428 (2020 - £146,493,971).

Bowmark Investment Partnership IV, a related entity of the ultimate parent at the year end, Bowmark Capital LLP, hold loan notes issued by the group amounting to £1,826,977 (2020 - £1,826,977). Interest on the loan notes is charged at 9% and an amount of £248,758 (2020 - £228,218) was charged to the profit and loss account. At 31 December 2021, the group owed Bowmark Investment Partnership IV £3,012,732 (2020 - £2,763,974).

Bowmark Participations LLP, a related entity of the ultimate parent at the year end, Bowmark Capital LLP, hold loan notes issued by the group amounting to £143,794 (2020 - £143,794). Interest on the loan notes is charged at 9% and an amount of £19,578 (2020 - £17,962) was charged to the profit and loss account. At 31 December 2021, the group owed Bowmark Participations LLP £237,120 (2020 - £217,542).

Group and company

P Kavanagh, a director and shareholder of the company, holds loan notes issued by the company. These amounted to £2,918,848 at 31 December 2021 (2020 - £2,918,848). Interest on the loan notes is charged at 9% and an amount of £397,425 (2020 - £364,610) was charged to the profit and loss account. The amount owed to P Kavanagh at 31 December 2021 by the group and company was £4,813,254 (2020 - £4,415,830).

P S Weller, a director and shareholder of the company, holds loan notes issued by the company. These amounted to £9,906,117 at 31 December 2021 (2020 - £9,906,117). Interest on the loan notes is charged at 9% and an amount of £1,348,798 (2020 - £1,237,429) was charged to the profit and loss account. The amount owed to P Weller at 31 December 2021 by the group and company was £16,335,439 (2020 - £14,986,642).

M J Light, a director and shareholder of the company, holds loan notes issued by the company. These amounted to £1,537,774 at 31 December 2021 (2020 - £1,537,774). Interest on the loan notes is charged at 9% and an amount of £209,380 (2020 - £192,092) was charged to the profit and loss account. The amount owed to M Light at 31 December 2021 by the group and company was £2,535,829 (2020 - £2,326,448).

R A Connell, a director of the company, holds loan notes issued by the company. These amounted to £971,820 at 31 December 2021 (2020 - £971,820). Interest on the loan notes is charged at 9% and an amount of £132,321 (2020 - £121,396) was charged to the profit and loss account. The amount owed to R Connell at 31 December 2021 by the group and company was £1,602,586 (2020 - £1,470,235).

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A Thompson, a shareholder of the company and director of a subsidiary company, holds loan notes issued by the company. These amounted to £586,770 at 31 December 2021 (2020 - £586,770. Interest on the loan notes is charged at 9% and an amount of £79,891 (2020 - £73,336) was charged to the profit and loss account. The amount owed to A Thompson at 31 December 2021 by the group and company was £967,571 (2020 - £888,178).

M B Cook, a director and shareholder of the company, holds loan notes issued by the company. These amounted to £33,771 at 31 December 2021 (2020 - £33,771). Interest on the loan notes is charged at 9% and an amount of £4,598 (2020 - £4,219) was charged to the profit and loss account. The amount owed to M B Cook at 31 December 2021 by the group and company was £55,689 (2020 - £51,091).

Key management personnel are considered to be the Board of Directors of the company, who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,775,224 (2020 - £1,446,541).

25. Ultimate controlling party

At 31 December 2021, the company was ultimately controlled by funds managed by Bowmark Capital LLP. As disclosed in note 27, on 28 February 2022, the Leaders Romans Group was sold and is now indirectly owned and controlled by certain investment vehicles advised by Platinum Equity Advisors, LLC.

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Notes to the consolidated financial statements

26. Non-controlling interests

The movements in non-controlling interests was as follows:

	2021 £	2020 £
At 1 January	222,992	72,413
Acquisition of Capgen Services Limited	-	(3,472)
Shares issued by subsidiary company in the year	267,000	-
Profit attributable to non-controlling interest	114,776	154,051
At 31 December	604,768	222,992

27. Events after the balance sheet date

On 28 February 2022, the Leaders Romans Group was acquired by certain investment vehicles managed by Platinum Equity Advisors, LLC. As part of this transaction, the group's bank debt was refinanced, with existing facilities being repaid and replaced with new facilities which have repayment dates between 2027 and 2029.

On 2 March 2022, the group acquired the entire share capital of Northfields Holdings Limited and its subsidiary companies ("Northfields"). Northfields is a residential lettings and sales agency located in four locations across West London.

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Notes to the consolidated financial statements

28. Net debt

	At 1 January 2021 £	Cash flows £	Acquired £	Fair value movements £	Non-cash changes £	At 31 December 2021 £
Cash at bank and in hand	33,695,525	(23,664,162)	5,008,966	-	-	15,040,329
Revolving credit facility	(1,959,615)	-	-	-	-	(1,959,615)
Senior loans	(154,014,290)	(13,763,902)	-	(3,950,897)	(4,231,108)	(175,960,197)
Loan notes	(132,858,994)	-	-	-	-	(132,858,994)
Finance leases	(5,563,421)	2,320,265	-	-	(1,557,040)	(4,800,196)
Derivative financial instruments	872	-	-	33,466	-	34,338
Total	(260,699,923)	(35,107,799)	5,008,966	(3,917,431)	(5,788,148)	(300,504,335)

The non-cash changes comprise new finance leases (£1,557,040) and capitalised interest (£4,231,108).

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Notes to the consolidated financial statements

29. Acquisitions

The group continued its strategy of growth by acquisition and acquired a number of businesses during the year. The consideration includes amounts payable on completion, an estimate of any deferred consideration and any amounts payable for net assets acquired.

Date acquired	Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Group 31 December 2021
10/02/2021	Hill & Clark Limited	Estate agents	England & Wales	100%
10/03/2021	Gibbs Gillespie Lettings Limited	Estate agents	England & Wales	100%
10/03/2021	Gibbs Gillespie Sales Limited	Estate agents	England & Wales	100%
10/03/2021	Mortgage & Insurance Bureau Limited	Financial Services	England & Wales	100%
31/08/2021	Dewhurst Holdings Limited	Estate agents	England & Wales	100%
30/09/2021	Portico Property Limited	Estate agents	England & Wales	100%
19/10/2021	Orchards of London Limited	Estate agents	England & Wales	100%
29/10/2021	Thorgills Property Group Limited	Estate agents	England & Wales	100%

In addition to the above, the group also acquired the trades of Eurolet LLP on 27 January 2021 and Guardian Residential Lettings & Sales LLP on 10 March 2021.

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Notes to the consolidated financial statements

Acquisition of Hill & Clark Limited

On 10 February 2021 the group acquired the entire share capital of Hill & Clark Limited, for a total consideration of £2,609,364 (including expenses of £24,795). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Fixed assets	51,132	-	51,132
Investments	3,818	-	3,818
Customer relationships	-	269,577	269,577
Customer lists	-	323,800	323,800
Brand	-	331,537	331,537
Current assets			
Debtors	58,424	-	58,424
Cash	875,914	-	875,914
Total assets	989,288	929,914	1,914,202
Creditors	(154,720)	-	(154,720)
Deferred tax	-	(186,979)	(186,979)
Net assets	834,568	737,935	1,572,503
Cash consideration (including expenses of £24,795)			2,359,364
Deferred consideration			250,000
Net assets acquired			(1,572,503)
Goodwill arising on acquisition			**1,036,861**

The trade of Hill & Clark Limited was transferred to another group company immediately following acquisition. The revenue and profit contributed to the group results in the year is not therefore obtainable.

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Notes to the consolidated financial statements

Acquisition of Gibbs Gillespie Lettings Limited, Gibbs Gillespie Sales Limited, and Mortgage & Insurance Bureau Limited

On 26 February 2021 the group acquired the entire share capital of Gibbs Gillespie Lettings Limited, Gibbs Gillespie Sales Limited, and Mortgage & Insurance Bureau Limited for a combined total consideration of £13,088,371 (including expenses of £122,320). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Tangible fixed assets	365,426	-	365,426
Intangible fixed assets	3,188,990	(3,138,483)	50,507
Customer relationships	-	1,078,775	1,078,775
Customer lists	-	3,808,436	3,808,436
Brand	-	1,811,800	1,811,800
Current assets			
Debtors	2,798,214	-	2,798,214
Cash	2,891,665	-	2,891,665
Total assets	9,244,295	3,560,528	12,804,823
Creditors	(4,193,620)	-	(4,193,620)
Deferred tax	(47,044)	(1,351,177)	(1,398,221)
Net assets	5,003,631	2,209,351	7,212,982
Cash consideration (including expenses of £122,320)			11,088,371
Deferred consideration			2,000,000
Net assets acquired			(7,212,982)
Goodwill arising on acquisition			**5,875,389**

The trades of Gibbs Gillespie Lettings Limited, Gibbs Gillespie Sales Limited, and Mortgage & Insurance Bureau Limited were transferred to other group companies shortly after acquisition. The revenue and profit contributed to the group results in the year is not therefore obtainable.

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Notes to the consolidated financial statements

Acquisition of Dewhurst Holdings Limited

On 31 August 2021 the group acquired the entire share capital of Dewhurst Holdings Limited and its wholly owned subsidiary, Dewhurst Lettings Limited for a total consideration of £1,322,125 (including expenses of £15,810). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Tangible fixed assets	9,021	-	9,021
Investments	508	-	508
Customer relationships	-	364,304	364,304
Customer lists	-	82,213	82,213
Current assets			
Debtors	67,842	-	67,842
Cash	196,339	-	196,339
Total assets	273,710	446,517	720,227
Creditors	(117,395)	-	(117,395)
Deferred tax	-	(101,764)	(101,764)
Net assets	156,315	344,753	501,068
Cash consideration (including expenses of £15,810)			1,322,125
Net assets acquired			(501,068)
Goodwill arising on acquisition			**821,057**

The trades of Dewhurst Holdings Limited and its wholly owned subsidiary, Dewhurst Lettings Limited were transferred to another group company immediately following acquisition. The revenue and profit contributed to the group results in the year is not therefore obtainable.

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Notes to the consolidated financial statements

Acquisition of Portico Property Limited

On 30 September 2021 the group acquired the entire share capital of Portico Property Limited and its wholly own subsidiaries for a cash consideration of £6,042,139 (including expenses of £146,689). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Tangible fixed assets	472,753	-	472,753
Intangible fixed assets	14,305,685	(13,744,362)	561,323
Investments	121	-	121
Customer relationships	-	2,600,944	2,600,944
Customer lists	-	1,515,314	1,515,314
Brand	-	1,389,277	1,389,277
Current assets			
Debtors	803,977	-	803,977
Cash	501,395	-	501,395
Total assets	16,083,931	(8,238,827)	7,845,104
Creditors	(11,119,799)	-	(11,199,799)
Provisions for liabilities and charges	(22,500)	-	(1,252,383)
Deferred tax	(41,904)	(1,210,479)	(22,500)
Net assets/(liabilities)	4,899,728	(9,449,306)	(4,549,578)
Cash consideration (including expenses of £146,689)			6,042,139
Net liabilities acquired			4,549,578
Goodwill arising on acquisition			**10,591,717**

The revenue from Portico Property Limited and its wholly own subsidiaries in the consolidated profit and loss account for 2021 was £2,078,338 and they generated a loss before tax of £299,491 over the same period.

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Notes to the consolidated financial statements

Acquisition of Orchards of London Limited

On 19 October 2021 the group acquired the entire share capital of Orchards of London Limited for a total consideration of £2,664,885 (including expenses of £25,203). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Tangible fixed assets	16,239	-	16,239
Customer relationships	-	339,732	339,732
Customer lists	-	425,296	425,296
Current assets			
Debtors	200,917	-	200,917
Cash	347,547	-	347,547
Total assets	564,703	765,028	1,329,731
Creditors	(161,746)	-	(161,746)
Deferred tax	(3,085)	(161,562)	(164,647)
Net assets	399,872	603,466	1,003,338
Cash consideration (including expenses of £25,203)			2,425,075
Deferred consideration			239,810
Net assets acquired			(1,003,338)
Goodwill arising on acquisition			**1,661,547**

The trade of Orchards of London Limited was transferred to another group company immediately following acquisition. The revenue and profit contributed to the group results in the year is not therefore obtainable.

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Notes to the consolidated financial statements

Acquisition of Thorgills Property Group Limited

On 29 October 2021 the group acquired the entire share capital of Thorgills Property Group Limited for total consideration of £2,984,808 (including expenses of £23,718). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Tangible fixed assets	80,189	-	80,189
Customer relationships	-	649,227	649,227
Customer lists	-	1,639,062	1,639,062
Current assets			
Debtors	58,030	-	58,030
Cash	196,106	-	196,106
Total assets	334,325	2,288,289	2,622,614
Creditors	(559,749)	-	(559,749)
Deferred tax	(13,486)	(465,837)	(479,323)
Net assets	(238,910)	1,822,452	1,583,542
Cash consideration (including expenses of £23,718)			2,384,808
Deferred consideration			600,000
Net assets acquired			(1,583,542)
Goodwill arising on acquisition			**1,401,266**

The trade of Thorgills Property Group Limited was transferred to another group company immediately following acquisition. The revenue and profit contributed to the group results in the year is not therefore obtainable.

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Notes to the consolidated financial statements

Other acquisitions

During the year the group acquired the trades of Eurolet LLP and Guardian Residential Lettings & Sales LLP for a combined consideration of £2,314,207 (including expenses of £14,207). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value	Fair value adjustments	Fair value
	£	£	£
Fixed assets			
Tangible fixed assets	-	-	-
Customer relationships	-	948,914	948,914
Customer lists	-	135,442	135,442
Current assets			
Debtors	-	-	-
Cash	-	-	-
Total assets	-	1,084,356	1,084,356
Creditors	-	-	-
Deferred tax	-	(245,890)	(245,890)
Net assets	-	838,466	838,466
Cash consideration (including expenses of £14,207)			1,964,207
Deferred consideration			350,000
Net assets acquired			(838,466)
Goodwill arising on acquisition			**1,475,741**

The trades of Eurolet LLP and Guardian Residential Lettings Limited were transferred to other group companies immediately following acquisition. The revenue and profit contributed to the group results in the year is not therefore obtainable.

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Notes to the consolidated financial statements

30. Contingent liabilities

The Leaders Romans Group Limited has provided an unlimited guarantee over all the liabilities of the following indirect subsidiaries:

	Registered Number
Elldee Franchising Limited	06247563
Hello Ted Limited	12061002
Leaders Group	03042443
Leaders Lettings Limited	07111438
Leaders First In Letting Limited	08614101
Leaders the Rental Agents Limited	08619691
Relocate UK Limited	03009421
Revolution Property Management Limited	05877457
Romans 1 Limited	08652570
Romans 2 Limited	08653077
Romans 3 Limited	08653616
Romans Professional Services Limited	02606388
Three Sixty Maintenance Limited	12312244
Boyer Planning Limited	02529151
Capgen Services Limited	06598995
Outlook Property Limited	04214170
Scott Fraser Limited	05480849
Gibbs Gillespie Lettings Limited	03267404
Gibbs Gillespie Sales Limited	08786708
Mortgage & Insurance Bureau Limited	03473843
Hill & Clark Limited	07551391
Portico Property Limited	04971609
Portico Financial Services Limited	11593121

Seven (2020: six) of the above entities have net liabilities at the year-end totalling £121,207,507 (2020: £103,418,936). All of the above entities have taken the audit exemption under s479A Companies Act 2006.

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED

Opinion

We have audited the financial statements of The Leaders Romans Group Limited (the 'company') for the year ended 31 December 2021, which comprise the company balance sheet, company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view,

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement team's understanding of the legal and regulatory framework and which laws and regulations the engagement team identified as being significant in the context of the entity

The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, to understand these:

- We enquired of management, the audit committee and those charged with governance, concerning the Company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, the audit committee and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

- We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We identified whether there is a culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- In addition, we concluded that there are certain significant laws and regulations, such as Employment Law and Health and Safety regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to employee matters.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The engagement team's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; and
  - potential management bias in determining estimates and judgements, particularly in relation to assessing the impairment of intercompany receivables.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - *journal entry testing; with a focus on material manual journals, including those with unusual* account combinations and those posted directly to cash, debtors and creditors control accounts;
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement items.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS GROUP LIMITED (CONTINUED)

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;

  - knowledge of the industry in which the entity operates; and

  - understanding of the legal and regulatory requirements specific to the entity.

Matters about non-compliance with laws and regulations and fraud that were communicated with the engagement team

- We communicated identified laws and regulations throughout the engagement team, including component auditors, and remained alert to indications of non-compliance and the potential for fraud.

Use of our report

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

Grant Thornton UK LLP

Norman Armstrong BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountant
Southampton

30 May 2022

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Company Balance Sheet as at 31 December

	Note	31 December 2021 £	31 December 2020 £
Assets			
Non-current assets			
Investments	2	1,000	1,000
		1,000	1,000
Current assets			
Debtors	3	57,759,286	52,993,373
Creditors: amounts falling due within one year	4	(23,468,910)	(18,708,467)
Net current assets		34,290,376	34,284,906
Total assets less current liabilities		34,291,376	34,285,906
Creditors: amounts falling due after more than one year	5	(34,056,227)	(34,056,227)
Net assets/(liabilities)		235,149	229,679
Equity			
Share capital	7	550	550
Share premium account		91,897	91,897
Profit and loss account reserve		142,702	137,232
Total equity		235,149	229,679

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit after tax of the parent company for the year was £5,470 (2020: £873,378).

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2022 and were signed on its behalf by:

Paul Aitchison

P L Aitchison
Director
Company registration number: 09939099

The notes on pages 81 to 86 form an integral part of these financial statements.

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Company Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Share premium account	Profit and loss account reserve	Total
	£	£	£	£
Balance at 1 January 2021	550	91,897	137,232	229,679
Profit for the year	-	-	5,470	5,470
Total comprehensive income for the year	-	-	5,470	5,470
Balance at 31 December 2021	550	91,897	142,702	235,149

For the year ended 31 December 2020

	Share capital	Share premium account	Profit and loss account reserve	Total
	£	£	£	£
Balance at 1 January 2020	550	91,897	(736,146)	(643,699)
Profit for the year	-	-	873,378	873,378
Total comprehensive income for the year	-	-	873,378	873,378
Balance at 31 December 2020	550	91,897	137,232	229,679

The notes on pages 81 to 86 form an integral part of these financial statements.

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Notes to the Company Financial statements

1. Accounting Policies

1.1 Basis of preparation

The annual financial statements of The Leaders Romans Group Limited (the Parent Company financial statements) have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom.

As permitted by section 408 of Companies Act 2006, a separate profit and loss account for the Company has not been included in these financial statements. The Company's profit for the year ended 31 December 2021 was £5,470 (2020: £873,378).

1.2 Going Concern

The Directors have considered the cash flow requirements for the Group to 31 May 2023, being a period of not less than twelve months from the date of approval of these financial statements. Based on these projections the directors consider that both the Company and the Group will have sufficient cash resources during this period to pay all of its liabilities as they fall due and therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

The Group incurred a loss before tax of £52,200,880 for the year ended 31 December 2021 (2020: £45,354,295) and had net liabilities of £308,886,967 (31 December 2020: £262,992,671) at the balance sheet date. The Group generated operating profit before amortisation and exceptional items £29,526,401 (31 December 2020: £20,550,434) and, as is typical of a Private Equity controlled group, both the loan notes and bank loans are long term liabilities and do not fall due until 2023 or 2024. Subsequent to the year end, the bank debt was refinanced with existing facilities being repaid and replaced with new facilities which have repayment dates between 2027 and 2029. The Directors are confident in the cash generation of the business with cash generated from operations of £24,276,463 (2020: £38,557,528) allowing the group to fund a number of acquisitions in the year from cash. Cash held at the balance sheet date of £15,040,329 (31 December 2020: £33,695,525).

During the year, the profit and loss, balance sheet and cash flow forecasts were regularly reviewed and shared with the board. The latest trading levels and forecasts available to the Group were also reviewed regularly. Performance was continually monitored against these forecasts. The Directors have reviewed the covenant requirements and have determined the circumstances under which the group might breach covenants, this would only arise in the highly unlikely combination of circumstances resulting in revenues falling by more than 10%, in which event, mitigating actions could be taken to ensure covenants were met.

Having reviewed the Group's forecasts, projections and required covenant compliance to 31 May 2023, recognising the uncertain economic environment and taking account of reasonably possible changes in trading performance, these show that the Group is able to generate sufficient liquidity to operate within covenants and continue in operational existence for the foreseeable future. On this basis, the Directors believe that the Group will be able to generate sufficient cash through its normal business trading to enable it to continue its operations, and continue to meet, as and when they fall due, its planned and committed liabilities for at least the next twelve months from the date of approval of these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

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Notes to the Company Financial statements

1.3 Investments

Fixed asset investments are stated at cost. Investments are tested for impairment when circumstances indicate that the carrying value may be impaired.

1.4 Impairment of non-financial assets

At each balance sheet date, the Directors review the carrying amounts of the Company's non-financial assets, 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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. If the recoverable amount of a cash-generating unit is less than its carrying 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 periods.

Where an impairment loss 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 periods. A reversal of an impairment loss is recognised in the profit and loss account immediately.

1.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs. Financial assets and financial liabilities are measured subsequently as described below.

1.6 Financial assets

The Company classifies its financial assets as measured at amortised cost. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

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Notes to the Company Financial statements

1.7 Financial liabilities

The Company's financial liabilities include trade and other creditors.

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

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

1.8 Current taxation

Current taxation is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

1.9 Deferred taxation

Deferred taxation is calculated on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements using the liability method. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit and loss account, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.10 Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "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.

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Notes to the Company Financial statements

2. Investments

	Investments in Subsidiaries £
Cost	
As at 1 January 2021	1,000
Additions	-
As at 31 December 2021	1,000

The Company's subsidiaries are detailed in note 13 to the consolidated financial statements.

3. Debtors

	2021 £	2020 £
Amounts due from group undertakings	57,758,736	52,992,823
Other debtors	550	550
	57,759,286	52,993,373

Included within amounts due from group undertakings above are debtors amounting to £35,002,250 (2020 - £35,002,250) on which interest is charged at a rate of 9% per annum. All other intercompany balances are interest free.

4. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	1,352,197	1,229,973
Accruals	22,116,713	17,478,494
	23,468,910	18,708,467

5. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Loan notes	34,056,227	34,056,227
Non-current:		
- 2 - 5 years	34,056,227	34,056,227

The loan notes accrue interest at 9% and are repayable by 15 March 2023 or at point of sale or listing.

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Notes to the Company Financial statements

6. Financial instruments

The Company's financial instruments may be analysed as follows:

	31 December 2021 £	31 December 2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost	57,759,286	52,993,373

	31 December 2021 £	31 December 2020 £
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	57,525,137	52,764,694

Financial assets measured at amortised cost comprise other debtors and amounts due from group companies.

Financial liabilities measured at amortised cost comprise accruals, 9% loan notes and amounts due to group companies.

7. Share capital

The total allotted share capital of the Company is:

Called up, allotted and unpaid:

	2021 Number	£	2020 Number	£
A Ordinary shares of £0.0001 each	738,951	74	738,951	74
B Ordinary shares of £0.10 each	4,500	450	4,500	450
C1 Ordinary shares of £0.0001 each	260,989	26	260,989	26
	1,004,440	550	1,004,440	550

A Ordinary shares represent 55% of the voting shares. B Ordinary shares represent 45% of the voting shares. C1 Ordinary shares carry no voting rights. All shares carry equal dividend rights.

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Notes to the Company Financial statements

8. Events After the Balance Sheet Date

See note 27 of the Notes to the Consolidated Financial Statements.

9. Contingent liabilities

The Leaders Romans Group Limited has provided an unlimited guarantee over all the liabilities of the following indirect subsidiaries:

	Registered Number
Elldee Franchising Limited	06247563
Hello Ted Limited	12061002
Leaders Group	03042443
Leaders Lettings Limited	07111438
Leaders First In Letting Limited	08614101
Leaders the Rental Agents Limited	08619691
Relocate UK Limited	03009421
Revolution Property Management Limited	05877457
Romans 1 Limited	08652570
Romans 2 Limited	08653077
Romans 3 Limited	08653616
Romans Professional Services Limited	02606388
Three Sixty Maintenance Limited	12312244
Boyer Planning Limited	02529151
Capgen Services Limited	06598995
Outlook Property Limited	04214170
Scott Fraser Limited	05480849
Gibbs Gillespie Lettings Limited	03267404
Gibbs Gillespie Sales Limited	08786708
Mortgage & Insurance Bureau Limited	03473843
Hill & Clark Limited	07551391
Portico Property Limited	04971609
Portico Financial Services Limited	11593121

Seven (2020: six) of the above entities have net liabilities at the year-end totalling £121,207,507 (2020: £103,418,936). All of the above entities have taken the audit exemption under s479A Companies Act 2006.