

Registered number: 06247563

ELLDEE FRANCHISING LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



ELLDEE FRANCHISING LIMITED

COMPANY INFORMATION

Directors	P L Aitchison P Kavanagh M J Light P S Weller
Company secretary	P L Aitchison
Registered number	06247563
Registered office	Crowthorne House Nine Mile Ride Wokingham Berkshire RG40 3GZ

ELLDEE FRANCHISING LIMITED

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ELLDEE FRANCHISING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the company is the provision of management services to franchises operating in the residential property market. There have been no changes in the activities of the company in the year under review.

Results and dividends

The profit for the year, after taxation, amounted to £995 (2020 - £2,465).

No dividends were paid during the year. The directors do not recommend the payment of a dividend (year ended 31 December 2020 - £Nil).

Directors

The Directors who served during the year were:

P L Aitchison
P Kavanagh
M J Light
P S Weller

At 31 December 2021, 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 this transaction, the group's bank debt was refinanced, with existing facilities being repaid and replaced with new facilities which have repayments dates between 2027 and 2029.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

ELLDEE FRANCHISING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25 May 2022 and signed on its behalf.



P L Aitchison
Director

ELLDEE FRANCHISING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover		11,087	11,769
Gross profit		11,087	11,769
Administrative expenses		(10,092)	(11,769)
Operating profit		995	-
Tax on profit		-	2,465
Profit for the financial year		995	2,465

The notes on pages 6 to 10 form part of these financial statements.

ELLDEE FRANCHISING LIMITED
REGISTERED NUMBER: 06247563

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £	2020 £
Current assets				
Debtors: amounts falling due within one year	6	25,173	13,517	
Cash at bank and in hand		25,000	25,000	
		<u>50,173</u>	<u>38,517</u>	
Creditors: amounts falling due within one year	7	(33,737)	(23,076)	
Net current assets			<u>16,436</u>	<u>15,441</u>
Total assets less current liabilities			<u>16,436</u>	<u>15,441</u>
Net assets			<u>16,436</u>	<u>15,441</u>
Capital and reserves				
Called up share capital	8	2	2	
Profit and loss account		16,434	15,439	
		<u>16,436</u>	<u>15,441</u>	

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

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

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 May 2022.



P L Aitchison
Director

The notes on pages 6 to 10 form part of these financial statements.

ELLDEE FRANCHISING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £	Profit and loss account reserve £	Total £
At 1 January 2020	2	12,974	12,976
Profit for the year	-	2,465	2,465
Total comprehensive income for the year	-	2,465	2,465
At 1 January 2021	2	15,439	15,441
Profit for the year	-	995	995
Total comprehensive income for the year	-	995	995
At 31 December 2021	2	16,434	16,436

The notes on pages 6 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Nature of operations and general information

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

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover comprises fees receivable from franchisees and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount 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.

2.3 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.

2.4 Financial instruments

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Financial instruments (continued)

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

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

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

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

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

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

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ELLDEE FRANCHISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Turnover

The Company's turnover is all derived from franchise services within the UK.

4. Employees

During the year the company had no employees and there were no directors' emoluments (year ended 31 December 2020: Nil).

The average monthly number of employees, including directors, during the year was 0 (2020 - 0).

5. Taxation

	2021 £	2020 £
Corporation tax		
Adjustments in respect of previous periods	-	(2,465)
	<u>-</u>	<u>(2,465)</u>
Total current tax	<u>-</u>	<u>(2,465)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>995</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	189	-
Effects of:		
Group relief	(189)	-
Adjustments to tax charge in respect of prior periods	-	(2,465)
Total tax charge for the year	<u>-</u>	<u>(2,465)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £250,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning taxable profits between the two levels.

6. Debtors

	2021 £	2020 £
Trade debtors	918	1,000
Corporation tax recoverable	2,465	2,465
Amounts owed by group undertakings	21,790	9,552
Prepayments and accrued income	-	500
	<u>25,173</u>	<u>13,517</u>

All amounts shown under debtors fall due for payment within one year. The Directors consider the carrying value of trade and other receivables is approximate to their fair value.

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	17,210	1,183
Other taxation and social security	-	3,027
Other creditors	16,527	18,866
	<u>33,737</u>	<u>23,076</u>

8. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 (2020 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

9. Contingent liabilities

The company has guaranteed the borrowings of The Leaders Romans Bidco Limited, a fellow subsidiary of The Leaders Romans Group Limited. The borrowings subject to the guarantee at 31 December 2021 totalled £177,079,206 (31 December 2020 - £158,829,829).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Related party transactions

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

11. 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 this transaction, the group's bank debt was refinanced, with existing facilities being repaid and replaced with new facilities which have repayments dates between 2027 and 2029.

12. Controlling party

The company is a subsidiary of Leaders Limited. At 31 December 2021, the company's ultimate parent company was The Leaders Romans Group Limited. Both companies are registered at Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ.

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

The Leaders Romans Group Limited is the largest group in which the results of the company are consolidated.

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

At 31 December 2021, the company was ultimately controlled by funds managed by Bowmark Capital LLP. 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.