

Leaders The Rental Agents Limited

Report and Financial Statements

Year Ended

31 March 2016

Company Number: 08619691

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Leaders The Rental Agents Limited

Report and financial statements for the year ended 31 March 2016

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Directors

P S Weller
M J Light
M Salter
T Shelford

Secretary

M J Light

Registered office

Becket House, 6 Littlehampton Road, Worthing, West Sussex, BN13 1QE

Company number

08619691

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Leaders The Rental Agents Limited

Report of the directors for the year ended 31 March 2016

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2016.

Principal Activities

The principal activities of the company in the year under review were those of a holding company to subsidiary companies providing services to the residential lettings sector.

Results

The statement of comprehensive income is set out on page 5 and shows the loss for the year.

Qualifying third party indemnity provisions

The company has arranged qualifying third party indemnity for all of its directors.

Directors

The directors of the company during the year were:

P S Weller
M J Light
M Salter
T Shelford

Directors' responsibilities

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; 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 show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Leaders The Rental Agents Limited

Report of the directors for the year ended 31 March 2016 (*continued*)


Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



P S Weller
Director

Date: 25/08/2016

Leaders The Rental Agents Limited

Independent auditor's report

To the members of Leaders The Rental Agents Limited

We have audited the financial statements of Leaders The Rental Agents Limited for the year ended 31 March 2016 which comprises the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Leaders The Rental Agents Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.



Russell Field (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

Date: 25/08/2016

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

Leaders The Rental Agents Limited

Statement of comprehensive income for the year ended 31 March 2016

	Note	2016 £	2015 £
Administrative expenses		<u>116,125</u>	<u>127,507</u>
Operating loss		(116,125)	(127,507)
Interest payable and similar charges	3	<u>6,465,054</u>	<u>5,833,198</u>
Loss on ordinary activities before taxation		(6,581,179)	(5,960,705)
Taxation on ordinary activities	4	<u>(22,662)</u>	<u>32,628</u>
Loss and total comprehensive income for the year		(6,603,841)	(5,928,077)

All amounts relate to continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

Leaders The Rental Agents Limited

Balance sheet at 31 March 2016

<i>Company number 08619691</i>	Note	2016	2016	2015	2015
		£	£	£	£
Fixed assets					
Investments	5		50,450,358		50,450,358
Current assets					
Debtors	6	18,781,409		3,472,521	
Creditors: amounts falling due within one year	7	<u>1,856,663</u>		<u>1,580,641</u>	
Net current assets			<u>16,924,746</u>		<u>1,891,880</u>
Total assets less current liabilities			<u>67,375,104</u>		<u>52,342,238</u>
Creditors: amounts falling due after more than one year	8		<u>83,881,419</u>		<u>62,244,712</u>
Net liabilities			<u>(16,506,315)</u>		<u>(9,902,474)</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account			<u>(16,506,316)</u>		<u>(9,902,475)</u>
Shareholders' deficit			<u>(16,506,315)</u>		<u>(9,902,474)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board and authorised for issue on 25/08/2016


P S Weller
Director

The notes on pages 8 to 14 form part of these financial statements.

Leaders the Rental Agents Limited

Statement of changes in equity for the year ended 31 March 2016

	Called up share capital £	Profit and loss account £	Total equity £
1 April 2014	1	(3,974,398)	(3,974,397)
Loss and total comprehensive income for the year	-	(5,928,077)	(5,928,077)
31 March 2015	1	(9,902,475)	(9,702,474)
1 April 2015	1	(9,902,475)	(9,902,474)
Loss and total comprehensive income for the year	-	(6,603,841)	(6,603,841)
31 March 2016	1	(16,506,316)	(16,506,315)

The notes on pages 8 to 14 form part of these financial statements

Leaders The Rental Agents Limited

Notes forming part of the financial statements for the year ended 31 March 2016

1 Accounting policies

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.

These financial statements are the first financial statements prepared under FRS 102 and information on the impact of first-time adoption of FRS 102 is given in note 14.

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. Further details are given in note 2.

FRS 102 Reduced Disclosure Framework - disclosure exemptions

In preparing these financial statements advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented;
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in the consolidated financial statements for the group of which it is a member; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the consolidated financial statements for the group of which it is a member.

Investments

Investments in subsidiary undertakings within the company balance sheet are stated at cost.

Finance costs

Finance costs are charged to the profit and loss account over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

2 Auditors' remuneration, employees and directors

The auditors' remuneration is borne by a fellow group company. The company had no employees in the year. No director received any remuneration from the company for the year.

Leaders The Rental Agents Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

3 Interest payable and similar charges

	2016 £	2015 £
Bank loans	5,926,001	4,933,251
Amortisation of bank loan fees	532,469	617,241
Other interest	119,896	119,568
Fair value adjustment	(113,312)	163,138
	<u>6,465,054</u>	<u>5,833,198</u>

4 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>Analysis of charge for the year</i>		
<i>Current tax</i>		
UK Corporation tax	-	-
	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Origination of timing differences	(22,662)	32,628
	<u>(22,662)</u>	<u>32,628</u>
Taxation on loss on ordinary activities for the year	(22,662)	32,628
	<u>(22,662)</u>	<u>32,628</u>
<i>Factors affecting the current tax charge for the year</i>		
Loss on ordinary activities before taxation	(6,581,179)	(5,960,705)
	<u>(6,581,179)</u>	<u>(5,960,705)</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 - 21%)	(1,316,236)	(1,251,748)
Effects of:		
Group relief claimed	1,316,236	1,251,748
	<u>1,316,236</u>	<u>1,251,748</u>
Current tax charge for the year	-	-
	<u>-</u>	<u>-</u>

Leaders The Rental Agents Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

5 Investment

	Group Undertakings
Company	£
Cost 1 April 2015 and 31 March 2016	50,450,358

Subsidiaries undertakings

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

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

	Percentage of ordinary share capital held and voting rights	Nature of business at balance sheet date
<i>Subsidiary undertakings</i>		
Leaders Lettings Trading Limited	100%	Holding company
Leaders Limited*	100%	Property letting agent
Leader Sales Limited*	100%	Property sales
Relocate UK Limited*	100%	Management services
Elldae Franchising Limited*	100%	Management services
Leaders Jordans Limited*	100%	Holding Company
Residential Holdings Limited*	100%	Holding Company
Jordans Residential Lettings Limited*	100%	Property letting agent
Emperor Insurance Guernsey Limited*	100%	Insurance services
Hepburn Insurance Services Limited*	100%	Insurance services
CPM Holdings Limited*	100%	Dormant
Principal Property Services Limited*	100%	Dormant
Coast & Country Residential Lettings Limited*	100%	Dormant
Taylor Robinson Rentals Limited*	100%	Dormant
JML Residential Lettings Limited*	100%	Dormant
Shoreline Properties (Ocean Village) Limited*	100%	Dormant
Darwoods Property Services Limited*	100%	Dormant
Hobbits Property Management Limited*	100%	Dormant
Grants Property Management Limited*	100%	Dormant
KR Letting Services Limited*	100%	Dormant
Accent Property Management Limited*	100%	Dormant
Indigo House Sales & Lettings Limited*	100%	Dormant
Oak Residential Limited*	100%	Dormant
JSM Property Management Limited*	100%	Dormant
Burns Property Management Limited*	100%	Dormant
Browns Property Services (Surrey) Limited*	100%	Dormant

Leaders The Rental Agents Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

Investments (*continued*)

Haines & Co Limited*	100%	Dormant
Hometrax Limited*	100%	Dormant
Clarendon Letting & Management Limited*	100%	Dormant
The Letting Shop Limited*	100%	Dormant
Drummonds of Godalming Limited*	100%	Dormant
Vernon Property Management Limited*	100%	Dormant
Bush Property Management Limited*	100%	Dormant
Lynda Paine Lettings Limited*	100%	Dormant
Goddard & Co Rentals Limited*	100%	Dormant
Goddard & Co Rentals (Mid-Suffolk) Limited*	100%	Dormant
Goddard & Co Rentals (Felixstowe) Limited*	100%	Dormant
Perry Bishop & Chambers Limited*	100%	Dormant
Brian Smith Property Management Limited*	100%	Dormant
Saxon Management (Christchurch) Limited*	100%	Dormant
Saxon Management (New Milton) Limited*	100%	Dormant
Brookes Hall Limited*	100%	Dormant
Mitchell & Perryer Limited*	100%	Dormant
Isherwood Residential Limited*	100%	Dormant
Swan Residential Limited*	100%	Dormant
Temples Property Management (BSE) Limited*	100%	Dormant
Alexanders Residential Lettings Limited*	100%	Dormant
Oaks Property (UK) Limited*	100%	Dormant
QB Management Limited*	100%	Dormant
Waterside Properties (Poole) Limited*	100%	Dormant
Leaders Waterside Properties Limited*	100%	Dormant
Spinnaker Residential Limited*	100%	Dormant
IMS Lettings Limited*	100%	Dormant
Aston Mead Estate Agents Limited*	100%	Dormant
C T Trading Limited*	100%	Dormant
Simply Lets Limited*	100%	Dormant
Lloyds Property Agents Limited*	100%	Dormant
Town & Country (Holdings) Limited*	100%	Dormant
Leeco (Buckingham) Limited*	100%	Dormant
Heritage Property (Leamington Spa) Limited*	100%	Dormant
Giles Fullerton (East Anglia) Limited*	100%	Dormant
Tudor Property Consultants Limited*	100%	Dormant

With the exception of Emperor Insurance Guernsey Limited, which is a company incorporated in Guernsey, all undertakings are incorporated in England and Wales and operate in England.

Leaders The Rental Agents Limited holds 100% of the voting rights for all of the above subsidiary undertakings.

*Held indirectly

Leaders The Rental Agents Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

6 Debtors

	2016 £	2015 £
Prepayments	48,509	167,529
Deferred tax (note 9)	11,934	34,597
Amounts owed from parent undertakings	957,200	957,200
Amounts owed from subsidiary undertakings	17,763,766	2,313,195
	<u>18,781,409</u>	<u>3,472,521</u>

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals	<u>1,856,663</u>	<u>1,580,641</u>

8 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans (secured)	<u>83,881,419</u>	<u>62,244,712</u>

The bank loans are secured by means of fixed and floating charges over the assets of the group that is headed up by Leaders Lettings Limited.

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

	Loans 2016 £	Loans 2015 £
Due in 2 – 5 years	<u>83,881,419</u>	<u>62,244,712</u>

Leaders The Rental Agents Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

9 Provision for liabilities

	Deferred taxation 2016 £	Deferred taxation 2015 £
Other timing differences	11,934	34,596
Deferred taxation movements in the year are:		£
At 1 April 2015		34,596
Reversal of timing differences		(22,662)
At 31 March 2016		11,934

10 Called up share capital

Number:	Class:	Nominal value:	2016 £	Allotted, issued and fully paid 2015 £
1	Ordinary	£1	1	1

11 Controlling party information

The largest group in which the results of the company are consolidated is that headed by Leaders Lettings Limited, incorporated in England and Wales. This company is ultimately controlled by funds managed by Bowmark Capital LLP.

Leaders The Rental Agents Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

12 First time adoption of FRS 102

	Note	Equity as at 1 April 2014 £	Profit/(loss) for the year ended 31 March 2015 £	Equity as at 31 March 2015 £
As previously stated under former UK GAAP		(3,966,520)	(5,797,567)	(9,764,087)
Transitional adjustments				
Recognition of derivative financial instruments and gains and losses thereon	a	(9,845)	(163,138)	(172,983)
Deferred tax on financial instruments	b	1,968	32,628	34,596
As stated under FRS 102		<u>(3,974,397)</u>	<u>(5,928,077)</u>	<u>(9,902,474)</u>

- a) FRS 102 requires that derivative financial instruments are recognised measured initially and subsequently at fair value with changes in fair value being recognised through profit and loss. This was not required under former UK GAAP. The group's derivative financial instruments comprise interest rate caps. An adjustment has been made to recognise in the balance sheet the fair value of these interest rate caps at 1 April 2014 and 31 March 2015 and for the movement in fair value between these dates to be recognised in profit and loss for the year ended 31 March 2015.
- b) FRS 102 requires that deferred tax be recognised on permanent differences arising on the recognition and subsequent measurement of derivative financial instruments at fair value through profit and loss. Accordingly, an adjustment has been made to recognise deferred tax in relation to the recognition and measurement of the group's interest rate caps, as described in (b) above.