Registered number: 08619691

Leaders The Rental Agents Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Company information

Directors	P L Aitchison P Kavanagh MJ Light MEJ Palmer T Shelford PS Weller
Company secretary	P L Aitchison
Registered number	08619691
Registered office	Crowthorne House Nine Mile Ride Wokingham Berkshire RG40 3GZ
Independent auditor	Grant Thornton UK LLP 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

Contents

Strategic Report

The directors present their report together with the audited financial statements for the year ended 31 December 2019. The comparatives are for the year ended 31 December 2018.

Principal activities

The principal activity of the company is that of a holding company. There have been no changes in the activities of the company in the year under review.

Review of the business

The company indirectly holds the share capital of the Leaders group of companies. The Leaders group is involved in the provision of property letting and sales services. The carrying value of the company's investments at 31 December 2019 was £50.4 million (year ended 31 December 2018 - £50.4 million) and the Leaders group has performed in line with the directors' expectations during the year to 31 December 2019. During the year, the group has refinanced its banking facilities. As part of this refinancing, the existing bank loan owed by the company was repaid by The Leaders Romans Bidco Limited, a fellow group company. The company's net loss before taxation for the year ended 31 December 2019 was £7.3 million (year ended 31 December 2018 - £6.7 million). The company had net liabilities of £43.3 million at 31 December 2019 (31 December 2018 - £36.0 million).

Key performance indicators

The company's key performance indicator is the comparison between the carrying value of its investments against the position and performance of those investments.

The directors' assessment of the recoverability of the company's investments, based on its subsidiaries' position and current projected performance, lead to no impairment during the year.

Principal risks and uncertainties

As an intermediate parent company, the principal risk the company faces is that the carrying value of its investments in its subsidiaries is not fully recoverable.

The directors regularly monitor the carrying value of the company's investments against the position and performance of its subsidiaries to ascertain whether there are any indicators of potential impairment.

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.

Strategic Report (continued)

The company's credit risk is primarily attributable to its intercompany loan debtors and the recoverability of those amounts. Should the amounts owed by Group undertakings not be recoverable in full the company would seek support from its parent undertaking.

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.

Should the carrying value of certain investments not be recoverable in full, the company may be unable to pay amounts due to its immediate parent undertaking. In these circumstances, the company would seek support from its ultimate parent company.

Approval

This strategic report was approved on behalf of the Board on 13 October 2020

Paul Aitchison

P L Aitchison
Director

Directors' Report for the year ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019. Comparative information is provided for the year ended 31 December 2018 for the company.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 4-5 of these financial statements.

Results and dividends

The profit and loss account is set out on page 12 and shows the loss for the year. No dividends were paid during the year.

The directors do not recommend the payment of a dividend (year ended 31 December 2018 - £Nil).

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

Directors

The directors of the company during the year and post year end were as follows:
P L Aitchison (appointed 13 January 2020)
A D Cheong (resigned 3 September 2019)
P Kavanagh
M J Light
M E J Palmer (resigned 13 January 2020)
T Shelford
PS Weller

At 31 December 2019, third party indemnity provision for the benefit of the company's directors was in force.

Employment of disabled persons

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

Directors' Report for the year ended 31 December 2019 (continued)

Employee involvement

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

Directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 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 for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Directors' Report for the year ended 31 December 2019 (continued)

Auditor

During the year, BDO LLP resigned as auditors and Grant Thornton UK LLP were appointed in their place. Grant Thornton UK LLP, is deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

Paul Aitchison

On behalf of the Board
P L Aitchison
Director
13 October 2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF LEADERS THE RENTAL AGENTS LIMITED

Opinion

We have audited the financial statements of Leaders The Rental Agents Limited (the 'company') for the year ended 31 December 2019, which comprise the profit and loss account, balance sheet, 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 2019 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.

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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF LEADERS THE RENTAL AGENTS LIMITED (CONTINUED)

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF LEADERS THE RENTAL AGENTS 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 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.

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 Accountants
Southampton
13 October 2020

Profit and loss account for the year ended 31 December 2019

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Administrative expenses		-	-
Operating loss	4	-	-
Interest payable and similar charges	7	(7,262,216)	(6,715,390)
Loss before taxation		(7,262,216)	(6,715,390)
Taxation	8	-	-
Loss and total comprehensive loss for the financial year		(7,262,216)	(6,715,390)
Loss for the financial year attributable to:			
The Company's equity shareholders		(7,262,216)	(6,715,390)

All amounts relate to continuing operations.

The notes on page 15 to 25 form an integral part of these financial statements.

Balance Sheet as at 31 December 2019

	Note	31 December 2019 £	31 December 2018 £
Fixed assets			
Investments	9	50,450,358	50,450,358
Current assets			
Debtors	10	3,495,078	3,495,078
Creditors: amounts falling due within one year	11	(97,215,210)	(3,827,994)
Net current liabilities		(93,720,132)	(332,916)
Creditors: amounts falling due after more than one year	12	-	(86,125,000)
		-	(86,125,000)
Net liabilities		(43,269,774)	(36,007,558)
Capital and reserves			
Share capital	13	1	1
Profit and loss account reserve		(43,269,775)	(36,007,559)
Shareholders' deficit		(43,269,774)	(36,007,558)

The financial statements were approved by the Board of Directors and authorised for issue on 13 October 2020 and were signed on its behalf by:

Paul Aitchison

P L Aitchison
Director
Company registration number: 08619691

The notes on page 15 to 25 form an integral part of these financial statements.

Leaders The Rental Agents Limited

Statement of Changes in Equity for the year ended 31 December 2019

For the year ended 31 December 2019

	Share capital	Profit and loss account reserve	Total
	£	£	£
Balance at 1 January 2019	1	(36,007,559)	(36,007,558)
Loss for the year	-	(7,262,216)	(7,262,216)
Total comprehensive loss for the year	-	(7,262,216)	(7,262,216)
At 31 December 2019	1	(43,269,775)	(43,269,774)

For the year ended 31 December 2018

	Share capital	Profit and loss account reserve	Total
	£	£	£
Balance at 1 January 2018	1	(29,292,169)	(29,292,168)
Loss for the year	-	(6,715,390)	(6,715,390)
Total comprehensive loss for the year	-	(6,715,390)	(6,715,390)
Balance at 31 December 2018	1	(36,007,559)	(36,007,558)

The notes on page 15 to 25 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2019

1. Nature of operations and general information

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

2. Principal Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis. The presentation currency used is sterling.

Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

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

This information is included in the financial statements of The Leaders Romans Group Limited as at 31 December 2019, and these financial statements may be obtained from Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ.

Exemption from preparation of consolidated financial statements

The financial statements contain information about Leaders The Rental Agents Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger group.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The company made a loss of £7,262,216 for the year ended 31 December 2019 (year ended 31 December 2018 - £6,715,390) and had net liabilities of £43,269,774 (year ended 31 December 2018 - £36,007,558) at the reporting date.

Notes to the financial statements

The directors consider it appropriate to use the going concern basis in preparing the financial statements on the basis of on-going support from The Leaders Romans Group Limited, its ultimate parent company, to provide adequate funds to enable the company to meet its liabilities as and when they fall due. The company has received a letter of support from the ultimate parent company, The Leaders Romans Group Limited, confirming that it will support the company for at least 12 months from the date of approval of these financial statements.

2.3 Interest income and expense

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

2.4 Investments

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

2.5 Impairment of non-financial assets

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

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

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is allocated to the 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.

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

Notes to the financial statements

2.6 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company 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 all classified as held at amortised cost, and initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets

After initial recognition, financial assets are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are impaired if there is objective evidence of impairment. 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.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

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

2.7 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income 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.

2.8 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 years.

Notes to the financial statements

2.9 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 company 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. 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 income 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 income 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.

2.10 Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares issued.
- "Profit and loss account reserve" represents the accumulated profits and losses attributable to equity shareholders.

3. Significant management judgements in applying accounting policies and key sources of estimation uncertainty

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions and accounting estimates are subject to regular review. Any revisions

Notes to the financial statements

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 Company that have the most significant effect on the financial statements.

Impairment of assets
Determine whether there are indicators of impairment of the company's investments. 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.

4. Operating loss

Audit costs of £3,000 (2018: £3,000) were borne by another group company.

The company has taken advantage of the exemption from the requirement to disclose details of the auditor's remuneration for non-audit services. This is disclosed in the consolidated financial statements of its ultimate parent company, The Leaders Romans Group Limited.

5. Employees

The Company had no employees in the current year or prior year.

6. Directors' Remuneration

The emoluments of all Directors both during the year and the prior year were paid by other Group companies for services to the Group as a whole, and the Directors did not receive separate emoluments for their services to the Company, which are considered to be incidental. No recharge for any of these services was made to the Company.

7. Interest payable and similar charges

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Bank Interest	3,825,446	6,715,390
Interest payable on intercompany borrowings	3,436,770	-
	7,262,216	6,715,390

Notes to the financial statements

8. Taxation on ordinary activities

Analysis of charge in the year

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Corporation tax – current year:		
Current tax on losses of the year	-	-
Total tax charge	-	-

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Loss before taxation	(7,262,216)	(6,715,390)
Loss by rate of tax (2019: 19%; 2018: 19%)	(1,379,821)	(1,275,924)
Expenses not deductible for tax purposes	1,160,557	1,120,599
Group relief surrendered	219,264	155,325
Total tax	-	-

The Company has unused tax losses of £14,486,102 (year ended 31 December 2018: £1,134,855), available for offset against future taxable profit. A deferred tax asset of £2,462,237, (year ended 31 December 2018: £192,925), has not been recognised on the basis that its future economic benefit is uncertain.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the deferred tax asset by approximately £289,722.

Notes to the financial statements

9. Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2018	50,450,358
At 31 December 2018	50,450,358
At 31 December 2019	50,450,358

Details of the Company's subsidiaries are as follows:

Direct subsidiaries:

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Company 2019	2018
Leaders Lettings Trading Limited	Holding Company	England & Wales	100	100

Indirect subsidiaries:

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Company 2019	2018
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
Principal Property Services Limited	Dormant	England & Wales	100	100
JSM Property Management 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

Notes to the financial statements

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Company	
			2019	2018
Oaks Property UK 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
Isherwoods 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 Limited	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
Leaders MA (BSE) 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
Bulmer Estates Limited	Dormant	England & Wales	100	100
MBM Management Limited	Dormant	England & Wales	100	100
Prescott Hall Limited	Dormant	England & Wales	100	100
City Lettings (Norwich) Limited	Dormant	England & Wales	100	100
J South Limited	Dormant	England & Wales	100	100
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
Essex & Suffolk Lettings Limited	Dormant	England & Wales	100	-

Notes to the financial statements

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.

10. Debtors

	31 December 2019 £	31 December 2018 £
Amounts owed by group undertakings	3,495,078	3,495,078
	3,495,078	3,495,078

11. Creditors: amounts falling due within one year

	31 December 2019 £	31 December 2018 £
Amounts owed to group undertakings	97,215,210	3,827,994
	97,215,210	3,827,994

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

	31 December 2019 £	31 December 2018 £
Bank Loans	-	86,125,000

Notes to the financial statements

During the year, the group refinanced its banking facilities. As part of this refinancing, the existing bank loan owed by the company was repaid by The Leaders Romans Bidco Limited, a fellow group company.

13. Share capital

The total allotted share capital of the Company is:

Allotted, issued and fully paid

	2019 Number	2019 £	2018 Number	2018 £
Ordinary shares of £1 each	1	1.00	1	1.00

14. 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.

15. 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 2019 totalled £132,424,753, (2018: £124,985,000), of which £Nil is held by the company (2018: £86,125,000).

Notes to the financial statements

16. Ultimate controlling party

The company is a subsidiary of Leaders First in Lettings Limited. At 31 December 2019, the company's ultimate parent company was The Leaders Romans Group Limited. The registered address of both companies is 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.

The company is ultimately controlled by funds managed by Bowmark Capital LLP.