Registered number: 13856784

Hadrian Holding Limited

Annual Report and Financial Statements

For the period ended 31 December 2022

Company information

Directors	I M S Downie E M Kalawski M A Sigler
Company secretary	J Holland
Registered number	13856784
Registered office	100 New Bridge Street London EC4V 6JA
Independent auditors	PricewaterhouseCoopers LLP 3 Forbury Place 23 Forbury Road Reading RG1 3JH

Contents

Strategic Report

The Directors present their report together with the audited consolidated financial statements and Company financial statements of Hadrian Holding Limited ("the Company") for the period from incorporation of the company on 18 January 2022 to 31 December 2022. This is the Company's first accounting period and there are no comparatives.

Principal activities

The principal activity of the Company is that of a holding company. During the period the Company established a wholly owned subsidiary, Hadrian Acquisition Limited, to acquire the Leaders Romans Group ("LRG"), a leading property services group based in the UK. Following the acquisition of LRG on 28 February 2022, the principal activities of the Group (Hadrian Holding Limited and its subsidiary undertakings) 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 period under review.

Review of the business

The Group is indirectly owned and controlled by certain investment vehicles advised by Platinum Equity Advisors, LLC. ("Platinum Equity").

The Group has performed well in 2022 taking into account the challenges faced in the period. The Board have continued to adapt and have addressed a number of significant challenges – the largest being the overall state of the UK economy due to rising inflation and the fallout following the mini-budget in October 2022, which affected the estate agency part of the business in particular.

The Board have responded to the challenges with a number of initiatives to ensure we strengthen our business and service offering to our customers. These include the ongoing acquisition of high-quality businesses which will enable the Group to continue its focus on growth and the expansion of its portfolio and customer offering, as well as cost cutting exercises, the introduction of new revenue lines, and digital projects to increase efficiencies in the Group.

On 28 February 2022, the Company, through its wholly owned subsidiary, Hadrian Acquisition Limited ("HAL"), acquired the Leaders Romans Group ("LRG"). This was achieved through two separate transactions – on 28 February 2022, HAL acquired the entire share capital of The Leaders Romans Midco Limited and on 28 July 2022, HAL acquired the entire share capital of The Leaders Romans Group Limited. The directors are of the opinion that control of the Leaders Romans Group was achieved on 28 February 2022 and have therefore treated the acquisition as occurring wholly on that date. Accordingly, these consolidated financial statements incorporate the results of the Leaders Romans Group for the 10 months ended 31 December 2022.

Subsequent to the acquisition of LRG, the Group completed five acquisitions during the period.

On 4 March 2022, the Group acquired the entire share capital of Northfields Holdings Limited ("Northfields"), a residential lettings and sales agency located in four locations across West London.

On 30 June 2022, the Group acquired the block management business of SPL Property Management LLP ("SPL"). SPL is a block management business located in Poole and Southampton.

Strategic Report (continued)

On 31 July 2022, the Group acquired the entire share capital of GCS Estate Management Limited, an estate and block management business located in Weybridge, Surrey.

On 10 August 2022, the Group acquired the entire share capital of Hose Rhodes Dickson Limited ("HRD"). HRD is a multi-disciplined estate agency based in eight locations across the Isle of Wight.

On 31 August 2022, the Group acquired the entire share capital of Acorn (Holdings) Limited and its subsidiary undertakings ("The Acorn Group"). The Acorn Group is a multi-disciplined estate agency with 40 offices based in South East London and Kent.

The acquisitions were settled in cash, funded from our acquisitions facility or retained cash, with an estimate of any deferred and/or contingent consideration payable accrued in the financial statements as applicable.

Business review

During the period ended 31 December 2022, the Group's revenue was £160.25m. The operating profit before amortisation, share-based payments and exceptional items for the period ended 31 December 2022 was £23.21m, which is stated before charging exceptional items of £5.21m (detailed in note 5 to the consolidated financial statements), a share-based payment expense of £4.01m and amortisation of £40.50m to arrive at an operating loss for the period of £26.52m. The loss before taxation for the period was £42.19m.

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 2022 held cash of £16.56m.

The Directors' going concern assessment is set out in note 2.3. The Directors have reviewed the Group's forecasts and covenant compliance projections for a period of not less than 18 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 2022, the Board has continued to focus on the lettings teams' core KPI's in order to drive organic performance. We have seen improving trends on core performance demonstrated consistently across the lettings division throughout the period, underlined by consistent gains in market share.

Strategic Report (continued)

The KPI's for the Group are based around revenue and operating profit before amortisation, share-based payments and exceptional items. EBITDA is part of monthly management accounts reporting and measures the profitability of the Group before government taxes, interest, amortisation and depreciation. The EBITDA is also adjusted for exceptional items and group monitoring fees. A summary of KPI's for the period ended 31 December 2022 are shown below:

	Period to 31 December 2022
Revenue (£m)	160.25
Operating profit before amortisation, share based payments and exceptional items (£m)	23.21
EBITDA (£m)	26.6
Lettings properties under management (no.)	65,742
Residential sales pipeline (at 31 December) (£m)	8.37
Residential sales new instructions (no.)	13,414

Revenue was positively impacted in the period as a result of new acquisitions and some new revenue initiatives. Management fees also increased as a result of higher rents across the UK, which is forecast to continue into 2023.

Properties under management increased during the period due to new acquisitions joining the Group, with demand for rental property remaining strong.

The overall performance of the residential sales division was hit by wider uncertainty in the UK economy. UK transaction volumes dropped by £219k (down 14.9%). House prices also dropped towards the end of 2022 as inflation increased to a record level. As a result the sales pipeline and exchange instructions dropped, offset in part by the impact of acquisitions in the period.

Principal and financial 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 CFO.

Strategic Report (continued)

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 section 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.

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

The Group is one of the UK's largest property services groups - formed by the merger of three well-respected, established brands; Leaders, Romans and Boyer.

We have a network of over 245 branches across the country and employ approximately 3,000 people.

The Group 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 section 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 Group Board meets on a quarterly basis to assess and review the performance and the strategic direction of the Group. The Board is conscious that these strategic decisions will impact on the long term success of the business, employee and stakeholder engagement as well as on the environment and local communities. The Group also has an operating council which discusses the strategic direction of the Group, the challenges it faces and any merger and acquisition opportunities.

Strategic Report (continued)

The Interests of the Group's Employees

We believe that our strength lies in our people and in our strong Group 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 Group 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 Group has invested in the mental health and wellbeing of its employees and has trained a number of 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 Group's Business Relationships

We believe that the success of the Group is dependent on maintaining strong relationships with our key stakeholders:

Customers

Our customers and clients range from individuals wishing to sell or rent their property, through to corporate organisations and national house builders. We pride ourselves on being able to tailor the services we provide to meet their individual requirements. Our customers' needs are at the forefront of all of our strategic decision-making processes. Policies are in place to ensure customers are treated fairly and the relationships are fundamental to our continued success.

Landlord and tenant needs are serviced by dedicated teams within the Group who undergo rigorous and ongoing training, from the staff in branch to property managers who oversee the requirements of both the landlord and the tenant. The 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 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.

Strategic Report (continued)

The Impact of the Group'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.

Maintaining our Reputation

The Group 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 Group

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 29 June 2023

WRB

M A Sigler
Director

Directors' Report for the period ended 31 December 2022

The Directors present their report together with the audited consolidated financial statements and company financial statements of the Company for the period from incorporation of the Company on 18 January 2022 to 31 December 2022. This is the Company's first accounting period and there are no comparatives.

Results and dividends

The consolidated profit and loss account is set out on page 19 and shows the loss for the period. No dividends were paid during the period.

The directors do not recommend the payment of a dividend.

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

Matters covered in the Strategic Report

The Company has chosen in accordance with the Companies Act 2006 to set out in the Strategic Report information required by The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of financial risk management policies and details of the Group's business relationships.

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 supports both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the 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 and suggestions from employees aimed at improving the Group's performance are welcome.

Senior members of the management team, including the CEO, CFO and Group MD hold a conference at least annually with members of management from across the business to share and discuss the performance of the business. Feedback from the conference is then shared amongst the wider employee base. We also run an annual director governance program that consists of business updates and sharing of business plans. In addition, senior members of the management team hold regular webinars which employees are encouraged to attend and at which questions can be asked in respect of Group performance or other matters, supporting us in driving an open culture. The Group also has an anonymous feedback/suggestion platform as well as an employee voice group that consists of employees operating at all levels across all divisions which provides opportunity to input on business operations or for the senior management team to ask for their input before moving forward with changes.

Directors' Report for the period ended 31 December 2022 (continued)

Corporate governance

We embrace the principals of good governance and act in a way that ensures that the business is operated in a collaborative way. We also ensure that we comply with any relevant laws for the benefit of the business and its wider stakeholders.

Streamlined Energy and Carbon Reporting (SECR)

Our SECR carbon emissions for 2022 amounted to 1,856 tCO2e. When green energy is taken into account, total 'market-based' emissions amount to 1,176 tCO2e, with business travel contributing 69%. The period covered by the SECR Report is the year ending 31 December 2022, which differs to the financial statements, which cover the period from 18 January 2022 to 31 December 2022.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO_2e)

	Unit		2022
Energy consumption	kWh		**8,917,298**
Scope 1 - Direct Emissions	tCO_2e		794.6
Scope 2 - Energy Indirect Emissions - location-based	tCO_2e		827.9
Scope 2 - Energy Indirect Emissions - market-based	tCO_2e		147.9
Scope 3 - Other Indirect Emissions	tCO_2e		233.5
Total SECR Emissions - location-based	tCO_2e		1,856.0
Relative SECR Emissions - location-based	tCO2e/£m		10.1
Taking into account green energy purchased			
Total SECR Emissions - market-based	tCO_2e		1,176.0
Relative SECR Emissions - market-based	tCO_2e/£m		6.4

Energy Efficiency Projects

We have set a target to be carbon neutral by 2030. To support this we calculate our carbon footprint (covering Scope 1, 2 and 3 emissions) to understand and track emissions, and six-monthly reviews are done.

This year, energy audits have been undertaken to identify opportunities to save energy - recommendations relate to heating controls, insulation, LED lighting and business travel planning.

With flexible working arrangements for office staff, it has been possible to consolidate desks onto just one floor in Crowthorne House, our head office, saving energy on heating, cooling and lighting.

Directors' Report for the period ended 31 December 2022 (continued)

Branches to be refurbished will be redecorated, gas boilers removed and lighting replaced with LED fittings. A new "Sustainable Finishes For Fit Outs" guide has been produced this year, with information on floorings, furnishings and finishes with the choice of more environmental options to be used when refurbishing branches and offices. The car fleet continues to evolve, with smaller sized engines being chosen, some hybrids and electric vehicles.

The Environment Committee meets regularly throughout the year, to discuss environmental initiatives and promote staff engagement. Indeed, staff are excited to be involved in delivering our low carbon ambitions.

<u>SECR Emissions Calculations – Methodology</u>

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. This methodology only includes mandatory SECR required activities and does not represent our full carbon footprint. 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 2022.

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 are emissions that are created as an indirect consequence of the Company's actions, and as at 31st December 2022 we have included emissions created by our employees' commutes through the use of 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 green energy purchasing.

Clients' money balances
At the balance sheet date, the group held amounts on behalf of clients totalling £122.43m. All client funds are held in accordance with CASS or ARLA 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 period and post period end were as follows, unless otherwise stated:

I M S Downie (appointed 18 January 2022)
E M Kalawski (appointed 18 January 2022)
M A Sigler (appointed 18 January 2022)

The Company maintains liability insurance for its directors and officers during the period under review and up to the date of signing the financial statements. This is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

Directors' Report for the period ended 31 December 2022 (continued)

Post balance sheet events

On 28 February 2023, the Company issued 1,508 A ordinary shares for a total consideration of £1,759.

On 16 March 2023, the Group acquired the trade of Stanley & Partners, a two branch lettings agency, based in Lewes and Burgess Hill in Sussex.

On 31 March 2023, the Group acquired the entire share capital of First Union Property Company Limited, an estate agent operating from two branches in Battersea Square and Wandsworth.

On 28 April 2023, the Group acquired the entire share capital of Liberty Gate Estates Limited, an independent estate agency business located in the centre of Nottingham.

The purchase price for the three acquisitions referred to above was approximately £2.4m.

Future developments

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

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 period. 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.

Directors' Report for the period ended 31 December 2022 (continued)

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP were appointed as auditors during the period and will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

On behalf of the Board

WRB

M A Sigler
Director
Date: 29 June 2023

Independent auditors' report to the members of Hadrian Holding Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hadrian Holding Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the period from 18 January 2022 to 31 December 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Consolidated and Company Balance Sheets as at 31 December 2022; Consolidated Profit and Loss Account, Consolidated and Company Statements of Changes in Equity, Consolidated Statement of Cash Flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 and 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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material *misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Estate Agents Act 1979, ARLA Propertymark Rules, CASS Regulations, Financial Conduct Authority and Health and Safety at work, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and those related to reporting frameworks (FRS 102 and Companies Act 2006). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, risk of misappropriation of assets, incentives to improve performance to meet targets for bonuses and commissions and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations
- Challenging assumptions and judgements made by management in their accounting estimates and judgements
- Made enquiries with management regarding tax regulatory authorities in relation to compliance with laws and regulations
- Reviewed legal expenditure in the year to identify potential non-compliance with laws and regulation. We also reviewed compliance of PAYE and VAT filings

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Simon Bailey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
30 June 2023

Hadrian Holding Limited

Consolidated Profit and Loss Account for the period ended 31 December 2022

	Note	Period from 18 January 2022 to 31 December 2022 £'000
Turnover	4	160,245
Cost of sales		(20,960)
Gross profit		139,285
Administrative expenses		(165,999)
Other operating income		196
Operating profit before amortisation exceptional items and share-based payments		23,206
Amortisation		(40,499)
Share-based payments		(4,011)
Exceptional items	5	(5,214)
Operating loss	5	(26,518)
Interest receivable and similar income	8	676
Interest payable and similar expenses	9	(16,346)
Loss before taxation		(42,188)
Tax on loss	10	2,823
Loss for the financial period		(39,365)
Loss and total comprehensive expense for the period		(39,365)
Attributable to:		
Equity holders of the parent		(39,451)
Non-controlling interests		86

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All amounts relate to continuing operations.

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

The notes on pages 23 to 63 form an integral part of these financial statements.

Hadrian Holding Limited

Consolidated Balance Sheet as at 31 December 2022

	Note	31 December 2022 £'000
Fixed assets		
Intangible assets	11	380,983
Tangible assets	12	14,762
Investments	13	90
		395,835
Current assets		
Stocks	14	9
Debtors	15	24,533
Cash at bank and in hand		16,562
		41,104
Creditors: amounts falling due within one year	16	(48,962)
Net current liabilities		(7,858)
Total assets less current liabilities		387,977
Creditors: amounts falling due after more than one year	17	(296,628)
Provisions for liabilities	20	(5,027)
Net assets		86,322
Capital and reserves		
Called up share capital	23	1,213
Share premium account		120,463
Profit and loss account		(35,440)
Equity attributable to owners of the parent		86,236
Non controlling interest	26	86
Total equity		86,322

The financial statements on pages 19 to 63 were approved by the Board of Directors on 29 June 2023 and signed on its behalf by:

WRB

M A Sigler
Director
Company registration number: 13856784

The notes on pages 23 to 63 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the period from 18 January 2022 to 31 December 2022

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Equity attributable to owners of the parent £'000	Non-Controlling Interest £'000	Total equity £'000
Loss for the period			(39,451)	(39,451)		(39,451)
Non-controlling interest share of profit for period	-	-	-	-	86	86
Total comprehensive expense for the period		-	(39,451)	(39,451)	86	(39,365)
Issue of shares in the period	1,713	120,463	-	121,676	-	121,676
Share based payment credit	-	-	4,011	4,011		4,011
Total contributions by and distributions to owners	1,213	120,463	4,011	125,687		125,687
Balance at 31 December 2022	1,213	120,463	(35,440)	86,236	86	86,322

The notes on pages 23 to 63 form an integral part of these financial statements.

Hadrian Holding Limited

Consolidated Statement of Cash Flows for the period ended 31 December 2022

	Period from 18 January 2022 to 31 December 2022 £'000
Cash flow from operating activities	
Loss for the period	(39,365)
Depreciation	3,797
Amortisation	40,499
Profit on disposal of fixed assets	(405)
Share based payment charge	4,011
Fair value losses recognised in profit and loss	61
Interest receivable	(671)
Interest payable	16,346
Taxation credit	(2,823)
Decrease in stocks	18
Decrease in trade and other debtors	3,642
Decrease in trade and other creditors	(1,294)
Decrease in provisions	(204)
Cash from operations	23,612
Tax paid	(1,103)
Interest on bank loans	(18,546)
Interest on finance leases	(261)
Net cash generated from operating activities	3,702
Cash flow from investing activities	
Purchase of tangible fixed assets	(1,713)
Receipts from sale of tangible fixed assets	514
Purchase of intangible fixed assets	(515)
Purchase of subsidiary undertakings	(231,377)
Cash acquired with subsidiary undertakings	18,805
Interest received	671
Net cash outflow from investing activities	(213,615)
Net cash flow from financing activities	
Issue of shares	121,676
Repayment of loans	(180,869)
New loans	298,700
Finance costs on debt	(11,059)
Capital element of finance lease payments	(1,973)
Net cash inflow from financing activities	226,475
Net increase in cash and cash equivalents	16,562
Cash and cash equivalents at beginning of financial period	-
Cash and cash equivalents at end of financial period	16,562
Comprising	
Cash at bank and in hand	16,562

The notes on pages 23 to 63 form an integral part of these financial statements

Notes to the consolidated financial statements

1. Nature of operations and general information

Hadrian Holding Limited is a private company limited by shares incorporated in the United Kingdom 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 and the Companies Act 2006. Accounting policies have been applied consistently, other than where new policies have been adopted.

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 Hadrian Holding 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 an entity 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 assets and liabilities are initially recognised at their carrying 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 Group.

On 28 February 2022, the Company, through its wholly owned subsidiary, Hadrian Acquisition Limited ("HAL"), acquired the Leaders Romans Group ("LRG"). This was achieved through two separate transactions – on 28 February 2022, HAL acquired the entire share capital of The Leaders Romans Midco Limited and on 28 July 2022, HAL acquired the entire share capital of The Leaders Romans Group Limited. The directors are of the opinion that control of the Leaders Romans Group was achieved on 28 February 2022 and have therefore treated the acquisition as occurring wholly on that date. Accordingly, these consolidated financial statements incorporate the results of the Leaders Romans Group for the 10 months ended 31 December 2022.

Notes to the consolidated financial statements

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 period presented, unless otherwise explicitly stated.

The consolidated financial statements have been prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

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

The Directors of Hadrian Holding 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 for a period of not less than 18 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 £42.19m for the period ended 31 December 2022 and had net current liabilities of £7.86m and net assets of £86.32m at the balance sheet date. The Group generated operating profit before amortisation, share-based payments and exceptional items of £23.21m and, as is typical of a Private Equity controlled group bank loans are liabilities, falling due for repayment between 2027 and 2029. The Directors are confident in the future cash generation of the business with cash generated from operations of £23.61m and cash held at the balance sheet date of £16.56m.

During the period, 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 that the conditions under which the Group might breach covenants would only arise in a highly unlikely combination of circumstances, in which event, mitigating actions within management's control could be taken to ensure covenants were met.

Having reviewed the Group's forecasts, projections and required covenant compliance for a period of not less than 18 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 its banking covenants and meet all its liabilities as they fall due to 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 18 months from the date of approval of these financial statements. For this reason, the

Notes to the consolidated financial statements

Directors continue to adopt the going concern basis in preparing the Group and Company financial statements.

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 (which includes off plan sales) 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. For let only contracts, income is recognised when the let has completed. For rent collection and fully managed contracts, income is recognised over the terms of the underlying rental contract as the service is rendered.

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 Cost of Sales

The cost of sales are costs that are directly related to providing the services that generate service revenue for the Group. These costs include sales and lettings commissions but excludes sales and lettings basic salaries which are included within administrative expenses.

2.6 Interest receivable

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

2.7 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.

2.8 Business combinations

The Group accounts for all business combinations by applying the acquisition method of accounting. All acquisition related costs are capitalised as part of the acquisition cost. On acquisition, the assets and liabilities of an acquired entity are measured at their carrying values. Any deferred or contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Notes to the consolidated financial statements

2.9 Goodwill

Purchased goodwill relates to the acquisition of a trade and represents the difference between the fair value of the consideration paid and the carrying 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 or 10 years.

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the carrying 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 or 10 years.

The decision as to what is the most appropriate useful economic life to apply is 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.

2.10 Intangible assets

Acquired intangible assets

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

Customer relationships	7 years
Brand	1 to 10 years
Customer lists	6 months to 1 year
Software	1 to 5 years
Website	1 to 5 years

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

2.11 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 on a straight line basis over their useful economic life as follows:

Freehold buildings	50 years
Short leasehold improvements	Over the term of the lease
Fixtures, fittings and equipment	3 to 5.67 years
Motor vehicles	4 to 5 years

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

Notes to the consolidated financial statements

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.

2.12 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 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.

Notes to the consolidated financial statements

2.13 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.

2.14 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.

2.15 Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of 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).

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.

This category includes equity investments.

Notes to the consolidated financial statements

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.

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.

2.16 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.

2.16 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.

2.17 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.

2.18 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.

Notes to the consolidated financial statements

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.

2.19 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 Group 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 Group. 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.

2.20 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 award 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 financial statements as an expense is adjusted to reflect the actual number of awards that vest. In the Company accounts where the grants relate to equity settled transactions in respect of subsidiary employees, the initial fair value and any subsequent adjustments are recognised as an additional investment in the relevant subsidiary company over the vesting period.

2.21 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.

Notes to the consolidated financial statements

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.

2.22 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 provision
Provision is made at the reporting date for the estimated cost of claims incurred but not settled, including the cost of claims incurred but not yet reported ("IBNR") to the Group. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures.

Notes to the consolidated financial statements

2.23 Equity
Equity comprises the following:

- "Called up share capital" represents the nominal value of equity shares issued.
- "Share premium account" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Profit and loss account" represents the accumulated profits and losses attributable to equity shareholders.
- "Non-controlling interest" – the share of net assets in subsidiary undertakings not owned by the Group.

2.24 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.
A no deposit option ("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.

2.25 Exceptional items
Exceptional items are transactions which are presented separately due to their size or nature. The separate reporting of exceptional items helps to provide an indication of the Group/ Company's underlying business performance. Exceptional items relate to certain costs or incomes that individually or collectively, are significant by virtue of their size or nature. In considering the nature of an item, management's assessment includes, both individually and collectively, each of the following:

- Whether the item is outside the principal activities of the business
- The specific circumstances which have led to an item arising
- The likelihood of recurrence

2.26 Foreign currency
Transactions in foreign currencies are converted into Pounds Sterling at the exchange rate on the date of transactions.
Foreign currency monetary items are re-translated at the balance sheet exchange rate. Non-monetary items are carried at their historic exchange rate.

2.27 Client funds
Client monies and the associated liabilities are not shown on the consolidated balance sheet because the Group treats the monies as belonging to clients and not as its own funds. Client monies are held by the Group in specifically designated client accounts and, on that basis, the Group expects that, in the event of the Group becoming insolvent, such monies would be ring-fenced and not available to the Group's creditors as a whole. They are not available for offset against any other accounts held with the bank. Treatment of client monies are subject to ARLA Propertymark or Financial Conduct Authority rules.

Notes to the consolidated financial statements

3. Significant management judgements and estimation in applying accounting policies

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. In the event management's judgement was incorrect, this would lead to an understatement or overstatement of the deferred tax in the balance in the financial statements.

Impairment

The Group considers annually whether there are any indicators of impairment of the Group's intangible assets and goodwill. Factors taken into consideration in determining whether there are any indicators of impairment include the economic viability and expected future financial performance of the asset and, where goodwill has been allocated to a cash-generating unit, the viability and expected future performance of that unit. The Group allocates goodwill 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. There was no impairment charge in the period.

Classification of preference shares

The directors must determine whether the rights attaching to the preference shares issued by the Company result in them being classified as debt or equity on the balance sheet.

Notes to the consolidated financial statements

Classification of exceptional items
The Group presents as exceptional items on the face of the consolidated profit and loss account those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation so as to facilitate comparison with prior periods and to assess better trends in financial performance.

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.

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 period end the estimated deferred and contingent consideration was £12.31m

Share-based payments
The cumulative expense recognised for the Group's share-based payment schemes reflects, in the opinion of the Directors, the number of equity instruments granted that will ultimately vest. At each reporting date, management adjusts the unvested equity instruments with the forfeited instruments. Management is of the opinion that this number, adjusted for future attrition rates, represents the most accurate estimate of the number of instruments that will ultimately vest.

Notes to the consolidated financial statements

4. Turnover

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

	Period from 18 January 2022 to 31 December 2022 £'000
Lettings	98,121
Sales	37,804
Block management	1,794
Mortgage advisory	4,533
Chartered Surveying	2,373
Planning Consultancy	4,512
Risk Management	4,654
Commercial Property Consulting	3,702
Property Maintenance	2,638
Other	114
Total	160,245

Notes to the consolidated financial statements

5. Operating loss

	Period from 18 January 2022 to 31 December 2022 £'000
Operating loss is stated after charging/(crediting):	
Depreciation of tangible fixed assets - owned	2,425
Depreciation of tangible fixed assets - leased	1,372
Amortisation of intangible assets	40,499
Profit on disposal of fixed assets	(405)
Operating lease costs	6,286
Share based payment	4,011
Foreign exchange losses	2
Auditors' remuneration - fees payable to the Company's Auditors and its Associates for:	
- the audit of the Company's and Group's annual financial statements	519
the audit of the Company's subsidiaries pursuant to legislation	65
- audit related assurance services	25

A management incentive plan was implemented in the period. Under the plan, shares in the company are issued to eligible Group employees. The fair value of the shares granted in the period under the plan has been calculated and amounted to £9.8m. This value is being recognised in the financial statements over the vesting period of five years. The expense for the period is as stated above. 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 Group did not enter into any share-based payment transactions with parties other than employees during the period.

Notes to the consolidated financial statements

During the period, the following exceptional costs were incurred:

	Period from 18 January 2022 to 31 December 2022 £'000
Acquisition related costs	786
Costs in respect of ad-hoc projects	2,178
Redundancy and restructuring costs	615
Exceptional legal & professional costs	205
Costs in respect of closed offices including onerous lease costs	910
Costs in respect of sale of Group	246
Costs relating to redundant systems	274
	5,214

Notes to the consolidated financial statements

6. Employees

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

	Period from 18 January 2022 to 31 December 2022 £'000
Staff costs	
Wages and salaries	78,080
Social security costs	9,109
Other pension costs	1,708
Shared-based payments	4,011
	92,908

Key management personnel are considered to be the Board of Directors of the Company and senior members of the management team who together have authority and responsibility for planning, directing and controlling the activ ties of the Group. The total remuneration pa'd to key management personnel for serv ces provided to the Group in the period was £3.67m, split as follows:

	Period from 18 January 2022 to 31 December 2022 £'000
Salaries and other short-term benefits	1,442
Post-employment benefits	13
Share-based payments	2,216
	3,671

Notes to the consolidated financial statements

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

	Period from 18 January 2022 to 31 December 2022 Number
By activity:	
Front Office	1,564
Engineers	27
Administration and management	1,584
	3,175

7. Directors' Remuneration

	Period from 18 January 2022 to 31 December 2022 £'000
Directors' emoluments	-
Pension contributions	-
Compensation for loss of office	-
	-

For the period ended 31 December 2022, the Group incurred costs of £1.41m in fees and expense reimbursement under the corporate advisory services agreement, which included transaction support, financial arrangement services, corporate advisory services, operating support and related expenses. At 31 December 2022, the Group owed £Nil to Advisors.

The directors of the Company did not receive any remuneration from the Company or the Group in respect of their services to the Company or the Group during the period.

Notes to the consolidated financial statements

8. Interest receivable and similar income

	Period from 18 January 2022 to 31 December 2022 £'000
Interest on cash deposits	671
Changes in fair value of listed investments	5
	676

The interest on cash deposits s accrued on client monies.

9. Interest payable and similar expenses

	Period from 18 January 2022 to 31 December 2022 £'000
Interest on bank borrowings	21,953
Interest on finance leases	313
Other finance credits	(5,946)
Other interest payable	26
	16,346

The other finance credits above relate to the reversal of the fair value assessments in respect of non-basic financial instruments repaid in the period.

Notes to the consolidated financial statements

10. Tax on loss

Analysis of credit in the period

	Period from 18 January 2022 to 31 December 2022 £'000
Corporation tax:	
Current tax on losses of the period	918
Deferred tax:	
Origination and reversal of timing differences	(3,132)
Changes to tax rates	(609)
Total tax charge	(2,823)

	Period from 18 January 2022 to 31 December 2022 £'000
Loss before taxation	(42,188)
Loss by rate of tax of 19%	(8,016)
Expenses not deductible for tax purposes	10,824
Income not chargeable for tax purposes	(5,826)
Tax assessed under CFC rules	275
Deferred tax not recognised	1,436
Group relief	(448)
Effect of change in tax rate	(609)
Other items	(27)
Capital allowances super deduction	(155)
Effective overseas tax rates	(277)
Total tax	(2,823)

Notes to the consolidated financial statements

The Group has unutilised tax losses of £20.20m available for offset against future taxable profit subject to agreement from HMRC, comprising £16.7m of disallowed interest expenses and £3.5m of unrecognised losses. An associated deferred tax asset amounting to £5.05m 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

	Goodwill	Customer relationships	Brand	Customer lists	Software	Website	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
Additions	-	-	-	-	498	17	515
Acquisitions	388,203	15,203	13,795	1,250	2,468	48	420,967
Disposals	-	-	-		(4)	-	(4)
At 31 December 2022	388,203	15,203	13,795	1,250	2,962	65	421,478
Accumulated Amortisation							
Charge for period	31,823	3,258	3,358	1,182	855	23	40,499
Disposals	-	-		-	(4)	-	(4)
At 31 December 2022	31,823	3,258	3,358	1,182	851	23	40,495
Net book value							
At 31 December 2022	356,380	11,945	10,437	68	2,111	42	380,983

The amortisation charge is included within administrative expenses.

Notes to the consolidated financial statements

12. Tangible assets

	Freehold Buildings £'000	Short Leasehold Improvements £'000	Fixtures, Fittings & Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
Additions	1	813	1,687	464	2,965
Acquisitions	171	5,632	4,077	5,851	15,731
Disposals	-		(57)	(1,627)	(1,684)
At 31 December 2022	172	6,445	5,707	4,688	17,012
Accumulated Depreciation					
Charge for period	4	784	1,637	1,372	3,797
Disposals	-	-	(57)	(1,490)	(1,547)
At 31 December 2022	4	784	1,580	(118)	2,250
Net book value					
At 31 December 2022	168	5,661	4,127	4,806	14,762

Depreciation is included within administrative expenses.

Included within the motor vehicles net book value above is £4.64m relating to assets held under finance leases.

Included within the fixtures, fittings and equipment net book value above is £552,000 relating to assets held under finance leases.

Notes to the consolidated financial statements

13. Investments

	Listed investments £'000
Acquired in the period	116
Changes in fair value of listed investments	(26)
At 31 December 2022	90

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Group 2022
Hadrian Intermediate Holding Limited	Holding Company	England & Wales	100
Hadrian Acquisition Limited*	Holding Company	England & Wales	100
The Leaders Romans Group Limited*	Holding Company	England & Wales	100
The Leaders Romans Midco Limited*	Holding Company	England & Wales	100
The Leaders Romans Midco 2 Limited*	Holding Company	England & Wales	100
The Leaders Romans Bidco Limited*	Holding Company	England & Wales	100
LRG Employees Limited*	Payroll Services	England & Wales	100
Romans 1 Limited*	Holding Company	England & Wales	100
Romans 2 Limited*	Holding Company	England & Wales	100
*Romans 3 Limited**	*Holding Company*	*England & Wales*	*100*
The Romans Group (UK) Limited*	Estate Agency	England & Wales	100
LRG Financial Services Limited*	Mortgage Advisers	England & Wales	100
Romans Professional Services Limited*	Chartered Surveyors	England & Wales	100
Boyer Planning Limited*	Planning Consultants	England & Wales	100
Harmers Limited*	Dormant	England & Wales	100
Atkinson & Keene Limited*	Dormant	England & Wales	100
JM Lettings Limited*	Dormant	England & Wales	100
Romans Sales and Lettings Limited*	Dormant	England & Wales	100
Jacksons Residential Limited*	Dormant	England & Wales	100
Caroline Clark & Associates Limited*	Dormant	England & Wales	100
Sherriff Mountford Limited*	Dormant	England & Wales	100
Drummonds Property Rentals Limited*	Dormant	England & Wales	100
Campsie Lettings Limited*	Dormant	England & Wales	100
Romans Commercial Limited*	Dormant	England & Wales	100
James Griffin Lettings Limited*	Dormant	England & Wales	100
Amethyst Lettings Holdings Limited*	Dormant	England & Wales	100
Amethyst Lettings Limited*	Dormant	England & Wales	100
Handovers (Lettings) Limited*	Dormant	England & Wales	100
Bennett Residential Limited*	Dormant	England & Wales	100
Brampton Sales & Lettings Limited*	Dormant	England & Wales	100
Lets Rent Limited*	Dormant	England & Wales	100
Leaders Lettings Limited*	Holding Company	England & Wales	100
Leaders First in Letting Limited*	Holding Company	England & Wales	100
Leaders The Rental Agents Limited*	Holding Company	England & Wales	100
Leaders Lettings Trading Limited*	Holding Company	England & Wales	100
Relocate UK Limited*	Management Services	England & Wales	100
Emperor Insurance Guernsey Limited*	Insurance Services	Guernsey	100
Leaders Group*	Holding Company	England & Wales	100
Bode Insurance Solutions Limited*	Insurance Services	England & Wales	100

Notes to the consolidated financial statements

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Group 2022
Leaders Limited*	Estate Agency	England & Wales	100
Leaders Sales Limited*	Property Sales	England & Wales	100
Eldee Franchising Limited*	Management Services	England & Wales	100
MBM Management Limited*	Dormant	England & Wales	100
JSM Property Management Limited*	Dormant	England & Wales	100
Leaders Jordans Limited*	Dormant	England & Wales	100
Residential Holdings Limited*	Dormant	England & Wales	100
Jordans Residential Lettings Limited*	Dormant	England & Wales	100
Key Properties UK Limited*	Dormant	England & Wales	100
Brian Smith Property Management Limited*	Dormant	England & Wales	100
Saxon Management (New Milton) Limited*	Dormant	England & Wales	100
Saxon Management (Christchurch) Limited*	Dormant	England & Wales	100
Goddard & Co Rentals Limited (East Anglia)*	Dormant	England & Wales	100
Goddard & Co Rentals (Felixstowe) Limited*	Dormant	England & Wales	100
Goddard & Co Rentals (Mid-Suffolk) Limited*	Dormant	England & Wales	100
Bush Property Management Limited*	Dormant	England & Wales	100
Lloyds Property Agents Limited*	Dormant	England & Wales	100
Lloyds Property Agents (Ashton) Limited*	Dormant	England & Wales	100
Lloyds Property Agents (Wigan) Limited*	Dormant	England & Wales	100
Spinnaker Residential Limited*	Dormant	England & Wales	100
Oaks Property (UK) Limited*	Dormant	England & Wales	100
Bulmer Estates Limited*	Dormant	England & Wales	100
Alexanders Residential Lettings Limited*	Dormant	England & Wales	100
Temples Property Management (BSE) Limited*	Dormant	England & Wales	100
Swan Residential Limited*	Dormant	England & Wales	100
Brookes Hall Limited*	Dormant	England & Wales	100
Isherwood Residential Limited*	Dormant	England & Wales	100
Mitchell and Perryer Limited*	Dormant	England & Wales	100
QB Management Limited*	Dormant	England & Wales	100
Simply Lets Limited*	Dormant	England & Wales	100
Lynda Paine Lettings Limited*	Dormant	England & Wales	100
Waterside Properties (Poole) Limited*	Dormant	England & Wales	100
Leaders Waterside Properties Limited*	Dormant	England & Wales	100
Perry Bishop and Chambers Limited*	Dormant	England & Wales	100
IMS Lettings Limited*	Dormant	England & Wales	100
Aston Mead Estate Agents Limited*	Dormant	England & Wales	100
Town & Country (Holdings) Limited*	Dormant	England & Wales	100
CT Trading Limited*	Dormant	England & Wales	100
Leeco (Buckingham) Limited*	Dormant	England & Wales	100
Heritage Property (Leamington Spa) Limited*	Dormant	England & Wales	100
Giles Fullerton (East Anglia) Limited*	Dormant	England & Wales	100
Tudor Property Consultants Limited*	Dormant	England & Wales	100
Premier Places Limited*	Dormant	England & Wales	100
Homesearch Property Management*	Dormant	England & Wales	100
Minchin Fellows Limited*	Dormant	England & Wales	100
Town & Country Property Services (Worcester) Limited*	Dormant	England & Wales	100
T&C (Lettings) Limited*	Dormant	England & Wales	100
Leaders MA (Holdings) Limited*	Dormant	England & Wales	100
Penyards Property Management Holdings Limited*	Dormant	England & Wales	100
Penyards Property Management Limited*	Dormant	England & Wales	100
City Lettings (Norwich) Limited*	Dormant	England & Wales	100
J South Limited*	Dormant	England & Wales	100
Leaders MA Limited*	Dormant	England & Wales	100
Allen Estates Limited*	Dormant	England & Wales	100
Watson Blackburn Limited*	Dormant	England & Wales	100
Watson Mitchell Limited*	Dormant	England & Wales	100
Ideal Homes (Bedford) Limited*	Dormant	England & Wales	100
Prescott Hall Ltd	Dormant	England & Wales	100

Notes to the consolidated financial statements

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Group 2022
The Brampton Partnership (Estate Agents) Limited*	Dormant	England & Wales	100
First Contact Limited*	Dormant	England & Wales	100
Bath Property Letting Limited*	Dormant	England & Wales	100
Temples (Nantwich) Limited*	Dormant	England & Wales	100
Temples (Northwich) Limited*	Dormant	England & Wales	100
PDC (Chester and Nantwich) Limited*	Dormant	England & Wales	100
Suttons City Living Limited*	Dormant	England & Wales	100
DPC Properties Limited t/a Upp Properties*	Dormant	England & Wales	100
GPS Property Management Limited*	Dormant	England & Wales	100
CF Lettings (Bath) Limited*	Dormant	England & Wales	100
Marlows Lettings & Property Management Limited*	Dormant	England & Wales	100
Property Concept Limited*	Dormant	England & Wales	100
Revolution Property Management Limited*	Block management	England & Wales	100
Capgen Services Limited*	Property services	England & Wales	100
Three Sixty Maintenance Limited*	Property Maintenance	England & Wales	100
Dunlop Heywood Limited*	Dormant	England & Wales	100
Rebloom Limited*	Dormant	England & Wales	100
Essex & Suffolk Lettings Limited*	Dormant	England & Wales	100
Moginie James Limited*	Dormant	England & Wales	100
Moginie James Financial Services Limited*	Dormant	England & Wales	100
Hello Ted Limited*	Lettings	England & Wales	100
Scott Fraser Limited*	Estate agency	England & Wales	100
Outlook Property Limited*	Estate agency	England & Wales	100
Lenwell Limited*	Dormant	England & Wales	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*	Block management	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*	Dormant	England & Wales	100
Portico Financial Services Limited*	Dormant	England & Wales	100
Portico Host Limited*	Dormant	England & Wales	100
Portico Payments Limited*	Dormant	England & Wales	100
Thorgil's Property Group Limited*	Dormant	England & Wales	100
Orchards Of London Limited*	Dormant	England & Wales	100
Northfields Holdings Limited*	Dormant	England & Wales	100
Northfields Estates Limited*	Dormant	England & Wales	100
Northfield Estates Limited*	Dormant	England & Wales	100
GCS Estate Management Limited*	Dormant	England & Wales	100
Hose Rhodes Dickson Limited*	Dormant	England & Wales	100
Abacus Bidco Limited*	Holding company	England & Wales	96.52
Acorn (Holdings) Limited*	Holding company	England & Wales	96.52
Acorn Limited*	Estate agency	England & Wales	96.52
Acorn Estate Management Limited*	Dormant	England & Wales	96.52
Acorn Land and Strategic Property Division Limited*	Dormant	England & Wales	96.52
Stuart Chalbs Limited*	Dormant	England & Wales	96.52
Maitlands Acorn Professional Limited*	Professional services	England & Wales	96.52
Propertysmith Limited^	Dormant	England & Wales	96.52
Suttle Limited^	Dormant	England & Wales	96.52
John Payne (Blackheath) Limited*	Dormant	England & Wales	96.52
John Payne (Lee) Limited*	Dormant	England & Wales	96.52
John Payne (Greenwich) Limited*	Dormant	England & Wales	96.52
John Payne (Westcombe Park) Limited*	Dormant	England & Wales	96.52
John Payne (Lettings) Limited*	Dormant	England & Wales	96.52

Notes to the consolidated financial statements

* Held indirectly
^ Dissolved in 2023

With the exception of Emperor Insurance Guernsey Limited the registered office of all subsidiaries 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 2022 £'000
Stocks of consumables	9

15. Debtors

	31 December 2022 £'000
Trade debtors	13,008
Other debtors	1,788
Corporation tax	1,463
Prepayments and accrued income	8,274
	24,533

16. Creditors: amounts falling due within one year

	31 December 2022 £'000
Trade creditors	2,284
Other taxation and social security	8,123
Obligations under finance leases and hire purchase contracts	2,838
Other creditors	1,923
Accruals and deferred income	33,794
	48,962

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

Notes to the consolidated financial statements

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

	31 December 2022 £'000
Bank loans and overdrafts	294,948
Obligations under finance leases and hire purchase contracts	1,680
	296,628

Bank loans and overdrafts include cap talised debt costs of £9.82m.

The maturity of sources of debt finance is as follows:

	31 December 2022 £'000
In one year or less, or on demand	2,838
In more than one year but not more than two years	1,680
In more than two years but not more than five years	11,021
After more than five years	283,927
	299,466

At 31 December 2022, the amount drawn under the Group's banking facilities excluding capitalised debt costs but including accrued PIK interest, where applicable, was as follows:

	31 December 2022 £'000
Facility B	245,557
Original acquisition facility	47,708
Revolving facility	11,500
	304,765

Notes to the consolidated financial statements

Summary of borrowing arrangements:

The bank loans totalling £304.8m are secured via a charge over the assets of certain group companies.

The bank loans are comprised of three facilities as follows:

- B Facility is for £240,000,000 accruing interest at SONIA plus 7.75%;
- Original Acquisition Facility is for £75,000,000 accruing interest at SONIA plus 7.75%;
- Revolving Facility is for £25,000,000 accruing interest at SONIA plus 4.00%.

Cash interest on the B and Original Acquisition Facilities is paid quarterly in arrears. Cash interest on the Revolving Facility is paid monthly in arrears. The B and Original Acquisition Facilities are also subject to PIK interest which accrues and compounds quarterly in March, June, September and December.

The repayment terms for the outstanding loans are as follows:

- £50,000,000 of the B Facility is repayable in full on 28 February 2028;
- Remainder of the B Facility is repayable in full on 28 February 2029;
- Original Acquisition Facility is repayable in full on 28 February 2029;
- Revolving Facility is repayable in full on 28 February 2027.

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.

Notes to the consolidated financial statements

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 2022 £'000
Land and buildings	
Not later than one year	7,261
After one year and not later than five years	22,281
After five years	14,163
	43,705

Notes to the consolidated financial statements

19. Financial instruments

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

	31 December 2022 £'000
Financial assets	
Financial assets measured at fair value through profit or loss	90
Financial assets that are debt instruments measured at amortised cost	14,797

	31 December 2022 £'000
Financial liabilities	
Financial liabilities measured at amortised cost	348,011

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, obligations under finance leases and hire purchase contracts, provisions and bank loans.

Financial assets measured at fair value through profit or loss comprise other investments.

Notes to the consolidated financial statements

20. Provisions for liabilities and charges

	NDO Provision	Claims Outstanding	Clawback Provision	Unearned Premiums	Deferred tax	Other Provisions	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Arising on business combinations	95	295	384	1,824	6,347	27	8,972
Charge for period	5		45	-	(3,741)	-	(3,691)
Utilised during the period	(67)	(51)	(75)	(37)		(24)	(254)
At 31 December 2022	33	244	354	1,787	2,606	3	5,027

The NDO provision represents the potential amounts payable to landlords at the balance sheet date under the terms of the group's No Deposit Option products, in the event that the amounts cannot be recovered from third parties. The NDO provision for £33k represents ongoing cases.

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 liabi ities are offset where the Group has a legal enforceable right to do so.

Notes to the consolidated financial statements

The deferred tax liability consists of the following amounts:

	31 December 2022 £'000
Accelerated capital allowances	(689)
Short term timing differences	(48)
Losses	(1,519)
Business combinations	4,862
	2,606

21. Client Money Balances

	31 December 2022 £'000
Amounts held on behalf of cl ents	122,428
Client account liabilities	(122,428)
	-

Client money balances represent monies held by subsidiaries in separate bank accounts on behalf of clients and the matching liabilities to the clients concerned. Neither of the amounts are included in the consolidated balance sheet.

22. Retirement benefit plans

The Group operates defined contribution 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 £1.71m for the period. Contributions totalling £0.51m were payable to the funds at the reporting date and are included in other payables.

Notes to the consolidated financial statements

23. Called up share capital

The total allotted share capital of the Company is:

Called up, allotted and paid:	2022 Number	£'000
A ordinary shares of US$0.01 each	187,819	1
B ordinary shares of US$0.01 each	1,278,595	10
Preference shares of US$0.01 each	162,855,266	1,202
	164,321,680	1,213

The A Ordinary shares do not carry rights to receive notice of, attend, speak at or vote at general meetings. The A Ordinary shares have rights to participate in a cap tal distribution (including on a winding up). The A Ordinary shares have the right, in respect of dividends, to participate in a distribution. The A Ordinary shares are not redeemable.

The B Ordinary shares carry rights to receive notice of, attend and vote at general meetings. On a show of hands each member has one vote and on a poll each member has one vote per share held. The B Ordinary shares have rights to participate in a capital distribution (including on a winding up). The B Ordinary shares have the right, in respect of dividends, to participate in a distribution. The B Ordinary shares are not redeemable.

The preference shares carry rights to receive notice of, attend and speak at general meetings, but shall not be entitled to vote at such meetings. On a return of capital, the surplus assets of the company available for distribution shall be applied first in paying all unpaid arrears and accruals of the preference dividend thereon, and secondly the subscription price of such preference shares. A fixed, cumulative, preferential dividend at the rate of 9% per annum of its subscription price shall accrue on each preference share and compound annually. The preference shares are redeemable by the company at any time. At 31 December 2022, the preference dividend due but not paid amounted to £9.07m.

Notes to the consolidated financial statements

24. Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and non-wholly owned subsidiaries and other related parties are disclosed below:

Group transactions with Abacus Bidco Limited and its subsidiaries

On 31 August 2022, the Group acquired 100% of the share capital of Acorn (Holdings) Limited and its subsidiaries (together "The Acorn Group") through its 96.52% owned subsidiary, Abacus Bidco Limited. As part of the transaction, Abacus Bidco Limited borrowed an amount of £34.19m from a fellow group company, The Leaders Romans Bidco Limited on which interest of £1.03m was charged in the period to 31 December 2022. The Leaders Romans Bidco also paid invoices amounting to £0.42m on behalf of Abacus Bidco Limited. At 31 December 2022, Abacus Bidco Limited owed £4.88m to The Leaders Romans Bidco Limited.

Abacus Bidco Limited settled outstanding Acorn Group loans amounting to £3.79m as part of the acquisition and the Acorn Group settled payments amounting to £1.25m on behalf of Abacus Bidco Limited.

During the period from acquisition to 31 December 2022, the Group recharged £194,000 of costs to The Acorn Group and incurred costs payable to The Acorn Group amounting to £38,000. At 31 December 2022, the Group was owed £2.53m by The Acorn Group.

Group transactions with Platinum Equity Advisors, LLC. ("Advisors")

Under a corporate advisory services agreement with Advisors, the Group pays an annual fee to Advisors for certain corporate and advisory services provided by Advisors and reimburses Advisors for expenses incurred in the provision of such services. For the period ended 31 December 2022, the Group incurred costs of £1.41m in fees and expense reimbursement under the corporate advisory services agreement, which included transaction support, financial arrangement services, corporate advisory services, operating support and related expenses. At 31 December 2022, the Group owed £Nil to Advisors.

25. Ultimate controlling party

At 31 December 2022, the ultimate parent company and controlling party of Hadrian Holding Limited is Platinum Equity Small Cap Fund International (Cayman), LP.

Hadrian Holding Limited is the undertaking of the smallest and largest group for which consolidated financial statements are prepared. The registered office for Hadrian Holding Limited is 100 New Bridge Street, London, EC4V 6JA. Copies of the consolidated financial statements can be obtained from Companies House.

Notes to the consolidated financial statements

26. Non-controlling interest

The movement in non-controlling interest was as follows:

	2022 £'000
Profit attributable to non-controlling interest	86
At 31 December 2022	86

27. Events after the balance sheet date

On 28 February 2023, the Company issued 1,508 A ordinary shares for a total consideration of £1,759.

On 16 March 2023, the Group acquired the trade of Stanley & Partners, a two branch lettings agency, based in Lewes and Burgess Hill in Sussex.

On 31 March 2023, the Group acquired the entire share capital of First Union Property Company Limited, an estate agent operating from two branches in Battersea Square and Wandsworth.

On 28 April 2023, the Group acquired the entire share capital of Liberty Gate Estates Limited, an independent estate agency business located in the centre of Nottingham.

The purchase price for the three acquisitions referred to above was approximately £2.4m.

28. Net debt

	Cash flows £'000	Acquired £'000	Fair value movements £'000	Non-cash changes £'000	At 31 December 2022 £'000
Cash at bank and in hand	(2,243)	18,805	-	-	16,562
Revolving credit facility	(11,425)	500	-	(96)	(11,021)
Senior loans	(99,137)	(177,920)	5,084	(11,954)	(283,927)
Finance leases	1,973	(5,345)		(1,146)	(4,518)
Derivative financial instruments		34	(34)	-	-
Total	(110,832)	(163,926)	5,050	(13,196)	(282,904)

The non-cash changes comprise new finance leases (£1.15m), capitalised interest (£6.07m) and debt issue costs (£5.98m).

Notes to the consolidated financial statements

29. Acquisitions

The Company and its wholly owned subsidiaries, Hadrian Intermediate Holding Limited and Hadrian Acquisition Limited ("HAL") were incorporated in 2022 to acquire the Leaders Romans Group ("LRG") from Bowmark Capital LLP. The transaction completed on 28 February 2022. LRG is a leading property services group in the UK that has pursued a strategy of growth by acquisition.

Following the transaction on 28 February 2022, the Group continued its strategy of growth by acquisition and acquired a number of businesses during the period ended 31 December 2022. For all acquisitions, the Group taken advantage of the exemption allowed by FRED 67 not to recognise identifiable intangible assets and consequently the difference between the carrying value of assets and liabilities acquired and the purchase price paid is classified wholly as goodwill. The consideration includes amounts payable on completion, an estimate of any deferred and/or contingent consideration (estimated in accordance with the criteria set out in the relevant sale and purchase agreement taking account of information available at the date of calculation) 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 2022
28/02/2022	The Leaders Romans Group	Property services	England & Wales	100%
04/03/2022	Northfields Holdings Limited	Estate agents	England & Wales	100%
31/07/2022	GCS Estate Management Limited	Block management	England & Wales	100%
10/08/2022	Hose Rhodes Dickson Limited	Estate agents	England & Wales	100%
31/08/2022	Acorn (Holdings) Limited	Estate agents	England & Wales	96.52%

In addition to the above, the group also acquired the trade of SPL Property Management LLP on 30 June 2022 for a total consideration of £1.43m. The goodwill arising on the acquisition was equivalent to the consideration payable. The trade was transferred into an existing group company on acquisition and the revenue and profit contributed to the Group results in the period is not therefore obtainable.

Notes to the consolidated financial statements

Acquisition of The Leaders Romans Group

On 28 February 2022 the Group acquired the entire share capital of The Leaders Romans Group, for a total consideration of £188.79m, (including expenses of £7.74m). This was achieved through two separate transactions – on 28 February 2022, the Group acquired the entire share capital of The Leaders Romans Midco Limited and on 28 July 2022, the Group acquired the entire share capital of The Leaders Romans Group Limited. The directors are of the opinion that control of the Leaders Romans Group was achieved on 28 February 2022 and have therefore treated the acquisition as occurring wholly on that date. The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below. The fair value adjustments arises from the elimination of previous goodwill.

	Book value	Fair value adjustments	Fair value
	£'000	£'000	£'000
Fixed assets			
Intangible fixed assets	81,185	(48,429)	32,756
Tangible fixed assets	13,109	-	13,109
Investments	116	-	116
Current assets			
Stock	27	-	27
Debtors	21,459	-	21,459
Cash	14,021		14,021
Total assets	129,917	(48,429)	81,488
Creditors	(221,680)	-	(221,680)
Deferred tax	(6,195)	-	(6,195)
Net liabilities	(97,958)	(48,429)	(146,387)
Cash consideration (including expenses of £7.74m)			188,794
Goodwill arising on acquisition			335,181

Included within creditors above is a bank loan of £177m. This was settled as part of the acquisition and replaced with new debt of £240m. The repayment and new debt are shown separately in the consolidated statement of cashflows. The revenue contributed to the Group results by The Leaders Romans Group during the period since its acquisition was £147.52m and it generated a loss before tax of £44.65m over the same period. These amounts include current year acquisitions hived up immediately following Acquisition, for which the revenue and profit contribution to Group result is not obtainable but exclude amounts relating to The Acorn (Holdings) Limited Group which was acquired on 31 August 2022.

Notes to the consolidated financial statements

Acquisition of Northfields Holdings Limited

On 4 March 2022 the Group acquired the entire share capital of Northfields Holdings Limited and its subsidiaries ("Northfields"), for a total consideration of £3.89m, (including expenses of £63,000). 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
	£'000	£'000	£'000
Fixed assets			
Intangible fixed assets	7	-	7
Tangible fixed assets	55	-	55
Current assets			
Debtors	172	-	172
Cash	83	-	83
Total assets	317	-	317
Creditors	(430)	-	(430)
Net liabilities	(113)		(113)
Cash consideration (including expenses of £63,000)			3,893
Goodwill arising on acquisition			**4,006**

The trade of Northfields was transferred to another group company on acquisition. The revenue and profit contributed to the Group results in the period is not therefore obtainable.

Notes to the consolidated financial statements

Acquisition of GCS Estate Management Limited

On 31 July 2022 the Group acquired the entire share capital of GCS Estate Management Limited ("GCS"), for a total consideration of £574,000 (including expenses of £11,000). 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
	£'000	£'000	£'000
Fixed assets			
Tangible fixed assets	2	-	2
Current assets			
Debtors	10	-	10
Cash	85	-	85
Total assets	97	-	97
Creditors	(42)	-	(42)
Net assets	55	-	55
Cash consideration (including expenses of £11,000)			489
Contingent consideration			85
Goodwill arising on acquisition			519

The trade of GCS was transferred to another group company on acquisition. The revenue and profit contributed to the Group results in the period is not therefore obtainable.

Notes to the consolidated financial statements

Acquisition of Hose Rhodes Dickson Limited

On 10 August 2022 the Group acquired the entire share capital of Hose Rhodes Dickson Limited ("HRD"), for a total consideration of £4.81m (including expenses of £43,000). 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
	£'000	£'000	£'000
Fixed assets			
Tangible fixed assets	12	-	12
Current assets			
Debtors	76	-	76
Cash	1,354	-	1,354
Total assets	1,442	-	1,442
Creditors	(671)		(671)
Net assets	771	-	771
Cash consideration (including expenses of £43,000)			2,806
Contingent consideration			2,000
Goodwill arising on acquisition			**4,035**

The trade of HRD was transferred to other Group companies on acquisition. The revenue and profit contributed to the group results in the period is not therefore obtainable.

Notes to the consolidated financial statements

Acquisition of Acorn (Holdings) Limited

On 31 August 2022 the Group acquired the entire share capital of Acorn (Holdings) Limited and its subsidiaries ("The Acorn Group"), for a total consideration of £43.92m (including expenses of £0.96m). 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
	£'000	£'000	£'000
Fixed assets			
Intangible fixed assets	5,975	(5,975)	-
Tangible fixed assets	2,554	-	2,554
Current assets			
Debtors	5,029	-	5,029
Cash	3,262	-	3,262
Total assets	16,820	(5,975)	10,845
Creditors	(9,806)	-	(9,806)
Deferred tax	(152)		(152)
Net assets	6,862	(5,975)	887
Cash consideration (including expenses of £96,000)			33,921
Contingent consideration			10,000
Goodwill arising on acquisition			**43,034**

The revenue contributed to the Group results by The Acorn Group during the period since its acquisition was £12.72m and they generated a profit before tax of £2.46m over the same period.

Notes to the consolidated financial statements

30. Contingent liabilities

Hadrian Ho'ding Limited has provided an unlimited guarantee over all the liabilities of the following subsidiaries

Company name	Registered Number
Abacus Bidco Limited	14259667
Boyer Planning Limited	02529151
Capgen Services L'mited	06598995
Elldee Franchising Lim-ted	06247563
GCS Estate Management Limited	09491263
Hadrian Acquisit on Limited	13859371
Hadrian Intermediate Holding Limited	13859073
Hello Ted Limited	12061002
Hill & Clark Limited	07551391
Hose Rhodes Dickson Limited	04357716
Leaders Limited	01690574
Leaders First in Letting Limited	08614101
Leaders Group	03042443
Leaders Lettings Limited	07111438
Leaders Lettings Trading Limited	05476878
Leaders Sales Limited	04597727
Leaders The Rental Agents Limited	08619691
LRG Employees Limited	10854720
Outlook Property Limited	04214170
Northfields Estates Limited	02357461
Portico Financial Services Limited	11593121
Portico Property Limited	04971609
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
Scott Fraser Limited	05480849
The Leaders Romans Bidco Limited	09797397
The Leaders Romans Group Limited	09939099
The Leaders Romans Midco Limited	09939189
The Leaders Romans Midco 2 Limited	09939213
The Romans Group UK Limited	02161874
Thorgills Property Group Limited	06570368
Three Sixty Maintenance Limited	12312244

Twelve of the above entities have net liabilities at the period-end totalling £243.97m All of the above entities have taken the audit exemption under s479A Companies Act 2006.

Hadrian Holding Limited

Company Balance Sheet as at 31 December 2022

	Note	31 December 2022 £'000
Fixed assets		
Investments	3	121,620
		121,620
Current assets		
Debtors	4	4,038
Cash at bank and in hand		30
		4,068
Creditors: amounts falling due within one year	5	(48)
Net current assets		4,020
Net assets		125,640
Equity		
Called up share capital	7	1,213
Share premium account		120,463
Profit and loss account		3,964
Total equity		125,640

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 loss after tax of the parent company for the period was £47,000

The financial statements on pages 64 to 73 were approved by the Board of Directors and authorised for issue on 29 June 2023 and were signed on its behalf by:

WRB

M A Sigler
Director
Company registration number: 13856784

The notes on pages 66 to 73 form an integral part of these financial statements.

Company Statement of Changes in Equity

For the period ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Loss for the period			(47)	(47)
Total comprehensive expense for the period		-	(47)	(47)
Issue of shares in the period	1,213	120,463		121,676
Share based payment credit	-	-	4,011	4,011
Total contributions by and distributions to owners	1,213	120,463	4,011	125,687
Balance at 31 December 2022	1,213	120,463	3,964	125,640

The notes on pages 66 to 73 form an integral part of these financial statements.

Notes to the Company Financial statements

1. Accounting Policies

1.1 Basis of preparation

The annual financial statements of Hadrian Holding 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.

1.2 Going Concern

As the entity is a holding company, it is reliant on cashflows generated by trading entities in the Group. Accordingly, in considering going concern below, references are to the Group rather than the Company.

The Directors of the Company have considered the cash flow requirements for the Group for a period of not less than 18 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 £42.19m for the period ended 31 December 2022 and had net current liabilities of £7.86m and net assets of £86.32m at the balance sheet date. The Group generated operating profit before amortisation, share-based payments and exceptional items of £23.21m and, as is typical of a Private Equity controlled group bank loans are future liabilities, falling due for repayment between 2027 and 2029. The Directors are confident in the cash generation of the business with cash generated from operations of £23.61m and cash held at the balance sheet date of £16.56m.

During the period, 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 that the conditions under which the Group might breach covenants would only arise in a highly unlikely combination of circumstances within management's control, in which event, mitigating actions could be taken to ensure covenants were met.

Having reviewed the Group's forecasts, projections and required covenant compliance for a period of not less than 18 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 its banking covenants and meet all its liabilities as they fall due to 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 18 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.

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.

Notes to the Company Financial statements

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.

Notes to the Company Financial statements

1.7 Financial liabilities

The Company's financial liabilities include intercompany balances and other creditors.

Financial liabilities 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 wh'ch 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:

- Called up share capital" represents the nominal value of equity shares issued.
- "Share premium account" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Profit and loss account" represents the accumulated profits and losses attributable to equity shareholders.

Notes to the Company Financial statements

2. **Significant management judgements and estimation in applying accounting policies**

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

Impairment
Determine whether there are indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include market conditions and expected future financial performance of the asset concerned. There was no impairment charge in the period.

Classification of preference shares
The directors must determine whether the rights attaching to the preference shares issued by the Company result in them being classified as debt or equity on the ba ance sheet.

Investment recoverability
The Company carries out impairment reviews of investments whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised where the recoverable amount of the investment is calculated as less than the carrying amount. In calculating the recoverable amount, account is taken of the latest Group budgets and forecasts approved by the Board. The budgets and forecasts are based on various assumptions relating to the Group's business including assumptions relating to market outlook, observable trends, and profitability.

Share-based payments
The cumulative expense recognised for the Group's share-based payment schemes reflects, in the opinion of the Directors, the number of equity instruments granted that will ultimately vest. At each reporting date, management adjusts the unvested equity instruments with the forfeited instruments. Management is of the opinion that this number, adjusted for future attrition rates, represents the most accurate estimate of the number of instruments that will ultimately vest.

Notes to the Company Financial statements

3. Investments

	Investments in Subsidiaries £'000
Cost	
Additions	121,620
As at 31 December 2022	121,620

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

4. Debtors

	31 December 2022 £'000
Amounts owed by group undertakings	4,008
Taxation and social security	30
	4,038

Intercompany balances are unsecured, interest free and repayable on demand.

5. Creditors: amounts falling due within one year

	31 December 2022 £'000
Amounts owed to group undertakings	44
Accruals and deferred income	4
	48

Intercompany balances are interest free and repayable on demand.

Notes to the Company Financial statements

6. Financial Instruments

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

	31 December 2022 £'000
Financial assets	
Financial assets that are debt instruments measured at amortised cost	4,008

	31 December 2022 £'000
Financial liabilities	
Financial liabilities measured at amortised cost	48

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

Financial liabilities measured at amortised cost comprise accruals and amounts due to group companies.

Notes to the Company Financial statements

7. Called up share capital

The total allotted share capital of the Company is:

Called up, allotted and paid:	2022 Number	£'000
A ordinary shares of US$0.01 each	187,819	1
B ordinary shares of US$0.01 each	1,278,595	10
Preference shares of US$0.01 each	162,855,266	1,202
	164,321,680	1,213

The A Ordinary shares do not carry rights to receive notice of, attend, speak at or vote at general meetings. The A Ordinary shares have rights to participate in a capital distribution (including on a winding up). The A Ordinary shares have the right, in respect of dividends, to participate in a distribution. The A Ordinary shares are not redeemable

The B Ordinary shares carry rights to receive notice of, attend and vote at general meetings. On a show of hands each member has one vote and on a poll each member has one vote per share held. The B Ordinary shares have rights to participate in a capital distribution (including on a winding up). The B Ordinary shares have the right, in respect of dividends, to participate in a distribution. The B Ordinary shares are not redeemable.

The preference shares carry rights to receive notice of, attend and speak at general meetings, but shall not be entitled to vote at such meetings. On a return of capital, the surplus assets of the company available for distribution shall be applied first in paying all unpaid arrears and accruals of the preference dividend thereon, and secondly the subscription price of such preference shares. A fixed, cumulative, preferential dividend at the rate of 9% per annum of its subscription price shall accrue on each preference share and compound annually. The preference shares are redeemable by the company at any time. At 31 December 2022, the preference dividend due but not paid amounted to £9.07m.

8. Events After the Balance Sheet Date

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

Notes to the Company Financial statements

9. Contingent liabilities

Hadrian Holding Limited has provided an unlimited guarantee over all the liabilities of the following subsidiaries.

Company name	Registered Number
Abacus Bidco Limited	14259667
Boyer Planning Limited	02529151
Capgen Services Limited	06598995
Elldee Franchising Limited	06247563
GCS Estate Management Limited	09491263
Hadrian Acquisition Limited	13859371
Hadrian Intermediate Holding Limited	13859073
Hello Ted Limited	12061002
Hill & Clark Limited	07551391
Hose Rhodes Dickson Limited	04357716
Leaders Limited	01690574
Leaders First in Letting Limited	08614101
Leaders Group	03042443
Leaders Lettings Limited	07111438
Leaders Lettings Trading Limited	05476878
Leaders Sales Limited	04597727
Leaders The Rental Agents Limited	08619691
LRG Employees Limited	10854720
Outlook Property Limited	04214170
Northfields Estates Limited	02357461
Portico Financial Services Limited	11593121
Portico Property Limited	04971609
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
Scott Fraser Limited	05480849
The Leaders Romans Bidco Limited	09797397
The Leaders Romans Group Limited	09939099
The Leaders Romans Midco Limited	09939189
The Leaders Romans Midco 2 Limited	09939213
The Romans Group UK Limited	02161874
Thorgills Property Group Limited	06570368
Three Sixty Maintenance Limited	12312244

Twelve of the above entities have net liabilities at the period end totalling £243.97. All of the above entities have taken the audit exemption under s479A Companies Act 2006