

Registered number: 09939189

THE LEADERS ROMANS MIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



THE LEADERS ROMANS MIDCO LIMITED

COMPANY INFORMATION

Directors	S M P Adcock (resigned 28 February 2022) P L Aitchison P Kavanagh T Shelford (resigned 28 February 2022) P S Weller (resigned 28 February 2022) I M S Downie (appointed 28 February 2022) E M Kalawski (appointed 28 February 2022) M A Sigler (appointed 28 February 2022)
Company secretary	P L Aitchison
Registered number	09939189
Registered office	Crowthorne House Nine Mile Ride Wokingham Berkshire RG40 3GZ
Independent auditor	Grant Thornton UK LLP Statutory Auditor & Chartered Accountants 1st Floor One Valpy 20 Valpy Street Reading RG1 1AR

THE LEADERS ROMANS MIDCO LIMITED

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THE LEADERS ROMANS MIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

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

Business review

The company directly holds the share capital of The Leaders Romans Midco 2 Limited and through this indirectly holds 100% of the share capital of The Leaders group and The Romans group ("Leaders" and "Romans" respectively). Both the Leaders and Romans groups are involved in the provision of property services. On 22 March 2021, the company's subsidiary, The Leaders Romans Midco 2 Limited, redeemed the loan notes held by the company including accrued interest. The company used the proceeds of £206,476,199 to subscribe for additional shares in The Leaders Romans Midco 2 Limited. As a result, the carrying value of the company's investments at 31 December 2021 increased to £206,477,199 (31 December 2020 - £1,000). The company's net loss before taxation for the year ended 31 December 2021 was £14,178,593 (year ended 31 December 2020 - loss £5,418). The company had net liabilities of £14,205,010 at 31 December 2021 (31 December 2020 - £26,417). Both the results for the year and the balance sheet are in line with directors' expectations.

Key performance indicators

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

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

Principal risks and uncertainties

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

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

The activity levels of the group's businesses are closely related to that in the housing marketplace. Though we face risks associated with the housing marketplace, the directors feel that our diversity of operations in second hand sales, lettings, new homes, planning, residential surveys, mortgages and auctions and our strength of a large core managed lettings portfolio reduces the risks to the group of variations in the housing market. The board of directors monitor work levels on a monthly basis to ensure that sufficient resources are in place.

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

The group monitors cash flow as part of its daily control activities. Cash flow projections are prepared on a regular basis to ensure that the appropriate cash reserves are available to fund the future operation of the group's businesses. Cash flow projections are reviewed by the Board every month.

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

THE LEADERS ROMANS MIDCO LIMITED

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

This report was approved by the board on 30 May 2022 and signed on its behalf.

Paul Aitchison

P L Aitchison
Director

THE LEADERS ROMANS MIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 - 2 of these financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £14,178,593 (2020 - profit £334,084).

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

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

Directors

The Directors who served during the year were:

S M P Adcock (resigned 28 February 2022)

P L Aitchison

P Kavanagh

T Shelford (resigned 28 February 2022)

P S Weller (resigned 28 February 2022)

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

Employment of disabled persons

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

Employee involvement

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

Post balance sheet events

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

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

THE LEADERS ROMANS MIDCO LIMITED

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

Directors' responsibilities statement

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

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

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

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

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

The directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 May 2022 and signed on its behalf.



P L Aitchison
Director

THE LEADERS ROMANS MIDCO LIMITED

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

THE LEADERS ROMANS MIDCO LIMITED

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

THE LEADERS ROMANS MIDCO LIMITED

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

- We enquired of management, the audit committee and those charged with governance, concerning the Company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, the audit committee and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated our enquires through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We identified whether there is a culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- In addition, we concluded that there are certain significant laws and regulations, such as Estate Agents Act 1979, The Consumers, Estate Agents and Redress Act 1997, ARLA Propertymark Rules, Employment Law and Health and Safety regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to client monies, health and safety, employee matters, environmental matters, data protection, and bribery and corruption practices.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

THE LEADERS ROMANS MIDCO LIMITED

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

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

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - Journal entries with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; and
 - Potential management bias in determining estimates and judgements, particularly in relation to assessing the impairment of intangibles, investments and intercompany receivables.
- Our audit procedures involved:
 - Evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - Journal entry testing; with a focus on material manual journals, including those with unusual account combinations and those posted directly to cash, debtors and creditors control accounts;
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement items.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with the audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the entity operates; and
 - Understanding of the legal and regulatory requirements specific to the entity.

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

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

THE LEADERS ROMANS MIDCO LIMITED

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

Use of our report

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

Grant Thornton UK LLP

Norman Armstrong BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountant
Southampton
30 May 2022

THE LEADERS ROMANS MIDCO LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Administrative expenses		(6,500)	(5,418)
Operating loss	4	(6,500)	(5,418)
Interest receivable and similar income	6	4,046,115	16,714,411
Interest payable and similar expenses	7	(18,218,208)	(16,714,411)
Loss before tax		(14,178,593)	(5,418)
Tax on loss	8	-	339,502
(Loss)/profit for the financial year		(14,178,593)	334,084

The notes on pages 13 to 24 form part of these financial statements.

THE LEADERS ROMANS MIDCO LIMITED
REGISTERED NUMBER: 09939189

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	9	206,477,199	1,000
		<u>206,477,199</u>	<u>1,000</u>
Current assets			
Debtors: amounts falling due within one year	10	-	202,429,534
		<u>-</u>	<u>202,429,534</u>
Creditors: amounts falling due within one year	11	(86,877,192)	(68,651,934)
Net current (liabilities)/assets		<u>(86,877,192)</u>	<u>133,777,600</u>
Total assets less current liabilities		<u>119,600,007</u>	<u>133,778,600</u>
Creditors: amounts falling due after more than one year	12	(133,805,017)	(133,805,017)
Net liabilities		<u>(14,205,010)</u>	<u>(26,417)</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		(14,206,010)	(27,417)
		<u>(14,205,010)</u>	<u>(26,417)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 May 2022.

Paul Aitchison

P L Aitchison
 Director

The notes on pages 13 to 24 form part of these financial statements.

THE LEADERS ROMANS MIDCO LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Profit and loss account reserve	Total
	£	£	£
At 1 January 2020	1,000	(361,501)	(360,501)
Profit for the year	-	334,084	334,084
Total comprehensive income for the year	-	334,084	334,084
At 1 January 2021	1,000	(27,417)	(26,417)
Loss for the year	-	(14,178,593)	(14,178,593)
Total comprehensive income for the year	-	(14,178,593)	(14,178,593)
At 31 December 2021	1,000	(14,206,010)	(14,205,010)

The notes on pages 13 to 24 form part of these financial statements.

THE LEADERS ROMANS MIDCO LIMITED

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

1. Nature of operations and general information

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

2. Accounting policies

2.1 Basis of preparation

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

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

This information is included in the consolidated financial statements of The Leaders Romans Group Limited as at 31 December 2021 and these financial statements may be obtained from Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

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

The company made a loss before tax of £14,178,593 for the year ended 31 December 2021 (year ended 31 December 2020 - loss £5,418) and had net liabilities of £14,205,010 at the balance sheet date (31 December 2020 - £26,417).

THE LEADERS ROMANS MIDCO LIMITED

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

2. Accounting policies (continued)

2.5 Interest receivable and payable

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

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Impairment of non-financial assets

At each balance sheet date the Directors review the carrying amounts of the Company's non-current assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

An impairment loss is recognised as an expense immediately.

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

2.8 Financial instruments

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

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

THE LEADERS ROMANS MIDCO LIMITED

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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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

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

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

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

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

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

2.9 Taxation

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

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

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

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

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

THE LEADERS ROMANS MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.10 Equity**

Equity comprises the following:

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions and accounting estimates are subject to regular review. Any revisions required to accounting estimates are recognised in the year in which the revisions are made including all future years affected.

Significant management judgements

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

Impairment of assets

Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

4. Operating loss

The operating loss is stated after charging:

	2021	2020
	£	£
Auditors' remuneration	3,250	2,705

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

THE LEADERS ROMANS MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****5. Employees**

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £NIL).

The emoluments of all directors during the current and prior year were paid by other group companies for services to the group as a whole. The directors received no separate emoluments for their services to this company. The directors consider the services provided to the company to be incidental.

6. Interest receivable

	2021 £	2020 £
Group interest receivable	4,046,115	16,714,411
	<u>4,046,115</u>	<u>16,714,411</u>

7. Interest payable and similar expenses

	2021 £	2020 £
Group interest payable	4,765,414	4,372,398
Interest on loan notes	13,452,794	12,342,013
	<u>18,218,208</u>	<u>16,714,411</u>

8. Taxation

	2021 £	2020 £
Corporation tax		
Adjustments in respect of previous periods	-	(339,502)
	<u>-</u>	<u>(339,502)</u>
Total current tax	<u>-</u>	<u>(339,502)</u>

THE LEADERS ROMANS MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****8. Taxation (continued)****Factors affecting tax charge for the year**

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

	2021 £	2020 £
Loss on ordinary activities before tax	(14,178,593)	(5,418)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(2,693,933)	(1,029)
Effects of:		
Expenses not deductible for tax purposes	2,284,427	2,170,867
Group relief claimed	409,506	(2,343,953)
Adjustments to tax charge in respect of prior periods	-	(339,502)
Deferred tax not provided	-	174,115
Total tax charge for the year	-	(339,502)

A deferred tax asset of £587,636 on the company's timing differences of £2,350,544 has not been recognised at the balance sheet date as the company is not expected to be able to utilise these timing differences in the foreseeable future.

Factors that may affect future tax charges

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

THE LEADERS ROMANS MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****9. Investments**

	Shares in subsidiary undertakings £
Cost	
At 1 January 2021	1,000
Additions	206,476,199
At 31 December 2021	206,477,199

During the year the company increased its investment in The Leaders Romans Midco 2 Limited ("Midco 2"), through the capitalisation of amounts owed to the company by Midco 2.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
The Leaders Romans Midco 2 Limited (*)	England & Wales	Holding company	100%
Leaders Lettings Limited	England & Wales	Holding Company	100%
LRG Employees Limited	England & Wales	Holding Company	100%
Romans 1 Limited	England & Wales	Holding Company	100%
Romans 2 Limited	England & Wales	Holding Company	100%
Romans 3 Limited	England & Wales	Holding Company	100%
The Romans Group (UK) Limited	England & Wales	Estate agency	100%
LRG Financial Services Limited	England & Wales	Mortgage Advisers	100%
Romans Professional Services Limited	England & Wales	Chartered Surveyors	100%
The Leaders Romans Bidco Limited	England & Wales	Holding company	100%
Lloyds Property Agents (Ashton) Limited	England & Wales	Dormant	100%
Boyer Planning Limited	England & Wales	Planning Consultants	100%
Harmers Limited	England & Wales	Dormant	100%
Atkinson & Keene Limited	England & Wales	Dormant	100%
JM Lettings Limited	England & Wales	Dormant	100%
Romans Sales and Lettings Limited	England & Wales	Dormant	100%
Jacksons Residential Limited	England & Wales	Dormant	100%
Caroline Clark & Associates Limited	England & Wales	Dormant	100%
Sherriff Mountford Limited	England & Wales	Dormant	100%
Drummonds Property Rentals Limited	England & Wales	Dormant	100%
Campsie Lettings Limited	England & Wales	Dormant	100%
Romans Commercial Limited	England & Wales	Dormant	100%
James Griffin Lettings Limited	England & Wales	Dormant	100%
Amethyst Lettings Holdings Limited	England & Wales	Dormant	100%
Amethyst Lettings Limited	England & Wales	Dormant	100%
Handovers (Lettings) Limited	England & Wales	Dormant	100%
Bennett Residential Limited	England & Wales	Dormant	100%
Brampton Sales & Lettings Limited	England & Wales	Dormant	100%
Lets Rent Limited	England & Wales	Dormant	100%
Leaders First in Letting Limited	England & Wales	Holding Company	100%
Leaders The Rental Agents Limited	England & Wales	Holding Company	100%
Leaders Lettings Trading Limited	England & Wales	Holding Company	100%
Relocate UK Limited	England & Wales	Management Services	100%

THE LEADERS ROMANS MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****9. Investments (continued)****Subsidiary undertakings (continued)**

Name	Registered office	Principal activity	Holding
Emperor Insurance Guernsey Limited	Guernsey	Insurance Services	100%
Leaders Group	England & Wales	Holding Company	100%
Bode Insurance Solutions Limited	England & Wales	Insurance Services	100%
Leaders Sales Limited	England & Wales	Property Sales	100%
Elldae Franchising Limited	England & Wales	Management Services	100%
Principal Property Services Limited	England & Wales	Dormant	100%
JSM Property Management Limited	England & Wales	Dormant	100%
Leaders Jordans Limited	England & Wales	Dormant	100%
Residential Holdings Limited	England & Wales	Dormant	100%
Jordans Residential Lettings Limited	England & Wales	Dormant	100%
Key Properties UK Limited	England & Wales	Dormant	100%
Brian Smith Property Management Limited	England & Wales	Dormant	100%
Saxon Management (New Milton) Limited	England & Wales	Dormant	100%
Saxon Management (Christchurch) Limited	England & Wales	Dormant	100%
Goddard & Co Rentals Limited	England & Wales	Dormant	100%
Goddard & Co Rentals (Felixstowe) Limited	England & Wales	Dormant	100%
Goddard & Co Rentals (Mid-Suffolk) Limited	England & Wales	Dormant	100%
Bush Property Management Limited	England & Wales	Dormant	100%
Lloyds Property Agents Limited	England & Wales	Dormant	100%
Lloyds Property Agents (Wigan) Limited	England & Wales	Dormant	100%
Spinnaker Residential Limited	England & Wales	Dormant	100%
Oaks Property UK Limited	England & Wales	Dormant	100%
Alexanders Residential Lettings Limited	England & Wales	Dormant	100%
Temples Property Management (BSE) Limited	England & Wales	Dormant	100%
Swan Residential Limited	England & Wales	Dormant	100%
Brookes Hall Limited	England & Wales	Dormant	100%
Isherwoods Residential Limited	England & Wales	Dormant	100%
Mitchell and Perryer Limited	England & Wales	Dormant	100%
QB Management Limited	England & Wales	Dormant	100%
Simply Lets Limited	England & Wales	Dormant	100%
Lynda Paine Lettings Limited	England & Wales	Dormant	100%
Waterside Properties (Poole) Limited	England & Wales	Dormant	100%
Leaders Waterside Properties Limited	England & Wales	Dormant	100%
Perry Bishop and Chambers Limited	England & Wales	Dormant	100%
IMS Lettings Limited	England & Wales	Dormant	100%
Aston Mead Estate Agents Limited	England & Wales	Dormant	100%
Town & Country (Holdings) Limited	England & Wales	Dormant	100%
CT Trading Limited	England & Wales	Dormant	100%
Leeco (Buckingham) Limited	England & Wales	Dormant	100%
Heritage Property (Leamington Spa) Limited	England & Wales	Dormant	100%
Giles Fullerton (East Anglia) Limited	England & Wales	Dormant	100%
Tudor Property Consultants Limited	England & Wales	Dormant	100%
Premier Places Limited	England & Wales	Dormant	100%
Homeseach Property Management Limited	England & Wales	Dormant	100%
Minchin Fellows Limited	England & Wales	Dormant	100%
Town & Country Property Services (Worcester) Limited	England & Wales	Dormant	100%
T&C (Lettings) Limited	England & Wales	Dormant	100%

THE LEADERS ROMANS MIDCO LIMITED

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

9. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Holding
Leaders MA (Holdings) Limited	England & Wales	Dormant	100%
Leaders MA Limited	England & Wales	Dormant	100%
Allen Estates Limited	England & Wales	Dormant	100%
Watson Blackburn Limited	England & Wales	Dormant	100%
Watson Mitchell Limited	England & Wales	Dormant	100%
Ideal Homes (Bedford) Limited	England & Wales	Dormant	100%
The Brampton Partnership (Estate Agents) Limited	England & Wales	Dormant	100%
Bath Property Letting Limited	England & Wales	Dormant	100%
First Contact Limited t/a Clearmove	England & Wales	Dormant	100%
Penyards Property Management Holdings Limited	England & Wales	Dormant	100%
Penyards Property Management Limited	England & Wales	Dormant	100%
Bulmer Estates Limited	England & Wales	Dormant	100%
MBM Management Limited	England & Wales	Dormant	100%
Prescott Hall Limited	England & Wales	Dormant	100%
City Lettings (Norwich) Limited	England & Wales	Dormant	100%
J South Limited	England & Wales	Dormant	100%
Temples (Nantwich) Limited	England & Wales	Dormant	100%
Temples (Northwich) Limited	England & Wales	Dormant	100%
PDC (Chester and Nantwich) Limited	England & Wales	Dormant	100%
Suttons City Living Limited	England & Wales	Dormant	100%
DPC Properties Limited t/a Upp Properties	England & Wales	Dormant	100%
GPS Property Management Limited	England & Wales	Dormant	100%
CF Lettings (Bath) Limited	England & Wales	Dormant	100%
Marlows Lettings & Property Management Limited	England & Wales	Dormant	100%
Property Concept Limited	England & Wales	Dormant	100%
Revolution Property Management Limited	England & Wales	Block management	100%
Rebloom Limited	England & Wales	Dormant	100%
Essex & Suffolk Lettings Limited	England & Wales	Dormant	100%
Capgen Services Limited	England & Wales	Professional property services	90%
Dunlop Heywood Limited	England & Wales	Dormant	90%
Three Sixty Maintenance Limited	England & Wales	Property maintenance	100%
Moginie James Limited	England & Wales	Dormant	100%
Moginie James Financial Services Limited	England & Wales	Dormant	100%
Hello Ted Limited	England & Wales	Lettings	100%
Scott Fraser Limited	England & Wales	Estate agency	100%
Outlook Property Limited	England & Wales	Estate agency	100%
Lenwell Limited	England & Wales	Dormant	100%
Hill & Clark Limited	England & Wales	Estate agency	100%
Hill & Clark (Bourne) Limited	England & Wales	Dormant	100%
Portico Property Limited	England & Wales	Estate agency	100%
Portico Host Limited	England & Wales	Dormant	100%
Portico Financial Services Limited	England & Wales	Mortgage Services	100%
Portico Payments Limited	England & Wales	Dormant	100%
Gibbs Gillespie Lettings Limited	England & Wales	Dormant	100%
Gibbs Gillespie Sales Limited	England & Wales	Dormant	100%
Mortgage & Insurance Bureau Limited	England & Wales	Dormant	100%
Dewhurst Holdings Limited	England & Wales	Dormant	100%

THE LEADERS ROMANS MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****9. Investments (continued)****Subsidiary undertakings (continued)**

Name	Registered office	Principal activity	Holding
Dewhurst Lettings Limited	England & Wales	Dormant	100%
Orchards of London Limited	England & Wales	Dormant	100%
Thorgills Property Group Limited	England & Wales	Dormant	100%

(*) denotes a direct subsidiary, all others are indirect subsidiaries.

With the exception of Emperor Insurance Guernsey Limited all direct and indirect subsidiary undertakings' registered office is Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ.

The registered office for Emperor Insurance Guernsey Limited is PO Box 549, Town Mills, Rue du Pré, St Peter Port, Guernsey, GY1 6HS.

10. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	-	202,429,534
	<u>-</u>	<u>202,429,534</u>

All amounts shown under debtors fall due for payment within one year.

Included within amounts owed by group undertakings above are debtors amounting to £Nil (2020 - £133,805,017) on which interest is charged at a rate of 9% per annum. All other intercompany balances are interest free.

11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	22,745,677	17,973,795
Accruals and deferred income	64,131,515	50,678,139
	<u>86,877,192</u>	<u>68,651,934</u>

THE LEADERS ROMANS MIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****12. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
9% loan notes	98,802,767	98,802,767
Amounts owed to group undertakings	35,002,250	35,002,250
	<u>133,805,017</u>	<u>133,805,017</u>

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

13. Share capital

	2021 £	2020 £
Allotted, issued and fully paid		
10,000 (2020 - 10,000) Ordinary shares of £0.10 each	<u>1,000</u>	<u>1,000</u>

14. Related party transactions

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

At 31 December 2021, the company was ultimately controlled by funds managed by Bowmark Capital LLP. Transactions with entities related to Bowmark Capital LLP are set out below:

The company owed loan notes to Bowmark Capital Partners IV amounting to £ 96,831,995 as at 31 December 2021 (31 December 2020 - £ 96,831,995). Interest on the loan notes is charged at 9% and an amount of £ 13,184,457 (year ended 31 December 2020 - £ 12,095,833) was charged to the profit and loss account. At 31 December 2021 the company owed Bowmark Capital Partners IV £ 159,678,428 (31 December 2020 - £ 146,493,971).

The company owed loan notes to Bowmark Investment Partnership IV amounting to £ 1,826,977 at 31 December 2021 (31 December 2020 - £ 1,826,977). Interest on the loan notes is charged at 9% and an amount of £ 248,758 (year ended 31 December 2020 - £ 228,218) was charged to the profit and loss account. At 31 December 2021 the company owed Bowmark Investment Partnership IV £ 3,012,732 (31 December 2020 - £ 2,763,974).

The company owed loan notes to Bowmark Participations LLP amounting to £ 143,794 at 31 December 2021 (31 December 2020 - £ 143,794). Interest on the loan notes is charged at 9% and an amount of £ 19,578 (year ended 31 December 2020 - £ 17,962) was charged to the profit and loss account. At 31 December 2021 the company owed Bowmark Investment Participations LLP £ 237,120 (31 December 2020 - £ 217,542).

THE LEADERS ROMANS MIDCO LIMITED

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

15. Post balance sheet events

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

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

16. Controlling party

The company is a subsidiary of The Leaders Romans Group Limited, which is the immediate and ultimate parent company.

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

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

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