

Registered number: 09939189

The Leaders Romans Midco Limited
Annual Report and Financial Statements
For the year ended 31 December 2020

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The Leaders Romans Midco Limited

Company information

Directors	P L Aitchison S M P Adcock P Kavanagh T Shelford P S Weller
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 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
Bankers	National Westminster Bank PLC Abbey Gardens 4 Abbey Street Reading Berkshire RG1 3BA

The Leaders Romans Midco Limited

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The Leaders Romans Midco Limited

Strategic Report

The directors present their report together with the audited financial statements for the year ended 31 December 2020. The comparatives are for the year ended 31 December 2019.

Principal activities

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

Review of the business

The company 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. The carrying value of the company's investments at 31 December 2020 was £1,000 (31 December 2019 - £1,000) and both groups have performed in line with the directors' expectations during the year to 31 December 2020. The company's net loss before taxation for the year ended 31 December 2020 was £5,418 (year ended 31 December 2019 - £5,526). The company had net liabilities of £26,417 at 31 December 2020 (31 December 2019 - £360,501). 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

The Leaders Romans Midco Limited

Strategic Report (continued)

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.

Approval

This strategic report was approved on behalf of the Board on 21 May 2021



P L Aitchison
Director

The Leaders Romans Midco Limited

Directors' Report for the year ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020. Comparative information is provided for the year ended 31 December 2019 for the company.

Business review

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

Results and dividends

The profit and loss account is set out on page 14 and shows the profit for the year. No dividends were paid during the year.

The directors do not recommend the payment of a dividend (year ended 31 December 2019 - £Nil).

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

Directors

The directors of the company during the year and post year end were as follows:

S M P Adcock
P L Aitchison (appointed 13 January 2020)
P Kavanagh
M E J Palmer (resigned 13 January 2020)
T Shelford
P S Weller

At 31 December 2020, 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.

The Leaders Romans Midco Limited

Directors' Report for the year ended 31 December 2020 (continued)

Employee involvement

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

Post balance sheet events

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.

Details of post balance sheet events affecting the wider group are included in the consolidated financial statements of The Leaders Romans Group Limited.

Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

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.

The Leaders Romans Midco Limited

Directors' Report for the year ended 31 December 2020 (continued)

Auditor

Grant Thornton UK LLP, is deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

Paul Aitchison

On behalf of the Board
P L Aitchison
Director
21 May 2021

The Leaders Romans Midco Limited

INDEPENDENT AUDITOR'S REPORT TO 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 2020, which comprise the profit and loss account, the balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of the company's 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 Leaders Romans Midco Limited

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

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.

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 paragraph, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view,

The Leaders Romans Midco Limited

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

and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 teams 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.

The Leaders Romans Midco Limited

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS MIDCO LIMITED
(CONTINUED)**

- We corroborated our enquiries 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 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 employee matters.
- 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 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 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.

The Leaders Romans Midco Limited

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE LEADERS ROMANS MIDCO LIMITED
(CONTINUED)**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from 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 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.

Use of our report

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

Grant Thornton UK LLP

Norman Armstrong BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton
21 May 2021

The Leaders Romans Midco Limited

Profit and loss account for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Administrative expenses		(5,418)	(5,526)
Operating loss	4	(5,418)	(5,526)
Interest receivable and similar income	6	16,714,411	15,334,322
Interest payable and similar charges	7	(16,714,411)	(15,334,322)
Loss before taxation		(5,418)	(5,526)
Taxation	8	339,502	(339,502)
Profit/(loss) and total comprehensive profit/(loss) for the financial year		334,084	(345,028)
Profit/(loss) for the financial year attributable to: The Company's equity shareholders		334,084	(345,028)

All amounts relate to continuing operations.

The notes on page 17 to 29 form an integral part of these financial statements.

The Leaders Romans Midco Limited

Balance Sheet as at 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
Fixed assets			
Investments	9	<u>1,000</u>	<u>1,000</u>
		1,000	1,000
Current assets			
Debtors	10	202,429,534	185,715,123
Creditors: amounts falling due within one year	11	<u>(68,651,934)</u>	<u>(52,271,607)</u>
Net current assets		<u>133,777,600</u>	<u>133,443,516</u>
 Creditors: amounts falling due after more than one year	12	<u>(133,805,017)</u>	<u>(133,805,017)</u>
Net liabilities		<u>(26,417)</u>	<u>(360,501)</u>
Capital and reserves			
Share capital	13	1,000	1,000
Profit and loss account reserve		<u>(27,417)</u>	<u>(361,501)</u>
Shareholders' funds		<u>(26,417)</u>	<u>(360,501)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 May 2021 and were signed on its behalf by:

Paul Aitchison

P L Aitchison

Director

Company registration number: 09939189

The notes on page 17 to 29 form an integral part of these financial statements.

The Leaders Romans Midco Limited

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital £	Profit and loss account reserve £	Total £
Balance at 1 January 2020	1,000	(361,501)	(360,501)
Profit for the year	-	334,084	334,084
Total comprehensive profit for the year	-	334,084	334,084
Balance at 31 December 2020	1,000	(27,417)	(26,417)

For the year ended 31 December 2019

	Share capital £	Profit and loss account reserve £	Total £
Balance at 1 January 2019	1,000	(16,473)	(15,473)
Loss for the year	-	(345,028)	(345,028)
Total comprehensive loss for the year	-	(345,028)	(345,028)
Balance at 31 December 2019	1,000	(361,501)	(360,501)

The notes on page 17 to 29 form an integral part of these financial statements.

The Leaders Romans Midco Limited

Notes to the financial statements for the year ended 31 December 2020

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. Principal Accounting Policies

2.1 Basis of preparation

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

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

Financial reporting standard 102 – reduced disclosure exemptions

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

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

This information is included in the financial statements of The Leaders Romans Group Limited as at 31 December 2020, and these financial statements may be obtained from Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ.

Exemption from preparation of consolidated financial statements

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

2.2 Going concern

The 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 Leaders Romans Midco Limited

Notes to the financial statements

The company made a loss before tax of £5,418 for the year ended 31 December 2020 (year ended 31 December 2019 £5,526) and had net liabilities of £26,417 (31 December 2019 £360,501) at the balance sheet date.

2.3 Interest receivable and payable

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

2.4 Investments

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

2.5 Impairment of non-financial assets

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

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

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

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.

The Leaders Romans Midco Limited

Notes to the financial statements

2.6 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

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

Impairment of financial assets

Financial assets are impaired if there is objective evidence of impairment. The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables.

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

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

All interest-related charges are included within finance costs or finance income.

2.7 Taxation

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

2.8 Current taxation

Current taxation for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous years.

The Leaders Romans Midco Limited

Notes to the financial statements

2.9 Deferred taxation

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax liabilities are provided in full, and are not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit and loss account, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.10 Equity

Equity comprises the following:

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

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

No significant judgements or estimates were required in the preparation of these financial statements.

The Leaders Romans Midco Limited

Notes to the financial statements**4. Operating loss**

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Operating profit is stated after charging:		
Auditor's remuneration - fees payable to the Company's Auditor and its Associates for:		
- the audit of the Company's annual accounts	2,705	2,550

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.

5. Employees

There were no employees other than the directors in the current or prior year.

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 and similar income

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Group interest receivable	16,714,411	15,334,322

7. Interest payable and similar charges

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Group interest payable	4,372,398	4,011,374
Interest on loan notes	12,342,013	11,322,948
	16,714,411	15,334,322

The Leaders Romans Midco Limited

Notes to the financial statements**8. Taxation****Analysis of charge in the year**

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Corporation tax:		
Current tax on losses of the year	-	339,502
Adjustment in respect of previous periods	(339,502)	
Total tax (credit)/charge	(339,502)	339,502

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Loss before taxation	(5,418)	(5,526)
Loss by rate of tax 19% (2019: 19%)	(1,029)	(1,050)
Expenses not deductible for tax purposes	2,170,867	866,137
Group relief claimed	(2,343,953)	(525,585)
Adjustment in respect of previous periods	(339,502)	-
Deferred tax not provided	174,115	-
Total tax	(339,502)	339,502

The Leaders Romans Midco Limited

Notes to the financial statements**9. Investments**

	Shares in subsidiary undertakings £
Cost	
At 1 January 2019	1,000
Additions	-
	<hr/>
At 31 December 2019 and 31 December 2020	1,000
	<hr/>

Details of the Company's direct subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Company	
			2020	2019
The Leaders Romans Midco 2 Limited	Holding company	England & Wales	100	100

Details of the Company's indirect subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	% ownership held by the Company	
			2020	2019
Leaders Lettings Limited	Holding Company	England & Wales	100	100
LRG Employees Limited	Holding Company	England & Wales	100	100
Romans 1 Limited	Holding Company	England & Wales	100	100
Romans 2 Limited	Holding company	England & Wales	100	100
Romans 3 Limited	Holding company	England & Wales	100	100
The Romans Group (UK) Limited	Estate agency	England & Wales	100	100
LRG Financial Services Limited	Mortgage Advisers	England & Wales	100	100
Romans Professional Services Limited	Chartered Surveyors	England & Wales	100	100
The Leaders Romans Bidco Limited	Holding company	England & Wales	100	100
Lloyds Property Agents (Ashton) Limited	Dormant	England & Wales	100	100
Boyer Planning Limited	Planning Consultants	England & Wales	100	100
Harmers Limited	Dormant	England & Wales	100	100
Atkinson & Keene Limited	Dormant	England & Wales	100	100
JM Lettings Limited	Dormant	England & Wales	100	100
Romans Sales and Lettings Limited	Dormant	England & Wales	100	100
Jacksons Residential Limited	Dormant	England & Wales	100	100
Caroline Clark & Associates Limited	Dormant	England & Wales	100	100
Sherriff Mountford Limited	Dormant	England & Wales	100	100

The Leaders Romans Midco Limited

Notes to the financial statements

Drummonds Property Rentals Limited	Dormant	England & Wales	100	100
Campsie Lettings Limited	Dormant	England & Wales	100	100
Romans Commercial Limited	Dormant	England & Wales	100	100
James Griffin Lettings Limited	Dormant	England & Wales	100	100
Amethyst Lettings Holdings Limited	Dormant	England & Wales	100	100
Amethyst Lettings Limited	Dormant	England & Wales	100	100
Handovers (Lettings) Limited	Dormant	England & Wales	100	100
Bennett Residential Limited	Dormant	England & Wales	100	100
Brampton Sales & Lettings Limited	Dormant	England & Wales	100	100
Lets Rent Limited	Dormant	England & Wales	100	100
Leaders First in Letting Limited	Holding Company	England & Wales	100	100
Leaders The Rental Agents Limited	Holding Company	England & Wales	100	100
Leaders Lettings Trading Limited	Holding Company	England & Wales	100	100
Relocate UK Limited	Management Services	England & Wales	100	100
Emperor Insurance Guernsey Limited	Insurance Services	Guernsey	100	100
Leaders Group	Holding Company	England & Wales	100	100
Bode Insurance Solutions Limited	Insurance Services	England & Wales	100	100
Leaders Sales Limited	Property Sales	England & Wales	100	100
Elldee Franchising Limited	Management Services	England & Wales	100	100
Principal Property Services Limited	Dormant	England & Wales	100	100
JSM Property Management Limited	Dormant	England & Wales	100	100
Leaders Jordans Limited	Dormant	England & Wales	100	100
Residential Holdings Limited	Dormant	England & Wales	100	100
Jordans Residential Lettings Limited	Dormant	England & Wales	100	100
Key Properties UK Limited	Dormant	England & Wales	100	100
Brian Smith Property Management Limited	Dormant	England & Wales	100	100
Saxon Management (New Milton) Limited	Dormant	England & Wales	100	100
Saxon Management (Christchurch) Limited	Dormant	England & Wales	100	100
Goddard & Co Rentals Limited	Dormant	England & Wales	100	100
Goddard & Co Rentals (Felixstowe) Limited	Dormant	England & Wales	100	100
Goddard & Co Rentals (Mid-Suffolk) Limited	Dormant	England & Wales	100	100
Bush Property Management Limited	Dormant	England & Wales	100	100
Lloyds Property Agents Limited	Dormant	England & Wales	100	100
Lloyds Property Agents (Wigan) Limited	Dormant	England & Wales	100	100
Spinnaker Residential Limited	Dormant	England & Wales	100	100
Oaks Property UK Limited	Dormant	England & Wales	100	100
Alexanders Residential Lettings Limited	Dormant	England & Wales	100	100

The Leaders Romans Midco Limited

Notes to the financial statements

Temples Property Management (BSE) Limited	Dormant	England & Wales	100	100
Swan Residential Limited	Dormant	England & Wales	100	100
Brookes Hall Limited	Dormant	England & Wales	100	100
Isherwoods Residential Limited	Dormant	England & Wales	100	100
Mitchell and Perryer Limited	Dormant	England & Wales	100	100
QB Management Limited	Dormant	England & Wales	100	100
Simply Lets Limited	Dormant	England & Wales	100	100
Lynda Paine Lettings Limited	Dormant	England & Wales	100	100
Waterside Properties (Poole) Limited	Dormant	England & Wales	100	100
Leaders Waterside Properties Limited	Dormant	England & Wales	100	100
Perry Bishop and Chambers Limited	Dormant	England & Wales	100	100
IMS Lettings Limited	Dormant	England & Wales	100	100
Aston Mead Estate Agents Limited	Dormant	England & Wales	100	100
Town & Country (Holdings) Limited	Dormant	England & Wales	100	100
CT Trading Limited	Dormant	England & Wales	100	100
Leeco (Buckingham) Limited	Dormant	England & Wales	100	100
Heritage Property (Leamington Spa) Limited	Dormant	England & Wales	100	100
Giles Fullerton (East Anglia) Limited	Dormant	England & Wales	100	100
Tudor Property Consultants Limited	Dormant	England & Wales	100	100
Premier Places Limited	Dormant	England & Wales	100	100
Homeseach Property Management Limited	Dormant	England & Wales	100	100
Minchin Fellows Limited	Dormant	England & Wales	100	100
Town & Country Property Services (Worcester) Limited	Dormant	England & Wales	100	100
T&C (Lettings) Limited	Dormant	England & Wales	100	100
Leaders MA (Holdings) Limited	Dormant	England & Wales	100	100
Leaders MA (BSE) Limited	Dormant	England & Wales	100	100
Allen Estates Limited	Dormant	England & Wales	100	100
Watson Blackburn Limited	Dormant	England & Wales	100	100
Watson Mitchell Limited	Dormant	England & Wales	100	100
Ideal Homes (Bedford) Limited	Dormant	England & Wales	100	100
The Brampton Partnership (Estate Agents) Limited	Dormant	England & Wales	100	100
Bath Property Letting Limited	Dormant	England & Wales	100	100
First Contact Limited t/a Clearmove	Dormant	England & Wales	100	100
Penyards Property Management Holdings Limited	Dormant	England & Wales	100	100
Penyards Property Management Limited	Dormant	England & Wales	100	100
Bulmer Estates Limited	Dormant	England & Wales	100	100
MBM Management Limited	Dormant	England & Wales	100	100
Prescott Hall Limited	Dormant	England & Wales	100	100
City Lettings (Norwich) Limited	Dormant	England & Wales	100	100
J South Limited	Dormant	England & Wales	100	100

The Leaders Romans Midco Limited

Notes to the financial statements

Temples (Nantwich) Limited	Dormant	England & Wales	100	100
Temples (Northwich) Limited	Dormant	England & Wales	100	100
PDC (Chester and Nantwich) Limited	Dormant	England & Wales	100	100
Suttons City Living Limited	Dormant	England & Wales	100	100
DPC Properties Limited t/a Upp Properties	Dormant	England & Wales	100	100
GPS Property Management Limited	Dormant	England & Wales	100	100
CF Lettings (Bath) Limited	Dormant	England & Wales	100	100
Marlows Lettings & Property Management Limited	Dormant	England & Wales	100	100
Property Concept Limited	Dormant	England & Wales	100	100
Revolution Property Management Limited	Block management	England & Wales	100	100
Rebloom Limited	Dormant	England & Wales	100	100
Essex & Suffolk lettings Limited	Dormant	England & Wales	100	100
Capgen Services Limited	Professional property services	England & Wales	90	90
Dunlop Heywood Limited	Dormant	England & Wales	90	90
Three Sixty Maintenance Limited	Property maintenance	England & Wales	100	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	-

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

	31 December 2020 £	31 December 2019 £
Amounts owed by group undertakings	<u>202,429,534</u>	<u>185,715,123</u>
	202,429,534	185,715,123

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

The Leaders Romans Midco Limited

Notes to the financial statements**11. Creditors: amounts falling due within one year**

	31 December 2020 £	31 December 2019 £
Amounts owed to group undertakings	17,973,795	13,595,871
Corporation tax	-	339,502
Accruals and deferred income	50,678,139	38,336,234
	<u>68,651,934</u>	<u>52,271,607</u>

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

	31 December 2020 £	31 December 2019 £
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>

Maturity of debt:

	31 December 2020 £	31 December 2019 £
In more than two years but not more than five years	<u>133,805,017</u>	<u>133,805,017</u>
	<u>133,805,017</u>	<u>133,805,017</u>

The loan notes accrue interest at 9% and are repayable by March 2023 or at a point of sale or listing.

The Leaders Romans Midco Limited

Notes to the financial statements

13. Share capital

The total allotted share capital of the Company is:

Allotted, issued and fully paid

	2020 Number	2020 £	2019 Number	2019 £
Ordinary shares of £0.10 each	10,000	1,000	10,000	1,000

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.

The company is 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 2020 (31 December 2019 - £96,831,995). Interest on the loan notes is charged at 9% and an amount of £12,095,833 (year ended 31 December 2019 - £11,097,094) was charged to the profit and loss account. At 31 December 2020 the company owed Bowmark Capital Partners IV £146,493,971 (31 December 2019 - £134,398,138)

The company owed loan notes to Bowmark Investment Partnership IV amounting to £1,826,977 at 31 December 2020 (31 December 2019 - £1,826,977). Interest on the loan notes is charged at 9% and an amount of £228,218 (year ended 31 December 2019 - £209,374) was charged to the profit and loss account. At 31 December 2020 the company owed Bowmark Investment Partnership IV £2,763,974 (31 December 2019 - £2,535,756)

The company owed loan notes to Bowmark Participations LLP amounting to £143,794 at 31 December 2020 (31 December 2019 - £143,794). Interest on the loan notes is charged at 9% and an amount of £17,962 (year ended 31 December 2019 - £16,479) was charged to the profit and loss account. At 31 December 2020 the company owed Bowmark Investment Participations LLP £217,542 (31 December 2019 - £199,580).

The Leaders Romans Midco Limited

Notes to the financial statements

15. Events after the balance sheet date

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.

Details of post balance sheet events affecting the wider group are included in the consolidated financial statements of The Leaders Romans Group Limited.

16. Ultimate 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.

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