

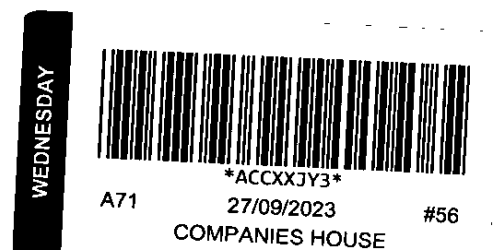
Registered number: 10854720

LRG EMPLOYEES LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



LRG EMPLOYEES LIMITED

COMPANY INFORMATION

Directors	P L Aitchison P Kavanagh
Company secretary	P L Aitchison
Registered number	10854720
Registered office	Crowthorne House Nine Mile Ride Wokingham Berkshire RG40 3GZ

LRG EMPLOYEES LIMITED

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LRG EMPLOYEES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report together with the unaudited financial statements for the year ended 31 December 2022. The comparatives are for the year ended 31 December 2021.

Principal activities

The principal activity of the company is provision of payroll services to the Leaders Romans Group ("Group"). There have been no changes in the activities of the company in the year under review.

Business review

The company has performed in line with the Directors' expectations in 2022.

Financial review

During the year ended 31 December 2022, the company's revenue was £98,556,761, compared to £83,743,643 for the year ended 31 December 2021. The profit before taxation for the year ended 31 December 2022 was £3,818,510 compared to a profit of £2,784,477 for the year ended 31 December 2021.

The company's balance sheet remains strong, with net assets of £13,293,827 at 31 December 2022 (31 December 2021 - £9,514,658).

The group carefully monitors cash flow and at 31 December 2022 held cash of £16,044,278 (31 December 2021 - £15,040,329).

Key performance indicators

The key performance indicator ("KPI") for the company is the number of employees which is shown below for the year ended 31 December 2022 and the year ended 31 December 2021:

	2022	2021
Employees (no.)	2,573	2,357

Principal risks and uncertainties

The company is exposed to a variety of financial risks in its day-to-day operations and has in place a series of policies to mitigate these risks. The policies set by the board of directors are implemented by the finance and compliance departments.

As a provider of employees to a group involved in the provision of property services, the activity levels of the company's business are closely related to that in the housing marketplace. The board of directors monitor work levels within the group on a regular basis to ensure that sufficient and appropriate resources are in place.

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.

The Group is required to comply with various legal and regulatory requirements, both as an employer and through the provision of services to customers. Any breach of these requirements could expose the Group to sanctions and/or reputational risk. The Group has a compliance department to monitor compliance with legal and regulatory requirements and has put in place appropriate policies and procedures, including training, to ensure employees are aware of applicable rules and requirements. There is a strong focus on the delivery of a high level of service to the Group's customers.

The Group's employees are key to its ability to deliver a high level of service to its customers and to enable it to grow successfully. There is a risk that the Group may not be able to recruit or retain sufficient staff to deliver these objectives. Some of the activities undertaken by the Group to mitigate this risk are included in the s.172 Statement below.

LRG EMPLOYEES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company

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

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

LRG depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The Group seeks to put its customers' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for its investors.

The directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have both, individually and collectively, acted in the way that, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, they have had regard, amongst other matters to:

The likely consequences of any decision on the long term

The LRG Board meets on a regular basis to assess and review the performance and the strategic direction of the company. The Board is conscious that these strategic decisions will impact on the long term success of the business, employee and stakeholder engagement as well as on the environment and local communities.

The Interests of the Group's Employees

We believe that our strength lies in our people and in our strong company values. The board has a keen interest in the development and morale of the employees through the oversight of our key recruitment, training and retention policies and our quarterly recognition and award schemes.

The CEO hosts regular two way feedback sessions where employees are encouraged to submit any questions or concerns for the Board's consideration. This enables the board to hear from and interact with all levels of the business.

The company has invested in an Employee Assistance Programme, Employee Care, which is accessible to all permanent members of staff via a 24/7 helpline. All employees are able to access confidential counselling, financial and legal telephone advice from an independent consultant as well as guidance on a range of every day issues. In addition the company is further investing in the mental health and wellbeing of its employees and has trained several mental health first aiders within the business who an employee is able to contact in confidence should they wish to reach out for additional support.

The Company's Business Relationships

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

Customers

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

Landlord and tenant needs are serviced by dedicated teams within the Group who undergo rigorous and ongoing training, from the staff in branch to property managers who oversee the requirements of both the landlord and the tenant. The Group is a member of ARLA Propertymark and all client monies are subject to strict annual audits and protected by the rules of the ARLA Propertymark body.

LRG EMPLOYEES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Suppliers

There is a limited supply chain given the nature of the work undertaken by the Group. However the Group does have a procurement department who oversee all supply contracts and tender contracts where appropriate.

The majority of our suppliers are UK based, although some do have an offshore element where people are employed to deliver manual operational processes and IT solutions. The vast majority of our suppliers are small companies, partnerships or sole traders. We take a collaborative approach when working with our suppliers to ensure that we are working together towards a common strategy to deliver success for all parties.

The Impact of the Company's Operations on the Community and the Environment

The Group is conscious of the environmental impact of its' business activities and is passionate about the environment and we are committed to meeting our environmental responsibilities and forging a reputation for excellence in this area. We promote good practice across all of our disciplines aiming to reduce the negative effects our business and supply chains have on the environment.

Our objective is to minimise our impact on the environment by preventing pollution, eliminating any activities that may have an adverse effect on the environment, working in a socially responsible manner and always considering the impact of our actions on the community. A key area of focus is the use of virtual viewings which reduce the need for both employees and customers to travel to and from appointments.

We have worked to reduce not only the amount of paper and other resources we as a business consume, but also to promote a green ethos across the schools and community groups we work with in order to ensure the future generation in our local area understand the importance of protecting their environment.

In order to support the local community, the group continues to take steps to support charities and communities through a variety of schemes. Each of our brands work with official charity partners and have gone above and beyond in their fundraising efforts.

Maintaining our Reputation

LRG is passionate about maintaining our reputation for high standards of business conduct. We are aware that the group's reputation could be adversely affected by unsatisfactory levels of customer service and we are conscious how important it is for our customers to receive first class levels of customer support. We have mechanisms in place in order to address and resolve any customer issues.

The need to act fairly between members of the Company

Our intention is to behave responsibly towards our stakeholders (including investors, customers, employees and suppliers) and treat them fairly and equally so that they may benefit from the successful delivery of our strategic objectives.

This report was approved by the board on 13 September 2023 and signed on its behalf.



P L Aitchison
Director

LRG EMPLOYEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company is provision of payroll services to the Leaders Romans Group.

Results and dividends

The profit for the year, after taxation, amounted to £3,779,169 (2021 - £2,802,984).

No dividends were paid during the year.

The directors do not recommend the payment of a dividend (year ended 31 December 2021 - £Nil).

Directors

The Directors who served during the year were:

P L Aitchison
P Kavanagh

At 31 December 2022, third party indemnity provision for the benefit of the company's directors was in force.

Statement of corporate governance arrangements

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

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.

Streamlined Energy and Carbon Reporting (SECR)

It is a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. This information has been prepared for The Leaders Romans Group as a whole and is disclosed in the consolidated financial statements of the company's ultimate parent company, Hadrian Holding Limited.

LRG EMPLOYEES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 to 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.

This report was approved by the board on 13 September 2023 and signed on its behalf.



P L Aitchison
Director

LRG EMPLOYEES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		98,556,761	83,743,643
Gross profit		98,556,761	83,743,643
Administrative expenses		(94,738,251)	(80,820,638)
Operating profit	4	3,818,510	2,923,005
Interest payable and similar expenses	7	-	(138,528)
Profit before tax		3,818,510	2,784,477
Tax on profit	8	(39,341)	18,507
Profit for the financial year		3,779,169	2,802,984

The notes on pages 9 to 18 form part of these financial statements.

LRG EMPLOYEES LIMITED
REGISTERED NUMBER: 10854720

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	-	412
		<u>-</u>	<u>412</u>
Current assets			
Debtors: amounts falling due within one year	11	324,562,629	238,281,200
Cash at bank and in hand		25,000	25,000
		<u>324,587,629</u>	<u>238,306,200</u>
Creditors: amounts falling due within one year	12	(311,293,802)	(228,791,954)
Net current assets		<u>13,293,827</u>	<u>9,514,246</u>
Total assets less current liabilities		<u>13,293,827</u>	<u>9,514,658</u>
Net assets		<u><u>13,293,827</u></u>	<u><u>9,514,658</u></u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		13,293,727	9,514,558
		<u><u>13,293,827</u></u>	<u><u>9,514,658</u></u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2023.



P L Aitchison
Director

The notes on pages 9 to 18 form part of these financial statements.

LRG EMPLOYEES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Profit and loss account reserve	Total
	£	£	£
At 1 January 2021	100	6,711,574	6,711,674
Profit for the year	-	2,802,984	2,802,984
Total comprehensive income for the year	-	2,802,984	2,802,984
At 1 January 2022	100	9,514,558	9,514,658
Profit for the year	-	3,779,169	3,779,169
Total comprehensive income for the year	-	3,779,169	3,779,169
At 31 December 2022	100	13,293,727	13,293,827

The notes on pages 9 to 18 form part of these financial statements.

LRG EMPLOYEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Nature of operations and general information

LRG Employees 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 of financial statements

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 Hadrian Holding Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

2.3 Going concern

The company is a subsidiary of Hadrian Holding Limited. The financial statements have been prepared on the going concern basis. In reaching this conclusion, the directors have reviewed forecasts for the group of which the company is a part, which demonstrate a reasonable expectation that both the company and its wider group will continue to generate cash and have adequate resources to continue in operational existence for a period not less than 12 months from the date of signing these financial statements.

2.4 Turnover

Turnover represents income from recharging payroll and related costs to other group companies. It is recognised as the relevant costs are incurred. The amounts recognised are not related to contracts with customers.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Current and deferred 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 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.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Other equipment	- Over a 12 month period on cost
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted *prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 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 periods. A reversal of an impairment loss is recognised in the profit and loss account immediately.

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of intercompany balances

Determine whether there are indicators of impairment of the balances due from other group companies. Factors taken into consideration in reaching such a decision include the current and expected future performance of the entities concerned.

4. Operating profit

The operating profit is stated after charging:

	2022	<i>2021</i>
	£	<i>£</i>
Tangible fixed assets - depreciation	412	<i>3,928</i>
Auditors' remuneration	-	<i>7,200</i>
	=====	<i>=====</i>

In 2021, the company took advantage of the exemption from the requirement to disclose details of the auditor's remuneration for non-audit services. This was disclosed in the consolidated financial statements of its ultimate parent company at that time, The Leaders Romans Group Limited.

LRG EMPLOYEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Employees

	2022 £	2021 £
Wages and salaries	83,329,442	71,141,146
Social security costs	9,547,293	7,710,545
Pension costs	1,853,454	1,618,910
	<u>94,730,189</u>	<u>80,470,601</u>

In 2021, the company made claims amounting to £290,474 under the UK Government's furlough scheme. The claims were reflected in the financial statements of the group companies to which the employees had been subcontracted.

The average monthly number of employees, including the Directors, during the year was as follows:

	2022 No.	2021 No.
Sub-contracted to operating companies	<u>2,573</u>	<u>2,357</u>

6. Directors' remuneration

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

7. Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	-	138,528
	<u>-</u>	<u>138,528</u>

LRG EMPLOYEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Taxation

	2022 £	2021 £
Current tax		
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	29,899	(7,581)
Adjustment in respect of prior years	-	(1,350)
Effect of changes in tax rates	9,442	(9,576)
Total deferred tax	39,341	(18,507)
Taxation on profit on ordinary activities	39,341	(18,507)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	3,818,510	2,784,477
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	725,517	529,051
Effects of:		
Change in tax rates	9,442	(9,576)
Group relief	(695,618)	(536,632)
Adjustments to tax charge in respect of prior periods	-	(1,350)
Total tax charge for the year	39,341	(18,507)

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.

LRG EMPLOYEES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Deferred taxation

	2022 £	2021 £
At beginning of year	39,900	21,393
Charged to profit or loss	(39,341)	18,507
At end of year	559	39,900

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	559	578
Short term timing differences	-	39,322
	559	39,900

10. Tangible fixed assets

	Other equipment £
Cost	
At 1 January 2022	4,340
At 31 December 2022	4,340
Depreciation	
At 1 January 2022	3,928
Charge for the year on owned assets	412
At 31 December 2022	4,340
Net book value	
At 31 December 2022	-
At 31 December 2021	412

LRG EMPLOYEES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****11. Debtors**

	2022	2021
	£	£
Amounts owed by group undertakings	324,529,134	238,196,345
Other debtors	18,639	10,727
Prepayments and accrued income	14,297	34,228
Deferred taxation	559	39,900
	<u>324,562,629</u>	<u>238,281,200</u>

12. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	9,527
Amounts owed to group undertakings	307,830,564	225,470,847
Other taxation and social security	2,223,908	2,119,642
Other creditors	414,322	377,348
Accruals and deferred income	825,008	814,590
	<u>311,293,802</u>	<u>228,791,954</u>

13. Share capital

	2022	2021
	£	£
Allotted, issued and fully paid		
100 (2021 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

14. Contingent liabilities

The company has guaranteed the borrowings of Hadrian Acquisition Limited, a fellow subsidiary of Hadrian Holding Limited. The borrowings subject to the guarantee at 31 December 2022 totalled £304,764,570. At 31 December 2021, the company had guaranteed the borrowings of The Leaders Romans Bidco Limited, a fellow subsidiary of Hadrian Holding Limited, amounting to £177,079,206.

LRG EMPLOYEES LIMITED

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15. Related party transactions

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

16. Controlling party

The company is a subsidiary of The Leaders Romans Bidco Limited, which is registered at Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ. At 31 December 2022, the company's ultimate parent company was Hadrian Holding Limited, which is registered at 100 New Bridge Street, London, EC4V 6JA.

Hadrian Holding 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 Companies House.

At 31 December 2022, the ultimate controlling party of LRG Employees Limited is Platinun Equity Small Cap Fund International (Cayman), L.P.