

The Leaders Romans Group Limited

Report and Financial Statements

Period ended 31 December 2017

Company Number 09939099

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The Leaders Romans Group Limited

Report and financial statements for the period ended 31 December 2017

Contents

Page:

1	Strategic report
3	Directors' report
5	Independent auditor's report
8	Consolidated statement of comprehensive income
9	Consolidated balance sheet
10	Consolidated statement of changes in equity
12	Consolidated statement of cash flows
13	Company balance sheet
14	Company statement of changes in equity
15	Notes forming part of the financial statements

Directors

P A Coles
M E J Palmer
R A Connell
C T M Ind
P Kavanagh
M J Light
T Shelford
P S Weller
A D Cheong
A S Gill
P D Loverdos
M B Cook

Registered office

Crowthorne House, Nine Mile Ride, Wokingham, Berkshire, RG40 3GZ

Company number

09939099

Bankers

National Westminster Bank PLC, Abbey Gardens, 4 Abbey Street, Reading, Berkshire, RG1 3BA

Auditor

BDO LLP, Level 12, Thames Tower, Station Road, Reading, Berkshire, RG1 1LX

The Leaders Romans Group Limited

Strategic report for the period ended 31 December 2017

The directors present their report together with the audited financial statements for the period ended 31 December 2017. The comparatives are for the year ended 31 March 2017.

Principal activities

The principal activity of the company is that of a holding company. These consolidated financial statements also include the company's subsidiary undertakings, whose principal activities are those of Property Services, Mortgage Advisers, Chartered Surveyors and Planning Consultants. There have been no changes in the activities of the group in the period under review.

Review of the business

2017 has seen continued headwinds in the sales market and the continued prospect of legislation changes in the lettings market in future years. Management have taken steps to strengthen the business and service offering to our customers to ensure we remain strong and confident in our market places now and in the future.

New product initiatives are being investigated, piloted and rolled out over the estate to provide better value for our customers and our aim continues to be the service provider of choice.

Management are cautiously optimistic about the future and remain agile to react and improve our business as opportunities arise. We will continue our expansion plans through acquisition of Lettings portfolios to underpin the core of our business.

Financial review

During the period ended 31 December 2017, the group's turnover was £86,012,809, compared to £114,241,668 for the year ended 31 March 2017.

The operating profit before amortisation for the 9 month period ended 31 December 2017 was £14,429,355, compared to £20,339,062 for the year ended 31 March 2017. The loss before taxation for the period ended 31 December 2017 was £20,563,669 compared to a loss of £44,651,426 for the year ended 31 March 2017.

During the period ended 31 December 2017 the group continued its acquisition strategy, acquiring nine businesses, and the group continues to look to acquire high quality businesses within the industry, whilst maintaining the highest level of service within the existing business.

The group carefully monitors cash flow and at 31 December 2017 held cash of £13,751,780 (31 March 2017 - £10,268,872).

Key performance indicators

The key performance indicators ("KPIs") for the group are based around turnover and operating profit before amortisation. A summary of KPIs for the 9 month period ended 31 December 2017 and the year ended 31 March 2017 are shown below:

	31 December 2017	31 March 2017
Turnover	£86,012,809	£114,241,668
Operating profit before amortisation	£14,429,355	£20,339,062
Lettings Properties under management (no.)	47,591	47,252
Residential sales pipeline	£5,354,112	£6,431,084
Residential sales new instructions (no.)	7,226	10,063

The Leaders Romans Group Limited

Strategic report (continued)
for the period ended 31 December 2017

Post balance sheet event

Since the balance sheet date the group has acquired a further 3 businesses, adding new offices in Northwich and Nantwich and adding portfolios of properties to existing offices in Bath, Manchester and Chester.

Principal risks and uncertainties

The group 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 department.

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 reduces the risks to the group of any one division being adversely affected. The directors are cautiously optimistic about the next 12 months. The board of directors monitor work levels on a monthly basis to ensure that sufficient resources are in place.

The group's credit risk is primarily attributable to its trade debtors. Credit risk is managed through strict credit vetting and monitoring. Credit limits are set for customers and where appropriate work is reviewed against available credit before being undertaken. Trade debtors are pursued vigorously by the group.

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

Approval

This strategic report was approved on behalf of the Board on 9 July 2018

M E J Palmer



Director

The Leaders Romans Group Limited

Directors' report for the period ended 31 December 2017

The directors present their report together with the audited financial statements for the period ended 31 December 2017. Information is provided for the period from 1 April 2017 to 31 December 2017 for the group.

Results and dividends

The consolidated statement of comprehensive income is set out on page 8 and shows the loss for the period.

No dividends were paid during the period.

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

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.

Clients' money balances

At the balance sheet date the group held amounts on behalf of clients totalling £98,039,103 (31 March 2017 - £93,426,902). All client funds are held in accordance with ARLA regulations (specifically ARLA Bye-Law 3 - Client Accounts, Procedures, Requirements and Compliance) and tenant deposits are registered under the Tenancy Deposit and MyDeposits Schemes.

Directors

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

P A Coles	
M E J Palmer	
R A Connell	
C T M Ind	
P Kavanagh	
M J Light	
A C Thompson	(resigned on 28 February 2018)
T Shelford	
P S Weller	
A D Cheong	
A S Gill	(appointed on 11 April 2017)
P D Loverdos	(appointed on 11 April 2017)
A J Somers	(appointed on 11 April 2017 and resigned on 1 February 2018)
M B Cook	(appointed on 1 April 2018)

At 31 December 2017, third party indemnity provision for the benefit of the company's directors was in force.

The Leaders Romans Group Limited

Directors' report for the period ended 31 December 2017 (*continued*)

Future developments

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

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company and of the profit or loss of the group and 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.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP are deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

On behalf of the Board

M E J Palmer



Director

Date: 9 July 2018

The Leaders Romans Group Limited

Independent auditor's report

TO THE MEMBERS OF THE LEADERS ROMANS GROUP LIMITED

Opinion

We have audited the financial statements of The Leaders Romans Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the 9 months ended 31 December 2017 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated statement of cash flows 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 Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's loss for the period 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 Group and the Parent 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

The Leaders Romans Group Limited

Independent auditor's report (*continued*)

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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

The Leaders Romans Group Limited

Independent auditor's report (continued)

Responsibilities of Directors

As explained more fully in the directors' report, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

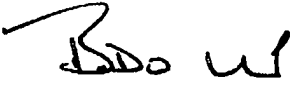
Auditor's responsibilities for the audit of the financial statements

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brooker (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
United Kingdom

Date: 9 July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Leaders Romans Group Limited

Consolidated statement of comprehensive income for the period ended 31 December 2017

		Period ended 31 December 2017 £	Year ended 31 March 2017 £
	Note		
Turnover	3	86,012,809	114,241,668
Administrative expenses		(91,073,951)	(136,448,069)
Other operating income		124,616	163,965
Operating profit before amortisation		14,429,355	20,339,062
Amortisation	10	(19,365,881)	(42,381,498)
Operating loss	4	(4,936,526)	(22,042,436)
Interest receivable and similar income	7	1,591,654	2,103,069
Interest payable and similar charges	8	(17,231,597)	(24,706,484)
Change in fair value of investments		12,800	(5,575)
Loss on ordinary activities before taxation		(20,563,669)	(44,651,426)
Taxation on loss from ordinary activities	9	(1,100,736)	2,401,073
Loss on ordinary activities after taxation		(21,664,405)	(42,250,353)
Loss and total comprehensive expense for the period/year		(21,664,405)	(42,250,353)

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of comprehensive income.

The notes on pages 15 to 44 form part of these financial statements.


The Leaders Romans Group Limited

Consolidated balance sheet at 31 December 2017

<i>Company number 09939099</i>	Note	31 December 2017 £	31 December 2017 £	31 March 2017 £	31 March 2017 £
Fixed assets					
Intangible assets	10		120,064,750		134,503,694
Tangible assets	11		16,111,911		14,660,322
Investments	12		112,500		99,700
			<hr/>		<hr/>
			136,289,161		149,263,716
Current assets					
Stocks	13	58,540		155,994	
Debtors	14	16,018,511		13,939,690	
Cash at bank and in hand		13,751,780		10,268,872	
		<hr/>		<hr/>	
		29,828,831		24,364,556	
Creditors: amounts falling due within one year	15	(42,721,970)		(27,662,308)	
		<hr/>		<hr/>	
Net current liabilities			(12,893,139)		(3,297,752)
			<hr/>		<hr/>
Total assets less current liabilities			123,396,022		145,965,964
Creditors: amounts falling due after more than one year	16		(262,408,268)		(263,535,747)
Provisions for liabilities	18		(9,361,732)		(9,139,790)
			<hr/>		<hr/>
Net liabilities			(148,373,978)		(126,709,573)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	19		550		550
Share premium account			91,897		91,897
Merger reserve			(66,989,657)		(66,989,657)
Profit and loss account			(81,476,768)		(59,812,363)
			<hr/>		<hr/>
Shareholders' deficit			(148,373,978)		(126,709,573)
			<hr/>		<hr/>

The financial statements were approved by the Board and authorised for issue on

9 July 2018



M E J Palmer
Director

The notes on pages 15 to 44 form part of these financial statements.

The Leaders Romans Group Limited

Consolidated statement of changes in equity for the period ended 31 December 2017

	Share capital £	Share premium account £	Merger reserve £	Profit and loss account £	Shareholders' deficit £
1 April 2017	550	91,897	(66,989,657)	(59,812,363)	(126,709,573)
Comprehensive income for the period					
Loss for the period	-	-	-	(21,664,405)	(21,664,405)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Loss and total comprehensive expense for the period	-	-	-	(21,664,405)	(21,664,405)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2017	550	91,897	(66,989,657)	(81,476,768)	(148,373,978)
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The notes on pages 15 to 44 form part of these financial statements.

The Leaders Romans Group Limited

Consolidated statement of changes in equity for the period ended 31 December 2017

	Share capital £	Share premium account £	Merger reserve £	Profit and loss account £	Shareholders' deficit £
1 April 2016	524	73,821	(66,989,657)	(17,562,010)	(84,477,322)
Comprehensive income for the year					
Loss for the year	-	-	-	(42,250,353)	(42,250,353)
Loss and total comprehensive expense for the year	-	-	-	(42,250,353)	(42,250,353)
Contributions by and distributions to owners					
Issue of ordinary shares	26	18,076	-	-	18,102
Total contributions by and distributions to owners	26	18,076	-	-	18,102
31 March 2017	550	91,897	(66,989,657)	(59,812,363)	(126,709,573)

The notes on pages 15 to 44 form part of these financial statements.

The Leaders Romans Group Limited

Consolidated statement of cash flows for the period ended 31 December 2017

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Cash flows from operating activities		
Loss for the financial period	(21,664,405)	(42,250,353)
Adjustments for:		
Amortisation of intangible fixed assets	19,365,881	42,381,498
Depreciation of tangible fixed assets	3,136,776	4,070,000
Profit on disposal of tangible fixed assets	-	(54,042)
Net fair value (gains)/losses recognised in profit or loss	(12,800)	5,575
Interest receivable	(1,591,654)	(2,103,069)
Interest payable	17,231,597	24,706,484
Taxation charge/(credit)	1,100,736	(2,401,073)
Increase in trade and other debtors	(2,124,961)	(1,639,331)
Decrease/(increase) in stocks	97,454	(64,815)
Increase/(decrease) in trade and other creditors	2,496,470	(2,335,158)
Increase/(decrease) in provisions	203,299	(70,176)
Cash from operations	18,238,393	20,245,540
Taxation paid	(686,654)	(1,247,708)
Net cash generated from operating activities	17,551,739	18,997,832
Cash flows from investing activities		
Interest received	1,599,670	2,058,924
Interest on bank loans	(6,635,700)	(10,490,688)
Interest on finance leases	(351,135)	(427,794)
Other interest paid	-	(38,170)
Payments to acquire tangible fixed assets	(2,638,208)	(3,511,579)
Payments to acquire intangible fixed assets	-	(198,619)
Receipts from sale of tangible fixed assets	172,851	85,626
Purchase of subsidiary undertaking	(3,840,680)	(9,187,909)
Cash acquired with subsidiary undertaking	726,121	1,840,745
Purchase of trading businesses	(137,351)	(1,724,504)
Net cash used in investing activities	(11,104,432)	(21,593,968)
Cash flows from financing activities		
Capital element of finance leases repaid	(1,160,173)	(1,155,926)
Bank loans granted in period	3,734,000	6,278,226
Bank loans repaid in period	(5,538,226)	-
Loan notes repaid	-	(873,228)
Net cash (used in)/from financing activities	(2,964,399)	4,249,072
Net increase in cash and cash equivalents	3,482,908	1,652,936
Cash and cash equivalents at beginning of period	10,268,872	8,615,936
Cash and cash equivalents at end of period	13,751,780	10,268,872
Cash and cash equivalents comprise:		
Cash at bank and in hand	13,751,780	10,268,872

The notes on page 15 to 44 form part of these financial statements.

The Leaders Romans Group Limited

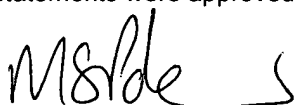
Company balance sheet at 31 December 2017

Company number 09939099	Note	31 December 2017 £	31 December 2017 £	31 March 2017 £	31 March 2017 £
Fixed assets					
Investments	12		1,000		1,000
Current assets					
Debtors	14	40,929,441		38,410,790	
Creditors: amounts falling due within one year	15	(6,952,771)		(4,425,592)	
Net current assets			33,976,670		33,985,198
Total assets less current liabilities			33,977,670		33,986,198
Creditors: amounts falling due after more than one year	16		(34,056,227)		(34,056,227)
Net liabilities			(78,557)		(70,029)
Capital and reserves					
Called up share capital	19		550		550
Share premium account			91,897		91,897
Profit and loss account			(171,004)		(162,476)
Shareholders' deficit			(78,557)		(70,029)

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the period was £8,528 (period ended 31 March 2017 - £162,476).

The financial statements were approved by the Board and authorised for issue on 9 July 2018

M E J Palmer
Director



The notes on pages 15 to 44 form part of these financial statements.

The Leaders Romans Group Limited

Company statement of changes in equity for the period ended 31 December 2017

	Share capital £	Share premium account £	Profit and loss account £	Shareholders' deficit £
1 April 2017	550	91,897	(162,476)	(70,029)
Comprehensive income for the period				
Loss for the period	-	-	(8,528)	(8,528)
Loss and total comprehensive expense for the period	-	-	(8,528)	(8,528)
31 December 2017	550	91,897	(171,004)	(78,557)
	Share capital £	Share premium account £	Profit and loss account £	Shareholders' deficit £
6 January 2016	-	-	-	-
Comprehensive income for the period				
Loss for the period	-	-	(162,476)	(162,476)
Loss and total comprehensive expense for the period	-	-	(162,476)	(162,476)
Contributions by and distributions to owners				
Issue of ordinary shares	550	91,897	-	92,447
Total contributions by and distributions to owners	550	91,897	-	92,447
31 December 2017	550	91,897	(162,476)	(70,029)

The notes on pages 15 to 44 form part of these financial statements.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017

1 Accounting policies

The Leaders Romans Group Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report and the report of the directors. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. These are set out in note 2.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of The Leaders Romans Group Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

On 15 March 2016, the group acquired 100% of the Ordinary shares in Leaders Lettings Limited. The transaction is being treated as a group reconstruction with merger accounting principles applied as the purpose was to combine the two trading groups, Leaders Lettings Limited and Romans 1 Limited. This was achieved through a combination of share for share issues, the buyout of certain shareholders and the introduction of a new loan facility. Romans 1 Limited was treated as an acquisition subsequent to the group reconstruction due to Leaders Lettings Limited being the larger entity and therefore retaining higher share ownership within the new group. The ultimate controlling party both before and after the transaction was Bowmark Capital LLP, registered office One, Eagle Place, London, SW1Y 6AF. The directors believe that the substance of the transaction was that of a group reconstruction and to apply purchase accounting would fail to give a true and fair view. If purchase accounting had been followed then intangible assets and goodwill would have been separately identified and recognised on consolidation in relation to the purchase of Leaders Lettings Limited.

In order to present the financial statements as if the current group structure had already existed, a 'Merger reserve' was created for the year ended 31 March 2017.

The consolidated financial statements incorporate the results of business combinations using the purchase method, with the exception of the above. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (*continued*)

1 Accounting policies (*continued*)

Going concern

The directors have considered the cash flow requirements for the group including twelve months from the date of approval of these financial statements. Based on these projections the directors consider that both the company and the group will have sufficient cash resources during this year to pay all of its liabilities as they fall due and therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

The directors are confident in the cash generation of the business with a net increase of cash of £3,482,908 (year ended 31 March 2017 - £1,652,936) after accounting for the cash consideration paid on acquisitions of £3,978,031 (year ended 31 March 2017 - £10,912,413) and cash held at the balance sheet of £13,751,780 (year ended 31 March 2017 - £10,268,872).

The group made a loss before tax of £20,563,669 (year ended 31 March 2017 - £44,651,426) for the period ended 31 December 2017 and had net liabilities of £148,373,978 (year ended 31 March 2017 - £126,709,573) at the balance sheet date. Both the bank loans and loan notes are long term liabilities and do not fall due until 26 July 2020 and 15 March 2023 respectively.

Goodwill

Purchased goodwill relates to the acquisition of a trade or book of lettings properties and represents the difference between the fair value of the consideration paid and the fair value of any assets and liabilities acquired. Purchased goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 2 to 10 years.

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Goodwill arising on an acquisition of a subsidiary undertaking is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 2 to 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Turnover

Turnover represents the amounts (excluding VAT) derived from the provision of work for clients during the period.

Estate agency income, which represents fees receivable in connection with the sale, purchase and letting of properties, is recognised on exchange of contracts.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (*continued*)

1 Accounting policies (*continued*)

Turnover (continued)

Financial consultancy income represents fees and commissions receivable in respect of financial advice provided. Commissions are recognised as turnover when the related financial products are placed "on risk" (mortgage has been agreed by both the customer and the mortgage provider, but the fee has not yet been paid to the mortgage broker). Administration fees are recognised on receipt.

Chartered surveying and planning consultancy income represents fees receivable in respect of services provided to third parties, recognised as the related work is undertaken. Services provided to clients during the period, which at the balance sheet date have not been billed to clients, have been recognised as turnover. Turnover recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the company. Unbilled revenue is included in accrued income.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided over the estimated useful lives of all assets, except freehold land. The rates of depreciation are as follows:

Freehold land and buildings	-	2% per annum on a straight line basis
Short leasehold property	-	Over the term of the lease
Fixtures, fittings and equipment	-	15 to 33% per annum on cost
Motor vehicles	-	20 to 25% per annum on cost

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Intangible fixed assets and amortisation

Externally acquired intangible assets are usually recognised at cost and subsequently amortised on a straight line basis over their useful economic life.

Customer relationships	-	over 7 years
Brand	-	over 1 year
Non-compete	-	over 3 years
Customer lists	-	over 0.5 years
Software	-	over 5 years
Website	-	over 5 years
I.P.	-	over 3 years

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

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (*continued*)

1 Accounting policies (*continued*)

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior years may no longer exist or may have decreased.

Current and deferred taxation

The tax expense for the period 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

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

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Derivatives are measured at fair value at each reporting date. Any movement in the fair value is recognised in the income statement for that period.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017

1 Accounting policies (*continued*)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension costs

The company operates defined contribution pension schemes for the benefit of employees. The assets of the schemes are administered by trustees in funds independent from those of the company. The pension costs charged against profits represent the amount of contributions payable to the schemes in respect of the accounting period.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Holiday pay accrual

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

Period of account

The results of these statements are shown for the 9 month period ended 31 December 2017 in order to bring the reporting period in line with requirements of the directors and shareholders. As such, results are not entirely comparable with comparative period.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (*continued*)

1 Accounting policies (*continued*)

Reserves

The group's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets. 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.

Other key sources of estimation uncertainty

- *Trade debtor impairment loss*

A provision is made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

- *Tangible assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Useful lives of goodwill and intangible assets*

Intangible assets are amortised over their estimated useful lives with the charge recorded in administrative expenses. Useful lives are based on management's estimates of the period that the assets will generate revenue which are periodically renewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the income statement in specific periods.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (continued)

3 Turnover

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

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Analysis by class of business:		
Estate agency	74,532,342	100,104,960
Mortgage advisers	1,703,009	2,322,627
Chartered surveying	3,578,529	3,561,439
Planning consultancy	4,061,390	5,607,924
Risk management	1,931,608	2,377,830
Other	205,931	266,888
	86,012,809	114,241,668

4 Operating loss

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
This is arrived at after charging:		
Inventory recognised as an expense	393,620	526,211
Depreciation of tangible fixed assets	3,136,776	4,070,000
Amortisation of intangible assets, including goodwill	19,365,881	42,381,498
Operating lease expense	3,741,692	4,780,869
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	3,319	2,500
Fees payable to the company's auditor and its associates for other services to the group:		
The audit of the company's subsidiaries pursuant to legislation	141,381	171,900
Taxation compliance services	40,800	44,150
Other services	14,500	16,850

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (continued)

5 Employees

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Staff costs (including directors) consist of:		
Wages and salaries	41,352,552	52,241,123
Social security costs	4,229,932	5,137,733
Pension costs	626,122	724,283
	<u>46,208,606</u>	<u>58,103,139</u>

The average number of employees (including directors) during the period was as follows:

	2017 Number	2016 Number
Sales	1,257	1,262
Administration and management	776	721
	<u>2,033</u>	<u>1,983</u>

6 Directors' remuneration

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Directors' emoluments	1,719,555	1,671,795
Pension contributions	31,967	35,593
Amounts paid to third parties in respect of directors' services	-	61,250
	<u></u>	<u></u>

There were 8 directors in the group's defined contribution pension scheme (year ended 31 March 2017 - 6). None of the directors accrued benefits under the group's defined contribution pension scheme during the period (year ended 31 March 2017 - Nil).

Included in directors emoluments for the period are amounts totalling £59,725 (year ended 31 March 2017 - £Nil) which relate to compensation for loss of office.

Emoluments of the highest paid director were £259,415 (year ended 31 March 2017 - £403,216). Group pension contributions of £2,371 (year ended 31 March 2017 - £1,858) were made to a money purchase scheme on his behalf.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (*continued*)

7 Interest receivable and similar income

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Bank interest	1,591,654	2,103,069

8 Interest payable and similar charges

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Finance leases and hire purchase contracts	351,248	427,794
Loan note interest	9,644,315	12,403,945
Bank loans interest	6,628,515	9,012,662
Amortisation of bank loan fees	607,519	2,923,221
Fair value adjustments	-	(99,307)
Other interest	-	38,169
	17,231,597	24,706,484

9 Taxation on loss on ordinary activities

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
<i>UK corporation tax</i>		
Current tax on losses of the period	1,669,214	-
Adjustment in respect of previous periods	(24,979)	(53,352)
Total current tax	1,644,235	(53,352)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(623,959)	(2,596,394)
Changes to tax rates	11,807	216,455
Adjustment in respect of prior years	68,653	32,218
Taxation on loss on ordinary activities	1,100,736	(2,401,073)

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (continued)

9 Taxation on loss on ordinary activities (continued)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Loss on ordinary activities before tax	(20,563,669)	(44,651,426)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (year ended 31 March 2017 - 20%)	(3,907,097)	(8,930,285)
Effects of:		
Expenses not deductible for tax purposes	5,474,119	8,490,589
Income not deductible for tax purposes	(2,796)	(1,739,595)
Adjustments in respect of prior years	43,674	(21,134)
Adjustments to tax rates	11,807	216,455
Other reliefs and transfers	(7,131)	(36,867)
Deferred tax not recognised	254,833	607,167
Deferred tax release on amortisation	(766,673)	(987,403)
Total tax charge/(credit) for period/years	1,100,736	(2,401,073)

The group has unutilised tax losses of £3,467,968 (31 March 2017 - £3,430,667) available for offsets against future taxable profit subject to agreement from HMRC. A deferred tax asset amounting to £589,554 (31 March 2017 - £583,213) has not been recognised on the basis that its future economic benefit is uncertain.

Factors that may affect future tax charges

The effect of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016) includes reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. There were no other factors that may affect future tax charges.

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 *(continued)*

10 Intangible assets

	Customer relationships £	Brand £	Non- competes £	Customer lists £	Software £	Website £	I.P £	Purchased goodwill £	Goodwill on consolidation £	Total £
Cost										
At 1 April 2017	23,982,703	31,356,858	565,307	3,911,765	535,265	141,755	428,902	60,560,174	90,503,359	211,986,088
Additions	2,375,402	506,951	-	256,422	14,160	3,530	-	1,816,856	-	4,973,321
Disposals	(20,686)	-	-	-	(90,279)	(37,575)	-	(25,000)	-	(173,540)
At 31 December 2017	26,337,419	31,863,809	565,307	4,168,187	459,146	107,710	428,902	62,352,030	90,503,359	216,785,869
Amortisation										
At 1 April 2017	4,963,052	5,989,082	179,335	2,054,203	194,784	86,098	148,842	37,865,013	26,001,985	77,482,394
Charge for the period	2,974,446	2,504,758	141,362	366,352	68,042	14,024	107,225	8,051,962	5,137,710	19,365,881
On disposals	-	-	-	-	(89,582)	(37,574)	-	-	-	(127,156)
At 31 December 2017	7,937,498	8,493,840	320,697	2,420,555	173,244	62,548	256,067	45,916,975	31,139,695	96,721,119
Net book value										
At 31 December 2017	18,399,921	23,369,969	244,610	1,747,632	285,902	45,162	172,835	16,435,055	59,363,664	120,064,750
At 31 March 2017	19,019,651	25,367,776	385,972	1,857,562	340,481	55,657	280,060	22,695,161	64,501,374	134,503,694

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

11 Tangible fixed assets

Group	Freehold land and buildings £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Cost</i>					
At 1 April 2017	196,957	5,468,790	9,968,623	8,268,796	23,903,166
Additions	-	855,221	1,530,139	2,636,616	5,021,976
Disposals	-	-	(4,355,312)	(808,837)	(5,164,149)
At 31 December 2017	196,957	6,324,011	7,143,450	10,096,575	23,760,993
<i>Depreciation</i>					
At 1 April 2017	4,440	1,241,798	5,834,445	2,162,161	9,242,844
Provision for period	3,197	668,596	1,215,923	1,249,060	3,136,776
Disposals	-	-	(4,298,503)	(432,035)	(4,730,538)
At 31 December 2017	7,637	1,910,394	2,751,865	2,979,186	7,649,082
<i>Net book value</i>					
At 31 December 2017	189,320	4,413,617	4,391,585	7,117,389	16,111,911
At 31 March 2017	192,517	4,226,992	4,134,178	6,106,635	14,660,322

The net book value of motor vehicles includes an amount of £6,860,765 (year ended 31 March 2017 - £5,884,535) in respect of assets held under finance leases and hire purchase contracts. The accumulated depreciation for motor vehicles held under finance leases and hire purchase contracts was £1,558,414 (year ended 31 March 2017 - £1,649,916).

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

12 Fixed asset investments

		Other investments 2017 £
Group		
<i>Cost</i>		
At 1 April 2017		99,700
Changes in fair value of listed investments		12,800
		<hr/>
At 31 December 2017		112,500
		<hr/>
		Shares in subsidiary undertakings 2017 £
Company		
<i>Cost</i>		
At 1 April 2017		1,000
Additions		-
		<hr/>
At 31 December 2017		1,000
		<hr/>

Subsidiary undertakings

The following were subsidiary undertakings at the end of the period and have all been included in the consolidated financial statements:

	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
The Leaders Romans Midco Limited	England and Wales	100%	Holding company
The Leaders Romans Midco 2 Limited*	England and Wales	100%	Holding company
The Leaders Romans Bidco Limited*	England and Wales	100%	Holding company
LRG Employees Limited*	England and Wales	100%	Payroll services
Romans 1 Limited*	England and Wales	100%	Holding company
Romans 2 Limited*	England and Wales	100%	Holding company
Romans 3 Limited*	England and Wales	100%	Holding company
The Romans Group (UK) Limited*	England and Wales	100%	Estate agency
LRG Financial Services Limited*	England and Wales	100%	Mortgage advisers
Romans Professional Services Limited*	England and Wales	100%	Chartered surveyors
Lennon Planning Limited*	England and Wales	100%	Dormant
Romans Projects Limited*	England and Wales	100%	Dormant
Boyer Planning Limited*	England and Wales	100%	Planning consultants
Harmers Limited*	England and Wales	100%	Dormant
Imperial Estate Agents Trustee Limited*	England and Wales	100%	Dormant**

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

12 Fixed asset investments (*continued*)

	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Atkinson & Keene Limited*	England and Wales	100%	Dormant
JM Lettings Limited*	England and Wales	100%	Dormant
Romans Sales and Lettings Limited*	England and Wales	100%	Dormant
Jacksons Residential Limited*	England and Wales	100%	Dormant
Caroline Clark & Associates Limited*	England and Wales	100%	Dormant
Sheriff Mountford Limited*	England and Wales	100%	Dormant
Drummonds Property Rentals Limited*	England and Wales	100%	Dormant
Campsie Lettings Limited*	England and Wales	100%	Dormant
Romans Commercial Limited*	England and Wales	100%	Dormant
James Griffin Lettings Limited*	England and Wales	100%	Dormant
Amethyst Lettings Holdings Limited*	England and Wales	100%	Dormant
Amethyst Lettings Limited*	England and Wales	100%	Dormant
Handovers (Lettings) Limited*	England and Wales	100%	Dormant
Bennett Residential Limited*	England and Wales	100%	Dormant
Brampton Sales & Lettings Limited*	England and Wales	100%	Dormant
Lets Rent Limited	England and Wales	100%	Dormant
Leaders Lettings Limited*	England and Wales	100%	Holding company
Leaders First in Letting Limited*	England and Wales	100%	Holding company
Leaders The Rental Agents Limited*	England and Wales	100%	Holding company
Leaders Lettings Trading Limited*	England and Wales	100%	Holding company
Relocate UK Limited*	England and Wales	100%	Management services
Emperor Insurance Guernsey Limited*	Guernsey	100%	Insurance services
Leaders Group*	England and Wales	100%	Holding company
Hepburns Insurance Services Limited*	England and Wales	100%	Insurance services
Leaders Limited*	England and Wales	100%	Estate agency
Leaders Sales Limited*	England and Wales	100%	Property sales
Eldee Franchising Limited*	England and Wales	100%	Management services
CPM Holdings Limited*	England and Wales	100%	Dormant**
Principal Property Services Limited*	England and Wales	100%	Dormant
Coast & Country Residential Lettings Limited*	England and Wales	100%	Dormant**
Taylor Robinson Rentals Limited*	England and Wales	100%	Dormant**
JML Residential Lettings Limited*	England and Wales	100%	Dormant**
Shoreline Properties (Ocean Village) Limited*	England and Wales	100%	Dormant**
Darwoods Property Services Limited*	England and Wales	100%	Dormant**
MBM Management Limited*	England and Wales	100%	Dormant

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (continued)

12 Fixed asset investments (continued)

	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Hobbits Property Management Limited*	England and Wales	100%	Dormant**
Grants' Property Management Limited*	England and Wales	100%	Dormant**
KR Letting Services Limited*	England and Wales	100%	Dormant**
JSM Property Management Limited*	England and Wales	100%	Dormant
Burns Property Management Limited*	England and Wales	100%	Dormant**
Browns Property Services (Surrey) Limited	England and Wales	100%	Dormant**
Haines & Co Limited*	England and Wales	100%	Dormant**
Hometrax Limited*	England and Wales	100%	Dormant**
Accent Property Management Limited*	England and Wales	100%	Dormant**
Indigo Sales & Lettings Limited*	England and Wales	100%	Dormant**
Oak Residential Limited*	England and Wales	100%	Dormant**
Leaders Jordans Limited*	England and Wales	100%	Dormant
Residential Holdings Limited*	England and Wales	100%	Dormant
Jordans Residential Lettings Limited*	England and Wales	100%	Dormant
Key Properties UK Limited*	England and Wales	100%	Dormant
Brian Smith Property Management Limited*	England and Wales	100%	Dormant
Saxon Management (New Milton) Limited*	England and Wales	100%	Dormant
Saxon Management (Christchurch) Limited*	England and Wales	100%	Dormant
Goddard & Co Rentals Limited*	England and Wales	100%	Dormant
Goddard & Co Rentals(Felixstowe) Limited*	England and Wales	100%	Dormant
Goddard & Co Rentals (Mid-Suffolk) Limited*	England and Wales	100%	Dormant
Bush Property Management Limited*	England and Wales	100%	Dormant
Drummond of Godalming Limited*	England and Wales	100%	Dormant**
Lloyds Property Agents Limited*	England and Wales	100%	Dormant
Lloyds Property Agents (Ashton) Limited*	England and Wales	100%	Dormant
Lloyds Property Agents (Wigan) Limited*	England and Wales	100%	Dormant
Clarendon Letting and Management Limited*	England and Wales	100%	Dormant**
Spinnaker Residential Limited*	England and Wales	100%	Dormant
Oaks Property UK Limited*	England and Wales	100%	Dormant
J South Limited*	England and Wales	100%	Dormant
Bulmer Estates Limited*	England and Wales	100%	Dormant

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (continued)

12 Fixed asset investments (continued)

	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
County Property Management Limited*	England and Wales	100%	Dormant**
Oak Estates Limited*	England and Wales	100%	Dormant**
The Letting Shop Limited*	England and Wales	100%	Dormant**
Alexanders Residential Lettings Limited*	England and Wales	100%	Dormant
Temples Property Management (BSE) Limited*	England and Wales	100%	Dormant
Swan Residential Limited*	England and Wales	100%	Dormant
Brookes Hall Limited	England and Wales	100%	Dormant
Isherwoods Residential Limited*	England and Wales	100%	Dormant
Mitchell and Perryer Limited*	England and Wales	100%	Dormant
QB Management Limited*	England and Wales	100%	Dormant
Simply Lets Limited*	England and Wales	100%	Dormant
Lynda Paine Lettings Limited*	England and Wales	100%	Dormant
Waterside Properties (Poole) Limited*	England and Wales	100%	Dormant
Leaders Waterside Properties Limited*	England and Wales	100%	Dormant
Perry Bishop and Chambers Limited*	England and Wales	100%	Dormant
Vernon Property Management Limited*	England and Wales	100%	Dormant**
IMS Lettings Limited*	England and Wales	100%	Dormant
Aston Mead Estate Agents Limited*	England and Wales	100%	Dormant
Town & Country (Holdings) Limited*	England and Wales	100%	Dormant
CT Trading Limited*	England and Wales	100%	Dormant
Leeco (Buckingham) Limited*	England and Wales	100%	Dormant
Heritage Property (Leamington Spa) Limited*	England and Wales	100%	Dormant
Gilles Fullerton (East Anglia) Limited*	England and Wales	100%	Dormant
Tudor Property Consultants Limited*	England and Wales	100%	Dormant
Premier Places Limited*	England and Wales	100%	Dormant
Homeseach Property Management*	England and Wales	100%	Dormant
Minchín Fellows Limited*	England and Wales	100%	Dormant
Town & Country Property Services (Worcester) Limited*	England and Wales	100%	Dormant
T&C (Lettings) Limited*	England and Wales	100%	Dormant
Leaders MA (Holdings) Limited*	England and Wales	100%	Dormant
Penyards Property Management Holdings Limited*	England and Wales	100%	Dormant
Penyards Property Management Limited**	England and Wales	100%	Dormant

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (continued)

12 Fixed asset investments (continued)

	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
City Lettings (Norwich) Limited*	England and Wales	100%	Dormant
Leaders MA (BSE) Limited*	England and Wales	100%	Dormant
Allen Estates Limited*	England and Wales	100%	Dormant
Watson Blackburn Limited*	England and Wales	100%	Dormant
Watson Mitchell Limited*	England and Wales	100%	Dormant
Ideal Homes (Bedford) Limited*	England and Wales	100%	Dormant
The Brampton Partnership (Estate Agents) Limited*	England and Wales	100%	Dormant
First Contact Limited t/a Clearmove*	England and Wales	100%	Dormant
Bath Property Letting Limited*	England and Wales	100%	Dormant
Prescott Hall Limited*	England and Wales	100%	Dormant

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

The registered office for Emperor Insurance Guernsey Limited is Normandie House, Rue a Chiens, St Sampsons, Guernsey, GY2 4AE.

* held indirectly

** Subsidiary undertakings dissolved subsequent to the period end

13 Stocks

	Group 31 December 2017 £	Group 31 March 2017 £	Company 31 December 2017 £	Company 31 March 2017 £
Stocks	58,540	155,994	-	-

14 Debtors

	Group 31 December 2017 £	Group 31 March 2017 £	Company 31 December 2017 £	Company 31 March 2017 £
Trade debtors	9,234,421	7,595,017	-	-
Amounts owed by group undertakings	-	-	35,041,027	35,022,277
Other debtors	1,833,304	1,967,277	5,888,414	3,344,631
Taxation and social security	-	-	-	18,750
Prepayments and accrued income	4,950,786	4,013,507	-	25,132
Corporation tax debtor	-	363,889	-	-
	16,018,511	13,939,690	40,929,441	38,410,790

Amounts owed by group undertakings within the company is due after more than one year.

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (continued)

15 Creditors: amounts falling due within one year

	Group 31 December 2017 £	Group 31 March 2017 £	Company 31 December 2017 £	Company 31 March 2017 £
Trade creditors	4,854,382	3,326,866	-	30,159
Corporation tax	626,651	-	-	-
Taxation and social security	4,778,252	4,246,843	-	-
Obligations under finance lease and hire purchase contracts	2,568,472	1,517,020	-	-
Amounts owed to group undertakings	-	-	1,213,395	1,120,137
Other creditors	1,397,288	1,509,656	-	-
Accruals and deferred income	28,496,925	17,061,923	5,739,376	3,275,296
	<u>42,721,970</u>	<u>27,662,308</u>	<u>6,952,771</u>	<u>4,425,592</u>

16 Creditors: amounts falling due after more than one year

	Group 31 December 2017 £	Group 31 March 2017 £	Company 31 December 2017 £	Company 31 March 2017 £
9% Loan notes	132,858,994	132,858,994	34,056,227	34,056,227
Bank loans	125,097,256	126,410,458	-	-
Obligations under finance lease and hire purchase contracts	4,452,018	4,266,295	-	-
	<u>262,408,268</u>	<u>263,535,747</u>	<u>34,056,227</u>	<u>34,056,227</u>

The maturity of sources of debt finance are as follows:

Group	9% Loan notes 31 December 2017 £	Bank loans 31 December 2017 £	Finance leases 31 December 2017 £	Total 31 December 2017 £
In one year or less, or on demand	-	-	2,568,472	2,568,472
In more than one year but not more than two years	-	-	1,149,223	1,149,223
In more than two years but not more than five years	-	125,097,256	3,302,795	128,400,051
In more than five years	132,858,994	-	-	132,858,994
	<u>132,858,994</u>	<u>125,097,256</u>	<u>7,020,490</u>	<u>264,976,740</u>

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (continued)

16 Creditors: amounts falling due after more than one year (continued)

Group	9% Loan notes 31 March 2017 £	Bank loans 31 March 2017 £	Finance leases 31 March 2017 £	Total 31 March 2017 £
In one year or less, or on demand	-	-	1,517,020	1,517,020
In more than one year but not more than two years	-	-	2,180,917	2,180,917
In more than two years but not more than five years	-	126,410,458	2,085,378	128,495,836
In more than five years	132,858,994	-	-	132,858,994
	<u>132,858,994</u>	<u>126,410,458</u>	<u>5,783,315</u>	<u>265,052,767</u>
Company			9% Loan notes 31 December 2017 £	9% Loan notes 31 March 2017 £
In one year or less, or on demand			-	-
In more than one year but not more than two years			-	-
In more than two years but not more than five years			-	-
In more than five years			34,056,227	34,056,227
			<u>34,056,227</u>	<u>34,056,227</u>

The loan notes accrue interest at 9% and are repayable by 15 March 2023 or at point of sale or listing.

The bank loans are secured via a charge over the assets of the group.

The bank loans comprise of three facilities as follows:

- Facility A is for £120,000,000 accruing interest at LIBOR plus 6.00%;
 - Acquisition facility is for £10,000,000 accruing interest at LIBOR plus 6.00%;
 - Revolving facility is for £2,000,000 accruing interest at LIBOR plus 3.00%;
- All interest on the facilities is paid quarterly in arrears.

The repayment terms for the outstanding loans are as follows:

- Facility A is repayable in full on 26 July 2020;
- Acquisition facility is repayable in full on 26 January 2021;
- Revolving facility is repayable on the earliest of 26 July 2020 or the relevant repayment date for the relevant tranche of that facility.

Liquidity risk is managed through detailed cash forecasting and the application of strict cash management practices to ensure the group has sufficient funds for operations. The group has a working capital facility which the directors consider will be sufficient for the company's needs for the twelve months from the date of approval of these financial statements.

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

17 Financial instruments

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

	Group 31 December 2017 £	Group 31 March 2017 £	Company 31 December 2017 £	Company 31 March 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	187,295	183,859	-	-
Financial assets that are debt instruments measured at amortised cost	24,744,710	21,006,940	40,929,441	38,366,908
Financial liabilities				
Financial liabilities measured at amortised cost	292,704,845	281,143,895	41,008,998	38,481,819
Financial liabilities measured at fair value through profit or loss	-	-	-	-

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, accrued income and cash.

Financial liabilities measured at amortised cost comprise trade creditors amounts owed to group undertakings, other creditors, accruals, bank loans and 9% loan notes.

Financial assets measured at fair value through profit or loss comprises other investments and client money deposit interest dependent on exchange rates.

Financial assets measured at fair value through profit or loss comprise out-of-the-money interest rate caps.

18 Provisions

	Claims outstanding £	Clawback provision £	Unearned premiums £	Deferred taxation £	Total £
At 1 April 2017	93,698	133,910	449,806	8,462,376	9,139,790
Charge for the period	77,234	85,259	586,361	(543,499)	205,355
Arising on business combinations	-	-	-	562,142	562,142
Utilised during the period	(25,813)	(69,936)	(449,806)	-	(545,555)
At 31 December 2017	145,119	149,233	586,361	8,481,019	9,361,732

The clawback provision is an estimate of the potential commission that has been earned by the group on the sale of financial products that may need to be repaid in future accounting periods as a result of cancellation of those products.

An unearned premiums provision is made for commission received in respect of policies cancelled after the reporting date and is based on estimates of the unearned premium element of cancelled policies.

Claims outstanding is the estimate of direct costs to be incurred in settling claims, net of recoveries.

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

18 Provisions (*continued*)

The deferred tax liability consists of the following amounts:

	31 December 2017 £	31 March 2017 £
Accelerated capital allowances	(52,431)	(196,439)
Short term timing differences	(44,595)	(123,919)
Business combinations	8,578,045	8,782,734
	<u>8,481,019</u>	<u>8,462,376</u>

19 Called up share capital

Group and company	31 December 2017 Number	31 December 2017 £	31 March 2017 Number	31 March 2017 £
<i>Called up, allotted and unpaid:</i>				
A Ordinary shares of £0.0001 each	738,951	74	738,951	74
B Ordinary shares of £0.10 each	4,500	450	4,500	450
C1 Ordinary shares of £0.0001 each	260,989	26	260,989	26
	<u>1,004,440</u>	<u>550</u>	<u>1,004,440</u>	<u>550</u>

A Ordinary shares represent 55% of the voting shares. B Ordinary shares represent 45% of the voting shares. C1 Ordinary share carry no voting rights. All share carry equal dividend rights.

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (continued)

20 Operating lease commitments

At 31 December 2017, the group had total future minimum commitments under non-cancellable operating leases as set out below:

	31 December 2017 £	31 March 2017 £
Operating lease commitments which are owed:		
Not later than 1 year	4,432,559	4,579,828
Later than 1 year and not later than 5 years	14,008,018	13,210,765
Later than 5 years	9,973,741	11,535,262
	<u>28,414,318</u>	<u>29,325,855</u>

21 Clients' money balances

	31 December 2017 £	31 March 2017 £
Amounts held on behalf of clients	98,039,103	93,426,902
Amounts due to clients	(98,039,103)	(93,426,902)
	<u>-</u>	<u>-</u>

22 Pension commitments

The group operates defined contributions pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the fund and amounted to £626,122 for the period (year ended 31 March 2017 - £724,283). Contributions totalling £99,448 (2017 - £97,171) were payable to the funds at the reporting date and are included in creditors.

23 Related party disclosures

Group only

Bowmark Capital Partners IV, a related entity of the ultimate parent Bowmark LLP, hold loan notes amounting to £96,831,995 (31 March 2017 - £96,831,995). Interest on the loan is charged at 9% and an amount of £7,037,138 (year ended 31 March 2017 - £8,869,069) was charged to the profit and loss account. At 31 December 2017 the group owed Bowmark Capital Partners IV £113,120,224 (31 March 2017 - £106,083,086).

Bowmark Investment Partnership IV, a related entity of the ultimate parent Bowmark LLP, hold loan notes amounting to £1,826,977 (31 March 2017 - £1,826,977). Interest on the loan is charged at 9% and an amount of £132,773 (year ended 31 March 2017 - £167,337) was charged to the profit and loss account. At 31 December 2017 the group owed Bowmark Capital Partners IV £2,134,295 (31 March 2017 - £2,001,522.)

Bowmark Participations LLP, a related entity of the ultimate parent Bowmark LLP, hold loan notes amounting to £143,794 (31 March 2017 - £143,794). Interest on the loan is charged at 9% and an amount of £10,450 (year ended 31 March 2017 - £13,170) was charged to the profit and loss account. At 31 December 2017 the group owed Bowmark Capital Partners IV £167,982 (31 March 2017 - £157,531).

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (*continued*)

23 Related party disclosures (*continued*)

Group and company

P Coles, a director and shareholder of the company, and his spouse hold loan notes amounting to £10,145,936 (31 March 2017 - £10,145,936). Interest on the loan was charged at 9% and an amount of £740,573 (year ended 31 March 2017 - £990,097) was charged to the profit and loss account. Repayments of capital and interest of £Nil (year ended 31 March 2017 - £714,967) were made. At 31 December 2017, the group owed £11,856,555 (31 March 2017 - £11,127,605).

P Kavanagh, a director and shareholder of the company, holds loan notes amounting to £2,918,848 (31 March 2017 - £2,918,848). Interest on the loan was charged at 9% and an amount of £212,123 (year ended 31 March 2017 - £267,344) was charged to the profit and loss account. At 31 December 2017, the group owed £3,409,830 (31 March 2017 - £3,197,707).

P Fuller, a shareholder of the company, holds loan notes amounting to £1,645,978 (31 March 2017 - £1,645,978). Interest on the loan was charged at 9% and an amount of £119,937 (year ended 31 March 2017 - £156,734) was charged to the profit and loss account. Repayments of capital and interest of £Nil (year ended 31 March 2017 - £70,251) were made. At 31 December 2017, the group owed £1,923,239 (31 March 2017 - £1,804,444).

V Courtney, a shareholder of the company, holds loan notes amounting to £1,085,438 (31 March 2017 - £1,085,438). Interest on the loan was charged at 9% and an amount of £78,989 (year ended 31 March 2017 - £101,419) was charged to the profit and loss account. Repayments of capital and interest of £Nil (year ended 31 March 2017 - £23,534) were made. At 31 December 2017, the group owed £1,268,151 (31 March 2017 - £1,189,545).

M Palmer, a director of the company, holds loan notes amounting to £778,655 (31 March 2017 - £778,655). Interest on the loan was charged at 9% and an amount of £56,588 (year ended 31 March 2017 - £71,319) was charged to the profit and loss account. At 31 December 2017, the group owed £909,634 (31 March 2017 - £853,046).

P Loverdos, a director of the company, holds loans notes amounting to £232,670 (31 March 2017 - £232,670). Interest on the loan was charged at 9% and an amount of £16,909 (year ended 31 March 2017 - £21,311) was charged to the profit and loss account. At 31 December 2017, the group owed £271,808 (31 March 2017 - £254,899).

P Weller, a director and shareholder of the company, holds loan notes amounting to £9,906,117 (31 March 2017 - £9,906,117). Interest on the loan was charged at 9% and an amount of £719,914 (year ended 31 March 2017 - £907,324) was charged to the profit and loss account. At 31 December 2017, the group owed £11,572,437 (31 March 2017 - £10,852,523).

M Light, a shareholder and previous director of the company, holds loan notes amounting to £1,537,774 (31 March 2017 - £1,537,774). Interest on the loan was charged at 9% and an amount of £111,756 (year ended 31 March 2017 - £140,848) was charged to the profit and loss account. At 31 December 2017, the group owed £1,796,445 (31 March 2017 - £1,684,689).

J Wilkinson, a shareholder of the company, holds loan notes amounting to £1,295,695 (31 March 2017 - £1,295,695). Interest on the loan was charged at 9% and an amount of £94,163 (year ended 31 March 2017 - £118,676) was charged to the profit and loss account. At 31 December 2017, the group owed £1,513,645 (31 March 2017 - £1,419,482).

M Derry, a shareholder of the company, holds loan notes amounting to £1,295,695 (31 March 2017 - £1,295,695). Interest on the loan was charged at 9% and an amount of £94,163 (year ended 31 March 2017 - £118,675) was charged to the profit and loss account. At 31 December 2017, the group owed £1,513,645 (31 March 2017 - £1,419,482).

The Leaders Romans Group Limited

Notes forming part of the financial statements for the period ended 31 December 2017 (continued)

23 Related party disclosures (continued)

Group and company (continued)

R Connell, a director of the company, holds loan notes amounting to £971,820 (31 March 2017 - £971,820). Interest on the loan was charged at 9% and an amount of £70,626 (year ended 31 March 2017 - £89,011) was charged to the profit and loss account. At 31 December 2017, the group owed £1,135,291 (31 March 2017 - £1,064,665).

A Thompson, a former director of the company, holds loan notes amounting to £586,770 (31 March 2017 - £586,770). Interest on the loan was charged at 9% and an amount of £42,940 (year ended 31 March 2017 - £59,342) was charged to the profit and loss account. Repayments of capital and interest of £Nil (year ended 31 March 2017 - £65,827) were made. At 31 December 2017, the group owed £685,836 (31 March 2017 - £643,966).

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,944,072 (year ended 31 March 2017 - £1,768,638).

24 Ultimate controlling party

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

25 Post balance sheet events

Since the balance sheet date the group has acquired a further 3 businesses, adding new offices in Northwich and Nantwich and adding portfolios of properties to existing offices in Bath, Manchester and Chester.

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

26 Acquisitions

Acquisition of Bath Property Letting Limited

On 21 November 2017 the group acquired the entire share capital of Bath Property Letting Limited for a cash consideration of £517,563 (including expenses of £6,428). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible fixed assets	3,464	(3,464)	-
Intangible fixed assets	138,198	(138,198)	-
Customer relationships	-	46,474	46,474
Customer lists	-	79,842	79,842
Brand			
Current assets			
Debtors	16,051	-	16,051
Cash	135,943	-	135,943
Total assets	293,656	(15,346)	278,310
Creditors	(40,860)	-	(40,860)
Deferred tax	1,807	(23,407)	(21,600)
Net assets	254,603	(38,753)	215,850
Cash consideration (including expenses £6,428)			517,563
Net assets acquired			(215,850)
Goodwill arising on acquisition			301,713

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

26 Acquisitions (*continued*)

Acquisition of Penyards Property Management Holdings Limited

On 24 October 2017 the group acquired the entire share capital of Penyards Property Management Holdings Limited for a cash consideration of £1,162,099 (including expenses of £21,928). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Customer relationships	-	763,595	763,595
Customer lists	-	44,725	44,725
Brand	-	108,811	108,811
Current assets			
Debtors	27,202	(99)	27,103
Cash	108,781	-	108,781
Total assets	135,983	917,032	1,053,015
Creditors	(120,673)	(40)	(120,713)
Deferred tax	-	(164,468)	(164,468)
Net assets	15,310	752,524	767,834
Cash consideration (including expenses £21,928)			1,162,099
Net assets acquired			(767,834)
Goodwill arising on acquisition			394,265

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

26 Acquisitions (*continued*)

Acquisition of City Lettings (Norwich) Limited

On 15 November 2017 the group acquired the entire share capital of City Lettings (Norwich) Limited for a cash consideration of £1,035,309 (including expenses of £8,443). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below:

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Customer relationships	-	387,393	387,393
Customer lists	-	32,154	32,154
Brand	-	51,717	51,717
Current assets			
Debtors	19,176	-	19,176
Cash	297,402	-	297,402
Total assets	316,578	471,264	787,842
Creditors	(19,712)	-	(19,712)
Deferred tax	-	(84,602)	(84,602)
Net assets	296,866	386,662	683,528
Cash consideration (including expenses £8,443)			1,035,309
Net assets acquired			(683,528)
Goodwill arising on acquisition			351,781

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

26 Acquisitions (*continued*)

Acquisition of J South Limited

On 7 December 2017 the group acquired the entire share capital of J South Limited for a cash consideration of £952,287 (including expenses of £8,009). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible fixed assets	35,684	-	35,684
Customer relationships	-	274,550	274,500
Customer lists	-	38,379	38,379
Brand	-	98,198	98,198
Current assets			
Debtors	233,390	-	233,390
Cash	158,394	-	158,394
Total assets	427,468	411,127	838,595
Creditors	(109,882)	-	(109,882)
Deferred tax	(2,919)	(74,632)	(77,551)
Net assets	314,667	336,495	651,162
Cash consideration (including expenses £8,009)			952,287
Net assets acquired			(651,162)
Goodwill arising on acquisition			301,125

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

26 Acquisitions (*continued*)

Acquisition of MBM Management Limited

On 5 July 2017 the group acquired the entire share capital of MBM Management Limited for a cash consideration of £526,292 (including expenses of £8,533). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Customer relationships	-	336,807	336,807
Customer lists	-	54,826	54,826
Brand	-	66,900	66,900
Current assets			
Debtors	1,000	-	1,000
Cash	(14,728)	-	(14,728)
Total (liabilities)/assets	(13,728)	458,533	444,805
Creditors	(108,513)	-	(108,513)
Deferred tax	-	(82,861)	(82,861)
Net (liabilities)/assets	(122,241)	375,672	253,431
Cash consideration (including expenses £8,533)			526,292
Net assets acquired			(253,431)
Goodwill arising on acquisition			272,861

The Leaders Romans Group Limited

Notes forming part of the financial statements
for the period ended 31 December 2017 (*continued*)

26 Acquisitions (*continued*)

Non-significant acquisitions

The group acquired the entire share capital of First Contact Limited t/a Clearmove; Prescott Hall Limited; Bulmer Estates Limited and the residential lettings and management and residential agency business of HPM Sales and Letting Agency MBM Management Limited for a combined cash consideration of £782,154 (including combined expenses of £20,924). The book and fair value of the assets acquired, and the resulting goodwill arising is shown in the table below.

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Customer relationships	-	566,583	336,807
Customer lists	-	86,338	54,826
Brand	-	80,794	66,900
Current assets			
Debtors	21,031	-	1,000
Cash	40,329	-	(14,728)
Total assets	61,360	733,715	795,075
Creditors	(75,421)	288	(108,513)
Deferred tax	(1,050)	(132,172)	(82,861)
Net (liabilities)/assets	(15,111)	601,831	586,720
Cash consideration (including expenses £20,924)			782,154
Net assets acquired			(586,720)
Goodwill arising on acquisition			195,434