Registered number: 09939099

# THE LEADERS ROMANS GROUP LIMITED

# UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022





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#### **COMPANY INFORMATION**

**Directors** P L Aitchison

P Kavanagh

I M S Downie (appointed 28 July 2022)
E M Kalawski (appointed 28 July 2022)
M A Sigler (appointed 28 July 2022)
P S Weller (resigned 28 July 2022)
S M P Adcock (resigned 19 May 2022)
R A Connell (resigned 28 February 2022)
M B Cook (resigned 28 February 2022)
C T M Ind (resigned 28 February 2022)
M J Light (resigned 28 February 2022)
K Shaw (resigned 28 February 2022)
T Shelford (resigned 28 February 2022)

Company secretary P L Aitchison

Registered number 09939099

Registered office Crowthorne House

Nine Mile Ride Wokingham Berks RG40 3GZ

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#### 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 that of a holding company. There have been no changes in the activities of the company in the year under review.

#### **Business review**

On 24 February 2022, the holders of loan notes issued by the company agreed to waive part of the interest outstanding on the loan notes. This resulted in a credit of £14,973,907 to the profit and loss account in the year.

On 25 February 2022, the company acquired the entire share capital of Bode Insurance Solutions Limited from Leaders Group, for a consideration of £2. On the same date the company acquired the entire share capital of Emperor Insurance Guernsey Limited from Leaders Lettings Trading Limited, for a consideration of £1.

On 28 February 2022, the company sold its entire holding in the share capital of The Leaders Romans Midco Limited to Hadrian Acquisition Limited, for a consideration of £42,002,270. A profit on disposal amounting to £42,001,270 was recognized in the profit and loss account on the sale of the investment.

On 28 July 2022, the company was acquired by Hadrian Acquisition Limited.

#### Financial key performance indicators

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

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

#### Principal risks and uncertainties

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

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

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

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

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

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

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

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

The statement under s.172 of the Companies Act 2006 and the statement of engagement with suppliers, customers and others for the group headed by Hadrian Holding Limited, of which the company is a part, is included in the consolidated financial statements of Hadrian Holding Limited.

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

P L Aitchison

Director

## 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.

#### **Business review**

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

#### Results and dividends

The profit for the year, after taxation, amounted to £61,051,979 (2021 - £5,470).

No dividends were paid during the year. The directors do not recommend the payment of a dividend (year ended 31 December 2021 - £Nil).

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

#### **Directors**

The Directors who served during the year were:

P L Aitchison

P Kavanagh

I M S Downie (appointed 28 July 2022)

E M Kalawski (appointed 28 July 2022)

M A Sigler (appointed 28 July 2022)

P S Weller (resigned 28 July 2022)

S M P Adcock (resigned 19 May 2022)

R A Connell (resigned 28 February 2022)

M B Cook (resigned 28 February 2022)

C T M Ind (resigned 28 February 2022)

M J Light (resigned 28 February 2022)

K Shaw (resigned 28 February 2022)

T Shelford (resigned 28 February 2022)

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

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

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

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

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

	Note	2022 £	2021 £
Administrative expenses		(1,840)	(6,001)
Operating loss		(1,840)	(6,001)
Amounts written off investments		42,001,270	-
Interest receivable and similar income	5	5,194,846	4,765,914
Interest payable and similar expenses	6	14,162,977	(4,637,637)
Profit before tax		61,357,253	122,276
Tax on profit	7	(305,274)	(116,806)
Profit for the financial year		61,051,979	5,470

The notes on pages 8 to 16 form part of these financial statements.

# THE LEADERS ROMANS GROUP LIMITED REGISTERED NUMBER: 09939099

#### BALANCE SHEET AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Investments	8		3		1,000
			3		1,000
Current assets					
Debtors: amounts falling due within one year	9	62,954,132		57, 759, 286	
		62,954,132		57,759,286	
Creditors: amounts falling due within one year	10	(1,667,007)		(23,468,910)	
Net current assets			61,287,125		34,290,376
Total assets less current liabilities			61,287,128		34,291,376
Creditors: amounts falling due after more than one year	11		-		(34,056,227)
Net assets			61,287,128		235,149
Capital and reserves					
Called up share capital	12		550		550
Share premium account			91,897		91,897
Profit and loss account			61,194,681		142,702
			61,287,128		235, 149

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of 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 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

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The notes on pages 8 to 16 form part of these financial statements.

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

	Called up share capital		Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	550	91,897	137,232	229,679
Profit for the year	-	-	5,470	5,470
Total comprehensive income for the year	-	-	5,470	5,470
At 1 January 2022	550	91,897	142,702	235,149
Profit for the year	-	-	61,051,979	61,051,979
Total comprehensive income for the year	-	-	61,051,979	61,051,979
At 31 December 2022	550	91,897	61,194,681	61,287,128

The notes on pages 8 to 16 form part of these financial statements.

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

#### 1. Nature of operations and general information

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

## 2. Accounting policies

#### 2.1 Basis of preparation

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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)(iii), 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 Exemption from preparing consolidated financial statements

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

# 2.4 Going concern

The 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.

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

#### 2. Accounting policies (continued)

#### 2.5 Interest income and expense

Interest income and expense is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

#### 2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

## 2.7 Impairment of non-financial assets

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

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

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

## 2.8 Financial instruments

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

Financial assets and financial liabilities are measured initially at fair value plus transaction costs. Financial assets and financial liabilities are measured subsequently as described below.

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

## 2. Accounting policies (continued)

#### 2.9 Financial assets

The Company classifies its financial assets as measured at amortised cost. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

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

#### 2.10 Financial liabilities

The Company's financial liabilities include trade and other creditors.

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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

#### 2.11 Taxation

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

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

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

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

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

#### 2.12 Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares issued.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value
- "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 revenues and expenses during the reporting year.

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

## Significant management judgements

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

#### Impairment of investments

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

#### 4. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - £NIL).

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

#### 5. Interest receivable

	2022 £	2021 £
Loan note interest receivable	5,194,846	4,765,914
	5,194,846	4,765,914

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

# 6. Interest payable and similar expenses

2022 £	2021 £
(14,164,670)	4,637,637
1,693	-
(14,162,977)	4,637,637
	£ (14,164,670) 1,693

On 24 February 2022, the holders of loan notes issued by the company agreed to waive part of the interest outstanding on the loan notes. This resulted in a credit of £14,973,907 to the profit and loss account in the year.

## 7. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	195,984	116,806
Adjustments in respect of previous periods	109,290	-
	305,274	116,806
Total current tax	305,274	116,806
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	305,274	116,806

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

# 7. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher 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	61,357,252 ===================================	122,276
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)  Effects of:	11,657,878	23,232
Expenses not deductible for tax purposes	103,631	677,606
Deferred tax not recognised	(143,230)	-
Adjustments to tax charge in respect of prior periods	109,290	-
Non-taxable income	(10,825,284)	-
Tax assessed under CFC rules	195,984	-
Group relief	(792,995)	(584,032)
Total tax charge for the year	305,274	116,806

#### 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.

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

#### 8. Investments

	Shares in subsidiary companies £
Cost or valuation	
At 1 January 2022	1,000
Additions	3
Disposals	(1,000)
At 31 December 2022	3

The additions during the period represent the acquisition of Bode Insurance Solutions Limited and Emperor Insurance Guernsey Limited. The disposal relates to the sale of the company's investment in The Leaders Romans Midco Limited.

# Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Bode Insurance Solutions Limited	England & Wales	Insurance services	100%
Emperor Insurance Guernsey Limited	Guernsey	Insurance services	100%

The registered address for Bode Insurance Solutions Limited is Crowthorne House, Nine Mile Ride, Wokingham, Berkshire, RG40 3GZ.

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

### 9. Debtors

	2022 £	<b>2021</b> £
Amounts due from group undertakings	62,953,582	57,758,736
Other debtors	550	550
	62,954,132	57,759,286

Included within amounts due from group undertakings above are debtors amounting to £35,002,250 (2021 - £35,002,250) on which interest is charged at a rate of 9% per annum. All other intercompany balances are interest free.

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

# 10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	1,469,183	1,352,197
Corporation tax	195,984	-
Accruals	1,840	22,116,713
	1,667,007	23,468,910
11. Creditors: Amounts falling due after more than one year  Loan notes	2022 £	2021 £ 34,056,227
Edul Hotes	<u> </u>	34,056,227
The loan notes in 2021 accrued interest at 9% and were repaid in 2022	•	
12. Share capital		
Called up, allotted and unpaid:	2022 £	2021 £
738,951 <i>(2021 - 738,951)</i> A Ordinary shares shares of £0.0001 each	74	74
4,500 (2021 - 4,500) B Ordinary shares shares of £0.1000 each	450	450
260,989 (2021 - 260,989) C1 Ordinary shares shares of £0.0001 each	26	26
	550	550

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

# 13. 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.

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

#### 14. Controlling party

The company is a subsidiary of Hadrian Acquisition Limited. At 31 December 2022, the company's ultimate parent company was Hadrian Holding Limited. Both companies are 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 The Leaders Romans Group Limited is Platinum Equity Small Cap Fund International (Cayman), L.P.