LSL

Annual Report
and Accounts 2024

LSL PROPERTY SERVICES PLC

LSL

We are one of the largest providers of services to the UK property and mortgage market across a range of different, complementary areas. We seek to deliver sustainable, resilient and profitable growth through B2B services to mortgage intermediaries and estate agent franchisees, valuation services to lenders and home surveys direct to consumers.

LSL Property Services plc
Company Number: 5114014

For further information about our Group, please visit our website: **lslps.co.uk**

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Forward-looking statements

This Report may contain forward-looking statements with respect of certain plans, goals and expectations relating to the future financial condition, business performance and results of LSL. Further information about forward-looking statements can be found in the Shareholder Information section on page 175.

Highlights

Our key highlights are:

Group Underlying Operating Profit
£27.7m
(2023: £10.3m)

Group Underlying Operating Profit Margin
16%
(2023: 7%)

Group Operating Profit
£21.9m
(2023: £3.7m)

Adjusted cash flow from operations
£31.1m
(2023: £(0.2)m)

Profit before tax

£23.0m

(2023: £4.9m)

Colleague engagement survey response rate

84%

(2023: 77%)

Full year dividend

11.4p

(2023: 11.4p)

Group Revenue

£173.2m

(2023: £144.4m)

Business Model and Strategy

Our purpose

To provide first class services to mortgage and insurance advisers, Estate Agency franchisees, lenders and their customers, to create long term benefits for external stakeholders and our people.

Our Section 172 Statement and Stakeholder Engagement section on pages 26 to 33 explains how our purpose impacts our stakeholders.

Key:

- Group
- Financial Services
- Surveying & Valuation
- Estate Agency Franchising

Our business model

Through a number of key resources...	...we provide a range of first class products and services...	...to our customers...	...for the benefit of all our stakeholders...
Talented and committed people Leading technology Group infrastructure Group capital	Services to mortgage intermediaries	Mortgage and insurance intermediaries	Shareholders Colleagues Customers Suppliers Regulators Communities and Environment
	Valuation and surveys	Lenders Retail customers	
	Estate agency franchising services	Franchisees	

Notes:
Unless stated otherwise, information in this section of the Report is as at 31 December 2024

Our strategy

We are one of the largest providers of services to the UK property and mortgage market across a range of different, complementary areas. We seek to deliver sustainable, resilient and profitable growth through B2B services to mortgage intermediaries and estate agent franchisees, valuation services to lenders and home surveys direct to consumers.

Our strategic objectives are to:

- Enhance our market-leading positions in each of our three core businesses.
- Reduce earnings volatility and manage our exposure to mortgage and housing market cycles.
- Generate new and less cyclical revenue streams.
- Create scalable platforms.
- Enhance the productivity of our mortgage intermediary and estate agency partners.
- Focus on our Living Responsibly programme.
- Retain, develop and attract talented people.

In order to fulfil this strategy, we deliver our services through three distinct business Divisions, each operated by its own Management Team. Each Division is a leading player in the markets in which it operates. This scale, and their strong reputations, people and brands provide competitive strength to the Group.

Financial Services

One of the UK's largest mortgage and insurance networks

- The Division provides an extensive product panel, compliance and other services to over 2,700 advisers and 1,108 firms.
- PRIMIS is one of the UK's largest mortgage and insurance networks and together with the distribution introduced by independent brokers to The Mortgage Alliance, TMA, the Division has a mortgage market share of one in nine UK purchases and remortgages.
- The Division also includes the Group's joint venture investment, Pivotal Growth, established in 2021 with Pollen Street Capital to execute a 'buy and build' strategy of mortgage brokers. Since formation it has acquired 17 firms and now has more than 500 mortgage advisers.

Surveying & Valuation

One of the UK's largest surveying and valuation businesses

- The Division's principal business is the provision of surveyor-led valuations to UK mortgage lenders. It also provides a growing number of surveying and valuation services to consumers.
- It is one of the UK's biggest employers of Royal Institution of Chartered Surveyors (RICS) registered surveyors, with 469 (FTE) surveyors, and counts five of the top six UK lenders amongst its clients.
- The Division includes e.surv as well as Walker Fraser Steele Chartered Surveyors, which services the Scottish market.
- The Division also manages the sale of residential properties on behalf of corporate clients and property investors through its asset management businesses – LSL Corporate Client Department and Templeton LPA.

Estate Agency Franchising

One of the UK's largest providers of estate agency franchise services

- The Division's principal business is the provision of franchising services, such as brand marketing and commercial and IT support, to a network of 62 franchisees which operate over 310 territories across the UK.
- These territories are independently managed and operated by the franchisees under various brands, including Your Move and Reeds Rains, as well as several local brands.
- This Division also provides a range of estate agency services to house builders, developers and investors of all sizes through the LSL Land & New Homes business.
- In addition, Homefast provides conveyancing panel management and support services to our franchisees and their customers.

Business Model and Strategy continued

Our values and culture

How we do things is as important as what we do. We have a clear set of values, across our three Divisions, that define who we are.

Be people focused

Be market leaders

Be honest

Deliver on promises

Prioritise teamwork

Encourage innovation

We work hard to embed these values in our culture and strive to always improve. To live our values, we want to have the right people, who do the right thing, in the right way, by:

- Accepting accountability for their actions.
- Delivering and exceeding customer expectations.
- Being open, challenging themselves and supporting others.

Our culture aligns with our purpose and supports our strategy, including Living Responsibly. Each Division is responsible for developing and implementing plans to support the delivery of the Group's strategy and culture. More information on how our culture is embedded in our business can be found in our Sustainability Report and Corporate Governance Report.

Our markets

Demand for the Group's products and services is affected by the size and trends within the UK mortgage and housing markets. The performance of the UK economy, consumer confidence, and interest rates influence all aspects of our business. Additionally, specific factors affecting each of our individual business areas are outlined below.

Financial Services is mainly affected by:

- Consumer buying trends including the use of intermediaries for access to products.
- The impact of regulatory changes.
- Trends in home ownership and buy-to-let appetite.
- Longer term demographic changes and population size.
- Volume of refinancing activity.

Surveying & Valuation is mainly affected by:

- Volume of house purchases using a mortgage product.
- Volume of refinancing activity and the proportion of product transfers vs remortgages.
- Use of surveyor-led and data-driven valuations by lenders.
- Use of surveying services by consumers.
- Performance of specialist markets such as equity release.

Estate Agency Franchising is mainly affected by:

- Volume of house sales.
- Level of house prices.
- Landlord appetite for lettings management services.
- Government stimulus initiatives to drive demand or supply.

Market performance

Mortgage market

- The markets in which we operate showed steady signs of recovery during 2024, though overall activity has yet to return to the average levels of recent years.
- The UK mortgage market in 2024 has been a landscape of gradual recovery and shifting dynamics, shaped by economic adjustments, policy developments, and evolving consumer behaviour.
- Total mortgage approvals for house purchases[1] were up 31% from 580,000 to 758,000 in 2024, with demand strong throughout the year due to easing cost pressures, rising real wages, gradual cuts in mortgage offer rates, and overall market resilience.
- Total gross new mortgage lending[2] in 2024 was £242bn, 7% higher than the prior year (2023: £226bn) with a significant swing towards purchasing transactions/approvals. Purchase mortgages accounted for 64% of total lending, up from 60% in 2023.
- The proportion of mortgage lending placed through financial advisers[3] remained flat at 84% (2023: 84%).
- Remortgage (and other) approvals were up 8% on 2023, while remortgages and other lending ended 5% below 2023, which was driven by a few factors such as lower volumes of fixed rate mortgage products ending in 2024 and ongoing economic uncertainty leading to some consumers delaying refinancing decisions until 2025 when rates are expected to be lower.

Housing market – residential sales and lettings

- In 2024, the UK housing market saw a strong finish with transactions up year-on-year, driven by competitive interest rates, more homes on the market, and an impending Stamp Duty rise in April 2025, leading to increased buyer demand and a positive outlook for early 2025.
- UK housing transactions[4] in 2024 were 1,101,000, up 8% (2023: 1,019,000).
- Transactions year-on-year were up 1% in H1 2024 and up 14% in H2 2024.
- At the end of 2024, average house prices in England and Wales[5] were 2.0% lower than a year earlier (1.2% lower excluding London).
- Private rental prices paid by tenants in the UK[6] rose by 9.0% in the 12 months ended December 2024 (provisional estimate).

Notes and sources:

1 Approvals for lending secured on dwellings, Bank of England – Table A5.4 (30 January 2025)
2 New mortgage lending by purpose of loan, UK Finance (Bank of England) – Table MM23 (30 January 2025)
3 New residential lending sold direct and via intermediaries (excluding product transfers), UK Finance – Table RL8 (17 February 2025)
4 Number of residential property transaction completions with value £40,000 or above, HMRC (31 January 2025)
5 House price index, England and Wales, LSL Acadata (January 2025)
6 Index of Private Housing Rental Prices, UK, ONS (January 2025)

Chair's Statement

"There has been a significant amount of hard work and dedication from the business to achieve our results in a slow market and we are well placed to benefit from any market recovery."

Adrian Collins
Chair

This is my first report to Shareholders as your new Chair, having taken up my appointment on 30 April 2024. My priority is to put in place the building blocks to take us forward as a better organised, accountable and correctly incentivised public company where the providers of financial capital are amply rewarded for their backing and the providers of human capital feel that their efforts are rewarded.

Strong profit momentum against sluggish market conditions

The Executive and Senior Leadership Team has delivered major strategic progress during the last two years, with the radical restructure of both the Financial Services Division and the Estate Agency Franchising Division. These businesses, alongside our Surveying & Valuation Division, are now business-to-business platforms with strong market positions, tightly controlled costs, low capital requirements and the potential for high cash generation.

While our 169% increase in underlying operating profit (statutory operating profit +484%) is encouraging and has come from a significant amount of hard work and dedication from the entire business, the market has remained slow and below historic long-run average activity levels. Housing transactions are 9% lower than the 10 year average and new mortgage lending is 6% below the 10 year average. The Group is well placed to take advantage of increased activity from any market recovery.

Balance sheet strength and dividend

The financial strength of the Group has been demonstrated again during the year. The Group has made organic and inorganic investments to position itself for further growth as well as provide further funding to drive the long-term value of our Pivotal Growth joint venture.

The Group is returning capital to Shareholders in two ways, via its share buyback programme and a proposal to maintain the final dividend at 7.4 pence per share, meaning a total dividend for the year of 11.4 pence per share.

Board changes

David Barral left the Board on 26 February 2024 and I was appointed in his place as Chair on 30 April 2024 after a period of Darrell Evans stepping up to fulfil the role on an interim basis. I am excited to support the Group in the next phase of its evolution and have enjoyed my engagement with our Shareholders and key stakeholders, who have expressed their support for the Group.

Michael Stoop joined the Board on 24 June 2024. He brings a wealth of experience in estate agency and franchising and has made a valuable contribution to the Board since his appointment. He and Darrell Evans took on additional responsibility in relation to the Estate Agency Franchising Division and Surveying and Valuation Division respectively on 30 January 2025 and their counsel and guidance on those businesses is already adding value to the Group.

David Stewart will be retiring from the Board on 30 April 2025. During his tenure as CEO he has led the transformation of LSL to a higher margin, less capital-intensive business and the Board would like to extend its thanks to him for his support over the past 10 years. I am pleased that he will remain with the Group as a non-executive director of the Group companies that form our Financial Services Network and will continue as the Company's representative on the Boards of the companies within our joint venture with Pollen Street Capital, Pivotal.

Adam Castleton will take over as CEO with effect from 1 May 2025. I am delighted that he has taken up the baton and will become your new CEO.

Looking forward

Market volumes remain below historic levels and consumer confidence continues to be weak, with recent volatility in UK Gilts and swap markets impacting mortgage rate costs. That said, the Group is in a strong position across its three Divisions thanks to its deep commercial relationships and well-known brands.

Our strong balance sheet provides the ability and confidence to seize organic and inorganic growth opportunities for the Group. Each Division has exciting future plans and the Board remains confident in our long-term prospects.

Adrian Collins
Chair

25 March 2025

Group Underlying Operating Profit

£27.7m

(2023: £10.3m)

Maintained full year dividend

11.4p

(2023: 11.4p)

Group Operating Profit

£21.9m

(2023: £3.7m)

Group Chief Executive Officer's Review

"2024 was a year of positive progress, as we built successfully on the restructuring work completed in 2023. We were able to grow profits materially, and at a faster rate than we had anticipated at the start of the year. Trading in the early months of the new year is in line with expectations, indicating we will be able to improve performance again in 2025. I believe the Group is now well positioned to build on solid foundations and I am sure that under the leadership of Adam Castleton, who will take over as Group CEO on 1 May, the Group will go from strength to strength."

David Stewart
Group Chief Executive Officer

We have made positive progress through 2024, delivering a substantial increase in profits, with our full year results being just ahead of market expectations, while continuing to reshape the Group to deliver attractive, long-term returns in line with our prudent risk appetite.

Each of our principal markets improved against the difficult conditions experienced in 2023, although they remained muted with headwinds persisting and activity levels below long-term averages. Against this background, I am pleased to report that each of our principal businesses increased or retained their strong market shares and advanced key strategic initiatives that will help support future growth.

We have seen a clear step-up in the regulatory focus across many financial services sectors, including some of the markets in which we operate in. As a Group, we have always taken regulatory compliance extremely seriously and over the last three years have added over 20 in additional headcount across our regulatory and compliance functions. Furthermore, in 2024 we recruited a new Group Chief Risk Officer and put in place an experienced Financial Services Division board, including three independent non-executive directors to provide further governance and regulatory oversight for this Division. The Group will continue to monitor regulatory developments and is committed to taking the steps needed to deliver against emerging requirements.

Subsequent to the year end, we have made further enhancements to our overall governance model, appointing two of the Group's Non-Executive Directors as chairs of the Surveying & Valuation and Estate Agency Franchising Division. Darrell Evans will chair our Surveying Division and Michael Stoop our Estate Agency Division. The Financial Services Division already had in place an independent chair, John Lowe.

We retain a very strong balance sheet and are well placed to take advantage of any further market improvements while developing a broader set of products and services designed to deliver more consistent returns in all market conditions. Management continue to focus on maximising the operational potential in each of our businesses and on ensuring that this potential is fairly reflected in the wider perceptions of our Group.

We are fortunate to have the support of highly committed colleagues and I would like to place on record my appreciation for their support and hard work throughout 2024.

Review of 2024 performance

The Group's performance benefited from a recovery in demand and further contract wins in our Surveying & Valuation business, as well as the structural benefit afforded by the transformation programme undertaken in 2023, transitioning to a franchise operating model in our Estate Agency Franchising Division and focusing our activities on business-to-business services in Financial Services. All three Divisions have maintained or improved market share.

We have made a number of targeted investments during 2024, both organic and inorganic. Our organic investments will develop new revenue opportunities, notably in Surveying & Valuation, while taking pro-active steps to reshape and focus our Financial Services Division on its core business of providing services to smaller mortgage-led adviser businesses. This continues in 2025. Our inorganic investments have focused on supporting bolt-on acquisitions by our franchisees within our Estate Agency Franchising Division, creating increased scale for our lettings business, and completing the purchase of the TenetLime mortgage network in Financial Services.

Group Revenue increased 20% to £173.2m (2023: £144.4m) above prior year in a total lending market that was broadly flat and housing market that increased by 8%.

Group Underlying Operating Profit[1] recovered strongly to £27.7m (2023: £10.3m), with a year-on-year increase in each Division. Group Underlying Operating margin of 16% was its highest point in over 15 years, reflecting the return to high utilisation in Surveying and the benefits of the franchising model in Estate Agency for the whole period. On a statutory basis, Group Operating Profit was £21.9m (2023: £3.7m).

Surveying & Valuation Division

Our Surveying & Valuation business has performed very well in recent years, receiving increased allocations from existing customers and winning new contracts. This continued in 2024, with notable developments including the commencement of our renewed, long-term, exclusive deal with Lloyds Banking Group and the renewal of other contracts with major lenders.

These contract wins reinforced our leading market position and helped drive a significant increase in activity as the market recovered, resulting in an increase of more than three-fold in Underlying Operating Profit[1] to £22.5m (2023: £6.7m). Underlying operating margin also recovered strongly to 23.0% (2023: 9.4%), reflecting the efficient use of surveyor time. Average jobs per surveyor was 1,040, very substantially ahead of 2023 (782), when we decided to retain excess capacity in anticipation of a market recovery and in line with the strong utilisation achieved in 2021 and 2022. On a statutory basis, Operating Profit was £22.1m (2023: £3.4m).

Surveying & Valuation Revenue increased by 36% to £97.8m. During 2024, we continued our work to develop new revenue streams, for example from the provision of automated valuation and data services to lenders, and increasing the number of valuation and surveying jobs undertaken for the end customer. As mortgage lenders increasingly make use of data and automated valuation services, we see further opportunities to provide more services to the end customer.

Throughout 2024, and in particular in the second half of the year, we invested significantly to develop these emerging revenue streams. This investment included around £1m to support our data and valuation work, including adding senior headcount in our data and valuation modelling teams, whilst increasing our consumer and marketing spend by £0.5m. This spend helped support an increase of 87% in our direct-to-consumer revenue, which reached £6.8m. This represents a 500% increase in 4 years since 2020, when it stood at £1.1m.

Group Revenue

£173.2m

(2023: £144.4m)

Group Underlying Operating Margin

16%

(2023: 7%)

Cash Flow Conversion Rate

114%

(2023: (2%))

Notes:

1 Group (and Divisional) Underlying Operating Profit is before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets and share-based payments. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations

2 Mortgage lending excluding product transfers - New mortgage lending by purpose of loan, UK Finance (Bank of England) – Table MM23 (30 January 2025)

3 Refer to note 12 to the Financial Statements for the calculation of Group Underlying Operating Profit after finance and normalised tax charges

Group Chief Executive Officer's Review continued

Financial Services Division

We have reinforced the leading position of our PRIMIS network in the provision of services to independent mortgage brokers, aided by the completion in February 2024 of the purchase of the TenetLime network. At the end of the year, PRIMIS members totalled 2,282 advisers who sell mortgage and protection (2023: 2,068) and 421 advisers selling only protection and general insurance products (2023: 558), bringing the total number of advisers to 2,736 (2023: 2,661).

We were pleased with the contribution made by TenetLime advisers, with the integration being completed on schedule and with both financial performance and adviser retention in line with expectations. This was despite the challenges that resulted from the placing into administration of TenetLime's seller, Tenet Group Limited, which had contracted with us to provide transitional support services as part of the terms of the transaction. As a result of this administration, we had to take on additional work earlier than expected and incurred additional costs to date of £0.5m as a result, which have been treated as an exceptional cost. We expect to recover these, and any future amounts, in 2025 from the deferred consideration balance of £3.3m.

The change in the split between mortgage and protection only advisers reflects the work we have undertaken to develop a clear focus for our future target market, as well as an assessment of the relative risks of providing services in these segments. We incurred exceptional costs of £1.9m associated with the exit of a large protection only firm.

Total UK new mortgage lending increased slightly, by 7% to £242bn. Our advisers total mortgage lending grew by 12% to £46.7bn, reflecting an increase in market share in all key segments. We increased our share of the purchase and remortgage and of the product transfer markets, with a record share of purchase and remortgage[2] (11.8%, up from 10.6%) and of product transfers (6.9%, up from 6.1%). After adjusting for disposals, protection revenue remained broadly flat.

The year also saw significant further steps taken to drive forward our strategy focused on the mortgage-led adviser market. We welcomed a number of senior appointments to the Divisional management team, including experienced industry leaders as Managing Director and Chief Distribution Officer, and in the early part of 2025 will supplement the team further with the appointment of a Chief Operating Officer. We have also completed the absorption of our DLPS and Mortgage Gym technology businesses to focus on supporting the growth of our Network business. Against this background, we were pleased to report an increase in Underlying Operating Profit[1] to £8.7m (2023: £7.4m). On a statutory basis, Operating Profit was £4.7m (2023: £5.0m).

In December, we also announced a major programme of investment to enhance the technology solutions provided to PRIMIS advisers to improve efficiency and sales performance and underpin our leading market position. We expect to spend around £3m by way of revenue and capital expenditure in 2025 to support this programme.

Estate Agency Franchising Division

With the completion of the conversion of our Estate Agency business to a franchise model during 2023, we are now focused on further enhancing our franchising expertise to bring on new partners and develop our services for franchisees.

The Group supported franchisees in the acquisition of three lettings books in 2024, providing total loan funding of £0.7m and adding c.700 properties to the portfolio which now stands at over 37,000. These deals will deliver returns in excess of the Group's cost of capital. We see scope for further similar support in the future.

During 2024 the Estate Agency Franchising Division has invested in strengthening leadership capability with key senior appointments within propositions and operations, with these roles funded from its cost reduction programme.

The strength of our new operating model in Estate Agency Franchising was demonstrated by the strong financial performance achieved in 2024. Divisional revenue was up 29% to £27.0m, with Underlying Operating Profit[1] of £7.6m, an increase of 77% over the prior year (2023: £4.3m), achieved at an underlying operating margin of over 28% (2023: 21%). We are significantly ahead of the plans we set in 2023 for reducing costs and increasing margin. On a statutory basis, Operating Profit was £6.5m (2023: £3.0m).

Pivotal Growth joint venture

Pivotal Growth, our joint venture with Pollen Street Capital (PSC), established to execute a buy-and-build strategy in the mortgage and protection intermediary markets, was launched in 2021. Our joint aim is to build the business together with a view to an exit event over a three-to-six-year period after launch.

After a slow start, Pivotal has gained substantial momentum and has now acquired 17 businesses, including eight acquisitions made in 2024. With over 500 advisers, Pivotal is now one of the UK's largest mortgage and protection brokers.

We have invested just over £20m in Pivotal since 2021 via equity and loan notes, and we continue to closely monitor Pivotal's performance to maximise returns for Shareholders. Pivotal remains on track to deliver returns ahead of the Group's cost of capital.

Dividend

The improvement in performance in 2024 underpins the Board's confidence in the underlying fundamentals and prospects of the Group's businesses. Therefore, the Board has declared a final dividend of 7.4 pence per share (2023: 7.4 pence), making a total dividend of 11.4 pence per share (2023: 11.4 pence). The Group's dividend policy continues to be a pay-out of 30% of Group Underlying Operating Profit after finance and normalised tax charges[3].

The ex-dividend date for the final dividend is 8 May 2025, with a record date of 9 May 2025 and a payment date of 27 June 2025.

Notes:

1 Group (and Divisional) Underlying Operating Profit is before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets and share-based payments. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations

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Shareholders can elect to reinvest their cash dividend and purchase additional shares in LSL through a dividend reinvestment plan. The election date is 23 May 2025.

Share buyback

The Board's approach to capital allocation remains unchanged. We will continue to deploy share buybacks in a measured way and there are no plans to allocate cash reserved for the buyback into other Group activities. To date, £1.3m of the share buyback programme announced on 25 April 2024 has been deployed. The current buyback programme has been extended to the date of the 2025 AGM.

Change of auditor

As highlighted in the 2024 Interim results announced in September 2024, an audit tender exercise had been concluded in advance of the Group's current auditor's (Ernst & Young LLP (EY)) tenure reaching its maximum term limit. This resulted in a recommendation from the Audit & Risk Committee, which has now been endorsed by the Board, that Grant Thornton UK LLP be appointed as the Group's auditor for the year ending 31 December 2025.

Accordingly, it is our expectation that, following the completion of the audit of the Group's 2024 financial statements, EY will resign as auditor of the Company creating a casual vacancy. In accordance with the Companies Act 2006, Grant Thornton UK LLP will be appointed by the Directors to fill that casual vacancy and to audit the financial statements of the Group for the year ending 31 December 2025 and subsequent financial periods. EY will not therefore stand for reappointment at the 2025 Annual General Meeting (AGM), and a resolution to ratify Grant Thornton's appointment will be put to Shareholders for approval instead.

Appointment of Group Chief Executive Officer Designate

As announced on 30 January 2025, Adam Castleton, previously Group CFO, has been appointed as CEO Designate, following my notification to the Board of my intention to retire from my Executive role and the LSL Board.

Adam will formally take up the CEO position on 1 May 2025, following a transition and handover period. The Nominations Committee has agreed a process to identify and appoint a new CFO, and will make a further announcement in due course. In addition, and subject to FCA approval, I am pleased that I will remain with LSL as a non-executive director of our Financial Services business and that I will also continue as LSL's nominated director for Pivotal Growth.

Living Responsibly and ESG

In 2021 we established our 'Living Responsibly' programme focused on creating a positive impact across the communities we serve. In 2024 we introduced paid volunteering days, which resulted in our colleagues collectively contributing 534 days to support various causes.

By listening and taking action, we further strengthened this commitment through apprenticeships, improved colleague benefits and learning and development opportunities. This was reflected in our most recent colleague engagement survey with a record high participation rate of 84%.

Addressing the impact we have on the environment remains central to Living Responsibly, and during 2024 we have taken steps to better understand this and our pathway to Net Zero 2040.

Reflecting on our progress affords us the time to look forward and plan the next steps for Living Responsibly; at the start of 2025 we welcomed in new colleagues across the Group, who will ensure our Living Responsibly programme continues to have a positive impact and aligns with the needs of all our stakeholders.

Current trading and outlook

We have made a positive start to the year with trading in line with expectations. Our end markets have been operating broadly in line with our assumptions.

We continue to expect the Group to deliver a further increase in profits in 2025. The Board remain positive about the Group's short and medium-term prospects and fully supports the programme of investment across each of its businesses to take advantage of the value accretive growth opportunities ahead.

David Stewart
Group Chief Executive Officer

25 March 2025

Notes:

1 Group (and Divisional) Underlying Operating Profit is before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets and share-based payments. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations

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Financial and Divisional Reviews

Financial Review

We report our results for the 12 months ended 31 December 2024 with Group Underlying Operating Profit[1,2] of £27.7m (2023: £10.3m). On a statutory basis Group Operating Profit was £21.9m (2023: £3.7m). These results demonstrate the benefits of the strategic transformation by the Group over the last two years and are just above consensus expectations and materially ahead of prior year.

We have made a positive start to the year with trading in line with our expectations in markets operating broadly in line with our assumptions. We continue to expect that in 2025 we will increase profits further over 2024 and the Board's expectations for the full year remain unchanged.

Key financial highlights

Full year financial metrics[1]	**2024**	2023	Var
Revenue (£m)	**173.2**	144.4	20%
Group Underlying Operating Profit[2] (£m)	**27.7**	10.3	169%
Group Underlying Operating margin (%)	***16%***	*7%*	*+890bps*
Group Underlying Operating Profit from total operations[2] (£m)	**27.3**	9.3	192%
Exceptional Gains (£m)	**1.7**	9.3	(81)%
Exceptional Costs (£m)	**(4.1)**	(13.8)	70%
Group operating profit (£m)	**21.9**	3.7	484%
Profit before tax (£m)	**23.0**	4.9	373%
Loss from discontinued operations[4] (£m)	**(0.4)**	(46.1)	99%
Basic Earnings per Share (pence)	**17.3**	7.9	119%
Adjusted Basic Earnings per Share[5] (pence)	**21.1**	7.6	178%
Net Cash[3] at 31 December (£m)	**32.4**	35.0	(7)%
Final dividend per share (pence)	**7.4**	7.4	-
Full year dividend per share (pence)	**11.4**	11.4	-

Notes:

1 Stated on basis of continuing operations unless otherwise stated. Following the conversion of the entire owned estate agency network to franchises in H1 2023, the previously owned network was classified as a discontinued operation and is presented as such in the Financial Statements. Refer to note 6 to the Financial Statements

2 Group (and Divisional) Underlying Operating Profit is stated before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets and share-based payments. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations. FS Revenue of £48.4m in FY 2024, as compared to £47.0m in FY 2023 with statutory revenue of £51.7m less £4.7m revenue from businesses disposed in 2023

3 Refer to note 34 to the Financial Statements

4 Following the conversion of the entire owned estate agency network to franchises in H1 2023, the previously owned network was classified as a discontinued operation and is presented as such in the Financial Statements. Refer to note 6 to the Financial Statements

5 Refer to note 12 to the Financial Statements for the calculation

Group Income Statement Review[1]

Group Revenue

Group Revenue increased 20% to £173.2m (2023: £144.4m). After adjusting for disposals in 2023 and for the purchase of TenetLime in H1 2024, revenue was 23%[2] above prior year in a total lending market that was broadly flat and housing market that increased by 7%. The increase was primarily in the Surveying & Valuation Division with a 36% increase compared to prior year, driven by 2023 contract enhancements and a 21% increase in total BoE mortgage approvals, and a 29% increase in Estate Agency Franchising due to 12 months' trading in 2024 compared to only eight months in 2023 of the wholly franchise model. After adjusting for businesses disposed of during 2023, Financial Services Division revenue was up 3%[2], with total Divisional revenue of £48.4m (2023: £47.0m).

Group Underlying Operating Profit

Group Underlying Operating Profit[3] recovered strongly to £27.7m (2023: £10.3m), with a year-on-year increase in each Division. Group Underlying Operating margin of 16% was the highest margin for over 15 years, particularly reflecting high utilisation in Surveying & Valuation and the benefits of the franchising model in Estate Agency Franchising for the whole period. Group Underlying Operating Profit from total operations was £27.3m (2023: £9.3m[4]).

Group Operating Profit

Group Operating Profit increased to £21.9m (2023: £3.7m), resulting from the improved trading performance in the period, offset by £2.4m net exceptional costs in 2024 (2023: £4.4m).

Adjusted Operating expenditure

Adjusted operating expenditure[5] comprises employee costs, other operating costs, and depreciation and totalled £146.0m in 2024, 9% higher than prior year (2023: £133.5m), with the movement comprising the net effect of the following factors:

- Reduction of c.£7m due to disposed businesses during H1 2023.
- After adjusting for disposed businesses, costs were £1.0m higher in Financial Services in line with revenue.
- Increased variable costs in Surveying & Valuation arising from 36% increase in revenues.
- The increased costs in Estate Agency Franchising reflect a full year of franchise operations compared to the prior part year of operations.
- Central costs of £11.0m (2023: £7.7m) with the increase primarily due to strategic investment, Board changes and additional audit fees incurred in 2024 in respect of the prior period reflecting the accounting treatment for the Group transformation in 2023.

This is broadly in line with expectations in comparison to the historical operating expenditure levels of c.£280m[4], and the targeted annualised total operations cost reduction of c.£140m following the restructuring of the Group in 2023.

Other gains

Total other operating gains were £0.5m (2023: losses of £0.2m). This primarily included both a part sale of shares held in an unlisted investment in H2 2024 (£0.1m) and the movement in the fair value of the remaining holding, having been reassessed at 31 December 2024 as £0.4m (31 December 2023: £nil).

Share of losses from joint venture

Our equity shares of Pivotal Growth improved to broadly break-even (2024: £6k loss, 2023: £0.4m loss), reflecting increased trading EBITDA, before acquisition transaction fees, which more than doubled in comparison to the prior period reflecting the benefit from ongoing acquisitions.

Notes:

1 Based on continuing operations unless otherwise stated. Following the conversion of the entire owned Estate Agency network to franchisees in 2023, this was classified as a discontinued operation and is now presented as such in the Financial Statements. Refer to note 6 to the Financial Statements

2 Revenue: £170.5m in FY 2024 with statutory revenue of £173.2m less £2.7m revenue due to acquisitions in 2024, as compared to £138.3m in FY 2023 with statutory revenue of £144.4m less £6.1m revenue from businesses disposed in 2023. FS Revenue of £48.4m in FY 2024, as compared to £47.0m in FY 2023 with statutory revenue of £51.7m less £4.7m revenue from businesses disposed in 2023

3 Group (and Divisional) Underlying Operating Profit is before exceptional items, contingent consideration assets & liabilities, amortisation of intangible assets and share-based payments. Refer to note 5 to the Financial Statements for reconciliation of Group and Divisional Underlying Operating Profit to statutory operating profit/(loss) for continuing, discontinued and total operations

4 Stated on total operations basis

5 Refer to note 34 to the Financial Statements

Financial and Divisional Reviews continued

Financial Review continued

Share-based payments

The share-based payment charge of £0.9m in 2024 (2023: credit of £0.2m) comprises, a charge in the period of £3.1m for LTIP, SAYE and BAYE schemes granted in 2021 to 2024, offset by a credit of £2.2m reflecting lapses and leavers. The prior year included a similar charge of £3.0m, offset by higher lapse and leaver adjustments largely as result of the significant restructuring across the Group in 2023.

Amortisation of intangible assets[1]

Amortisation charge of £3.0m (2023: £2.3m), relates to amortisation of intangible software investment, franchise agreements and relationship assets. The year-on-year movement comprises mainly of amortisation for the newly established franchise intangibles and acquired TenetLime intangible assets offset by a reduction in both lettings books and certain software intangibles as they have been fully amortised.

Exceptional items[2]

The exceptional gain of £1.7m in 2024 (2023: £9.3m) relates primarily to the increase in contingent consideration receivable on the disposal of RSC (£1.7m). The gain on disposal in 2023 related to the disposal of the Embrace and First2Protect businesses to Pivotal Growth.

Exceptional costs of £4.1m in the period (2023: £13.8m), are primarily due to the charge relating to the decrease in contingent consideration receivable on the disposal of Group First and Embrace Financial Services (£1.5m), Financial Services protection related appointed representative costs (£1.9m) and costs incurred as a result of the administration of TenetLime's seller, Tenet Group Limited (£0.5m). The prior year costs of £13.8m related to restructuring activity and corporate transaction costs of £5.8m, the reduction in deferred consideration receivable for businesses sold to Pivotal in H1 2023 (£4.1m), the net loss on disposals of Group First, RSC and Marsh & Parsons of £1.7m, and intangible asset impairment (£2.2m).

Contingent consideration

Contingent consideration credit to the income statement of £0.4m (2023: charge of £0.03m), relates to the reduction of the contingent consideration liability for TenetLime, based on advisers retained.

Finance income/costs

Finance income remained in line with prior year at £2.9m (2023: £2.8m) mainly from increased interest received of £1.8m on funds held on deposit (2023: £1.5m) offset by the reduction in the unwind of discounting on contingent consideration receivable balances of £0.7m (2023: £1.0m).

Finance costs of £1.7m (2023: £1.7m) are related principally to the unwinding of discount on lease liabilities of £0.5m (2023: £0.5m), commitment and non-utilisation fees on the revolving credit facility of £0.6m (2023: £0.7m), unwinding of discount on contingent consideration payable of £0.1m (2023: £nil), fair value adjustment to loans receivable of £0.3m (2023: £0.3m) and £0.2m for the unwinding of discount on dilapidations provisions (2023: £0.1m).

Profit before tax

Profit before tax was £23.0m (2023: £4.9m). The year-on-year movement is primarily due to the materially higher Group Underlying Operating Profit in 2024, offset by net exceptional costs in 2024 of £2.4m (2023: £4.4m).

Taxation

The tax charge of £5.2m (2023: credit of £3.2m) represents an effective tax rate of 22.8% (2023: 65.2%), which is slightly lower than the headline UK tax rate of 25.0% primarily because of a prior year adjustment of £0.2m for overpayment relief claims. Deferred tax assets and liabilities are measured at 25.0% (2023: 25.0%), the tax rate that came into effect from 1 April 2023.

Discontinued operations[3]

Discontinued operations loss of £0.4m (net of tax) in relation to an increase in the restructuring and administrative costs associated with the previously owned Estate Agency branch network (2023: loss of £46.1m). The prior period reflects the discontinued operations in Estate Agency Franchising which included exceptional restructuring costs of £16.5m and write down of associated disposed goodwill (£38.1m), offset in part by the exceptional gain on recognition of intangible franchise agreements of £10.7m.

Earnings per share[4]

	2024				2023			
Earnings per Share (pence)	**Basic**	**Diluted**	**Adjusted basic**	**Adjusted basic diluted**	Basic	Diluted	Adjusted basic	Adjusted basic diluted
Continuing	**17.3**	**17.1**	**–**	**–**	7.9	7.8	–	–
Discontinued	**(0.4)**	**(0.4)**	**–**	**–**	(44.7)	(44.4)	–	–
Total operations	**16.9**	**16.8**	**21.1**	**20.9**	(36.9)	(36.6)	7.6	7.5

Notes:

1 Refer to note 2 and 17 to the Financial Statements

2 Refer to note 9 to the Financial Statements

3 Based on continuing operations unless otherwise stated. Following the conversion of the entire owned Estate Agency network to franchisees in 2023, this was classified as a discontinued operation and is now presented as such in the Financial Statements. Refer to note 6 to the Financial Statements

4 Refer to note 12 to the Financial Statements

Group Balance Sheet Review

Goodwill - 31 December 2024: £16.9m (31 December 2023: £16.9m)

The carrying value of Goodwill relates to previous acquisitions in the Surveying & Valuation Division of £9.9m and Financial Services Division of £7.0m.

Other intangible assets[1] - 31 December 2024: £29.9m (31 December 2023: £21.5m)

Intangible relationship assets of £9.3m were recognised during the period upon the purchase of TenetLime, with further additional investments in Financial Services and Surveying of £2.1m. Total amortisation of £3.0m was charged in the year (2023: £2.3m). The carrying value of all franchise agreements was £10.9m at 31 December 2024 (31 December 2023: £11.7m), the acquired relationship assets was £8.5m (2023: £nil) and software assets of £3.6m (2023: £2.8m). Brand intangibles of £6.9m remained unchanged during the year.

Property, plant and equipment (PPE) and right-of-use assets (RoU assets)[2] - 31 December 2024: £6.4m (31 December 2023: £6.9m)

Capital expenditure on owned PPE in the year amounted to £0.9m (2023: £0.7m), primarily reflecting ongoing IT investment across all divisions. Total depreciation of £1.2m was charged in the year (2023: £1.7m).

Financial assets (total current and non-current) - 31 December 2024: £6.5m (31 December 2023: £5.5m)

Contingent consideration receivable 31 December 2024: £5.8m (31 December 2023: £5.1m)

During H1 2023 the Group disposed of Group First, RSC and Embrace B2C brokerage businesses to Pivotal Growth, with contingent consideration receivable in the first half of 2025 based on 7x 2024 EBITDA performance. As at 31 December 2024, this asset is recorded at £5.7m (31 December 2023: £4.8m).

The Group also has contingent consideration receivable in relation to disposed lettings books, which are due to be fully repaid by November 2025. As at 31 December 2024, this asset is recorded at £0.1m (31 December 2023: £0.3m).

Equity instruments in unlisted companies 31 December 2024: £0.8m (31 December 2023: £0.4m)

There was no change in the fair value of units held in The Openwork Partnership LLP of £0.4m at 31 December 2024 (31 December 2023: £0.4m). The fair value has been reassessed as £0.4m at 31 December 2024, with our valuation based on an estimated strike price which has been calculated using the strike price from most recently executed trading windows.

The fair value of shares held in Twenty7tec Group Limited was reassessed at 31 December 2024 as £0.4m (31 December 2023: £nil). Part of the interest held in Twenty7tec was sold in H2 2024 for consideration of £0.1m. Twenty7tec is a provider of technology to mortgage advisers and lenders.

Loans to joint venture - 31 December 2024: £7.6m (31 December 2023: £nil)

In December 2024, the Group provided funding of £7.6m to its joint venture Pivotal Growth in the form of 10% unsecured loan notes. The loan notes are redeemable in H1 2025 and no repayments were made in 2024.

Investment in joint ventures - 31 December 2024: £11.6m (31 December 2023: £9.4m)

Our 46.5% share of the Pivotal Growth joint venture is accounted for using the equity method with the change in value resulting from our equity investment in Pivotal Growth during the period (£2.2m), and our share of profit after tax for the period (£6k loss).

Investment in sublease (total current and non-current) - 31 December 2024: £0.8m (31 December 2023: £3.3m)

This reflects the situation whereby the Group is an intermediate lessor, following the Estate Agency conversion to a wholly franchised model. As part of the franchising transition, some of the leases held by the Group in respect of the previously owned network have been transferred to the franchisees, resulting in a reduction in both the investment in sublease balance by £1.5m and a similar reduction in IFRS 16 lease financial liabilities. The balancing movement reflects payments made by franchisees during the period.

Notes:

1 Refer to note 2 and 17 to the Financial Statements

2 Refer to note 2 and 18 to the Financial Statements

Financial and Divisional Reviews continued

Group Balance Sheet Review continued

Loans to franchisees and appointed representatives (Network firms) - 31 December 2024: £1.8m (31 December 2023: £2.1m)

Various sized working capital loan facility agreements are in place with several franchisees of the Estate Agency Franchising Division which have availability over a range of periods from 31 December 2024 to 31 December 2025, are repayable in full within 24 months from the respective period end and bear fixed rate interest at 8.5%. At 31 December 2024, £1.4m in principal loan amounts were drawn down (31 December 2023: £0.8m).

Loans to FS appointed representatives are granted in certain circumstances to support brokers upon joining the PRIMIS network and were £0.5m as at 31 December 2024 (31 December 2023: £1.3m).

Financial liabilities (total current and non-current) - 31 December 2024: £9.1m (31 December 2023: £8.4m)

Contingent consideration liabilities - 31 December 2024: £3.3m (31 December 2023: £0.07m)

Contingent consideration liabilities relate solely to the cost of acquiring the intangible relationship assets in TenetLime in February 2024, with the consideration of £3.3m payable in H1 2025 adjusted at 31 December 2024 for the latest update of retained advisers and discounting.

IFRS 16 lease financial liabilities - 31 December 2024: £5.8m (31 December 2023: £8.3m)

The movement in the period reflects payment of lease liabilities of £3.4m and disposals on assignment to franchisees of £1.5m, offset by new lease additions of £1.9m and unwinding of discounting of £0.5m.

Provision for liabilities (total current and non-current) - 31 December 2024: £10.2m (31 December 2023: £11.6m)

PI claim provisions of £2.3m (31 December 2023: £3.2m) include the Surveying & Valuation PI provision of £1.9m (31 December 2023: £2.3m) and the Financial Services PI provision of £0.4m (31 December 2023: £0.9m). The Group has recognised an asset of £0.3m against received claims in other debtors at 31 December 2024 (31 December 2023: £0.6m).

Dilapidations and restructuring provisions relating to the Estate Agency Franchising Division following the wholesale franchising in 2023, totalled £6.0m at 31 December 2024 (31 December 2023: £7.8m). The movement in the year relates mainly to a release of £1.5m in the dilapidations provision and £1.3m of payments made relating to the restructuring provision.

A claims indemnity included in the sale agreement of LMS remains unchanged at £0.6m at the period end (31 December 2023: £0.6m). A provision of £1.2m has been recognised during the period relating to one of the Group's former protection only appointed representatives (2023: £nil).

Group Statement of Cash flows - 31 December 2024: Net Cash[1] £32.4m (31 December 2023: Net Cash £35.0m)

Operating cashflows before movements in working capital were £30.3m (2023: £14.9m) reflecting the higher underlying operating profits generated in 2024. The business is highly cash generative and ordinarily achieves a cash flow conversion rate[1] of 75% to 100%. The ratio in 2024 was 114% reflecting the materially higher Underlying Operating Profit, with a ratio of (2)% achieved in 2023.

Movements in working capital during the period were an inflow of £2.7m (2023: outflow of £11.0m). The higher outflow in 2023 reflected the significant change in structure in the Group during that year, especially in Estate Agency Franchising. The operating cycle of working capital continues to settle following the completion of significant restructuring and transformation programmes during 2023.

The movements in the year also included:

- the initial consideration of £5.7m for the purchase of TenetLime assets
- a total of £9.8m investment into our joint venture Pivotal Growth (£2.2m equity, £7.6m loan notes, 2023: £4.7m equity)
- capital expenditure on PPE and intangibles of £3.0m (2023: £2.9m)
- exceptional costs paid in relation to divisional restructure and transformation programmes first executed in 2023 of £3.1m (2023: £10.4m)
- payment of the 2023 final and 2024 interim dividends of £11.8m (2023: £11.7m) and the repurchase of shares under the share buyback programme of £0.8m (2023: £nil)
- corporation tax paid in 2024 of £1.8m as the Group returns to more normalised taxable profits (2023: £nil)

Notes:

1 Refer to note 34 to the Financial Statements

Bank facilities

In January 2025, LSL agreed an amendment and restatement of our banking facility, with an unchanged £60m committed revolving credit facility, and a maturity date of January 2030, which replaced the previous £60m facility due to mature in May 2026. The terms of the facility have remained materially the same as the previous facility. The facility is provided by the same syndicate members as before, namely Barclays Bank UK plc, NatWest Bank plc and Santander UK plc.

In arranging the banking facility, the Board took the opportunity to review the Group's borrowing requirements, considering our strong cash position, our strategy and the Group's capital allocation policy. To provide further flexibility to support growth, the facility retains a £30m accordion, to be requested by LSL at any time, subject to bank approval.

International Accounting Standards (IAS)

The Financial Statements for the period ended 31 December 2024 have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted IAS.

Financial and Divisional Reviews continued

Surveying & Valuation Division

Overview

Surveying revenue increased significantly to £92.5m, an increase of 36% on 2023 (£67.8m), reflecting both the 26% increase in jobs performed and the 8% increase in income per job on the comparative period. The increase in jobs performed resulted in the market share of valuation instructions increasing to c.38% in 2024 (2023: c.37%). Growth in D2C in recent years has continued in the period, with 2024 revenue of £6.8m representing a 87% increase on 2023.

Surveying Underlying Operating Profit increased materially to £20.2m (2023: £5.4m), benefiting from the strong revenue growth and the surveyor capacity retention and self-help cost measures taken in 2023.

The Group's asset management business was transferred from Estate Agency Franchising to Surveying & Valuation following changes in management responsibilities from 1 January 2024. Management deemed the Group's asset management operations, including the class of customer for its services, are more closely aligned to the Surveying & Valuation Division.[1]

Asset Management revenues grew by 31% to £5.3m in the year, reflecting the moderately more active market. However, the market still remains below long-run trend levels. The profit for the year was £2.3m (2023: £1.3m).

Total Surveying & Valuation Division revenue of £97.8m in the year was an increase of £26.0m compared to 2023 (£71.9m). Underlying Operating Profit[2] increased materially to £22.5m (2023: £6.7m) reflecting the benefit of the revenue increases in both the e.surv and asset management businesses. On a statutory basis, operating profit was £22.1m (2023: £3.4m).

Financial summary

Financial Summary	**2024**	2023 (Restated)[1]	Var
P&L (£m)			
B2B – Valuations	**85.7**	64.1	34%
Private Surveys	**6.8**	3.6	87%
Other including Asset Management	**5.4**	4.2	29%
Total Revenue	**97.8**	71.9	36%
Underlying Operating Profit[2]	**22.5**	6.7	234%
Underlying Operating Margin[2]	**23.0%**	9.4%	1,360bps
Operating profit	**22.1**	3.4	550%
KPIs			
Jobs performed (000's)	**491**	389	26%
Remote Valuations as % of total	**22%**	23%	(160)bps
Jobs per average surveyor	**1,040**	782	33%
Income per job (£)	**188**	174	8%
Operational surveyors employed (FTE[3])	**469**	472	(1)%
Market Share	**38%**	37%	80bps

Notes:

1 Refer to note 4 to the Financial Statements

2 Divisional Underlying Operating Profit and Divisional Underlying Operating Margin are stated on the same basis as Group (as set out in note 5 to the Financial Statements)

3 Full-time equivalent (FTE)

Highlights

- **Surveying & Valuation performance was strong** reflecting the benefit of **contract extensions with improved terms** as well as a recovery in market conditions from the significant reduction experienced in 2023.
- Surveying & Valuation revenue increased significantly to £97.8m, an increase of 36% on 2023 (£71.9m), reflecting both the 26% increase in jobs performed and the 8% increase in income per job on the comparative period.
- **Mortgage approvals[4] were 21% above 2023**, driven by higher purchase approvals (up 31%) with remortgage and other approvals 8% higher.
- We estimate that our market share of **physical and remote valuation instructions[4] was around 38%** representing a small increase over 2023 (c.37%).
- **Long-term contract extension with Lloyds Banking Group**, underpinning the Group's leading market position. We also secured a substantial improvement in terms and allocation with another major lender.
- **Retained contracts with all lending customers** with no loss in allocations.
- Underlying Operating Profit[5] increased to £22.5m (2023: £6.7m).
- Good progress continues against strategic objectives to develop new survey and valuation income from the end customer: **B2C revenue increased by 87% to £6.8m** (2023: £3.6m), having grown from £1.1m in 2020.
- **Substantial investment** made throughout 2024, increasing in H2, to support **data and model development initiatives** to diversify future revenue streams and meet lender client needs.
- On a statutory basis, operating profit was £22.1m (2023: £3.4m).

Notes:

4 Approvals for lending secured on dwellings, Bank of England – Table A5.4 (30 January 2025)

5 Divisional Underlying Operating Profit and Divisional Underlying Operating Margin are stated on the same basis as Group (as set out in note 5 to the Financial Statements)

Financial and Divisional Reviews continued

Financial Services Division

Overview

Our Financial Services Division is reported in two business lines: our core Financial Services Network business comprising PRIMIS and TMA mortgage club, and our share of profit after tax of Pivotal Growth.

Total revenue was £48.4m (2023: £51.7m). After adjusting for businesses disposed of during H1 2023, revenue was up 3%[1]. We increased our share of the purchase and remortgage and of the product transfer markets, with a record share of the purchase and remortgage (11.8% up from 10.6%) and the product transfer markets (6.9% up from 6.1%). After adjusting for disposals, Network protection revenue was 4% lower than 2023.

Network Underlying Operating Profit[2] was £8.7m (2023: £7.4m), which was marginally ahead of 2023 on an organic basis, in what was a flat market, whilst also absorbing the cost of an extended governance framework and restructuring costs.

Our share of losses after tax in our joint venture Pivotal Growth was £0.0m (2023: loss of £0.4m). The trading EBITDA of Pivotal (before transactional acquisition costs) was materially ahead of last year.

Exceptional costs of £2.4m were recognised primarily relating to the exit of a large protection only firm (£1.9m) and costs associated with the administration of the sellers of TenetLime (£0.5m).

Total Financial Services Division Underlying Operating Profit was £8.7m (2023: £7.0m, £7.4m after adjusting for disposed businesses). On a statutory basis, operating profit was £4.7m (2023: £5.0m).

The Financial Services Network business has a regulatory capital requirement which represents 2.5% of its regulated revenues. The regulatory capital requirement was £6.4m at 31 December 2024 (31 December 2023: £6.1m), with a surplus of £27.6m (31 December 2023: £24.7m).

Financial summary

	2024	2023	Var
P&L (£m)			
FS Network revenue	**48.4**	51.7	(6)%
FS Network Underlying Operating Profit	**8.7**	7.4	16%
FS Network Underlying Operating margin[2]	**17.9%**	14.3%	350bps
Pivotal (share of JV PAT)	**(0.0)**	(0.4)	99%
Total FS Division Underlying Operating Profit[2]	**8.7**	7.0	23%
Operating profit	**4.7**	5.0	(8)%
KPIs			
Total AR firms	**1,108**	1,000	11%
Total advisers	**2,736**	2,661	3%
Mortgage Lending Market[3] (excl. PTs) (£bn)	**242.0**	225.5	7%
LSL Mortgage Lending[4] (£bn)	**46.7**	41.7	12%
LSL Purchase & Remortgage Lending (£bn)	**28.5**	23.9	19%
LSL Product Transfer Lending (£bn)	**18.2**	17.8	2%
Market Share (excl. PTs)	**11.8%**	10.6%	120bps

Notes:

1 FS Revenue of £48.4m in FY 2024, as compared to £47.0m in FY 2023 with statutory revenue of £51.7m less £4.7m revenue from businesses disposed in 2023

2 Divisional Underlying Operating Profit and Divisional Underlying Operating Margin are stated on the same basis as Group (as set out in note 5 to the Financial Statements)

3 Mortgage lending excluding product transfers - new mortgage lending by purpose of loan, UK (BOE) – Table MM23 (February 2025)

4 LSL mortgage completion lending quoted includes product transfers

Highlights

- Our Financial Services Network business **increased its focus on its core market**, serving the needs of smaller, mortgage-led financial services businesses, reflecting the strategic decision to reduce its focus on larger, pure protection brokerages.
- **Successfully integrated 145 TenetLime firms** with both profit contribution and adviser retention in line with expectations.
- Increased market share of the UK purchase and remortgage market[5] of 11.8% (2023: 10.6%).
- **Total advisers increased by 75 to 2,736** as at 31 December 2024 (2023: 2,661) including 247 TenetLime advisers.
- The number of **advisers that sell both mortgages and protection increased by 214 to 2,852**. The number of protection only advisers was reduced by 137, following the decision to exit some firms whose business model was not in line with our risk appetite and strategic focus.
- LSL advisers continue to adapt effectively to changes in the mortgage market, **increasing product transfer mortgage lending by 2%**, resulting in a further increase in share of the product transfer market to 6.9% (2023: 6.1%).
- **Financial Services Network business traded resiliently**, reporting Underlying Operating Profit[6] of £8.7m (2023: £7.4m).
- The weighting of margin dilutive product transfers in the refinancing market remained above the long-term average.
- **Network protection revenue remained broadly flat** at £12.9m after adjusting for disposals.
- **Total revenue of £48.4m** was down 6% on the prior year as reported (2023: £51.7m), reflecting the net impact of the disposal of businesses in 2023 and the purchase of TenetLime in 2024.
- **The number of Network firms increased to 1,108 as at 31 December 2024** (2023: 1,000), including 145 TenetLime firms.
- On a statutory basis, operating profit was £4.7m (2023: £5.0m).

Notes:

5 Mortgage lending excluding product transfers - new mortgage lending by purpose of loan, UK (BOE) – Table MM23 (February 2025)

6 Divisional Underlying Operating Profit and Divisional Underlying Operating Margin are stated on the same basis as Group (as set out in note 5 to the Financial Statements)

Financial and Divisional Reviews continued

Estate Agency Franchising Division

Overview

Estate Agency Franchising business revenue was £27.0m (2023: £20.9m), with the increase primarily reflecting the wholesale franchising of the Division only part way through H1 2023.

The Division continued to support the growth of its franchisees, including the provision of loans to facilitate lettings acquisitions, adding c.700 properties to the franchisee portfolios during 2024.

The average lettings income per managed property was up c.+2% with total number of properties in line with the prior year

The Estate Agency Franchise business delivered a robust residential sales performance, with the total number of exchange units 10% above 2024 in a market which was 8% ahead

Underlying Operating Profit of £7.6m was delivered in 2024 (2023: £4.3m) at a 28% operating margin (2023: 20%). On a statutory basis, operating profit was £6.5m (2023: £3.0m).

Financial summary

	2024	2023 (Restated)[1]	Var
P&L[2] (£m)			
Continued operations	**27.0**	20.9	29%
Discontinued operations	**-**	32.3	(100)%
Total revenue	**27.0**	53.2	(49)%
Continued operations	**7.6**	4.3	78%
Discontinued operations	**(0.4)**	(1.0)	100%
Underlying Operating Profit[3]	**7.2**	3.3	129%
Underlying Operating Margin[3]	**26.4%**	6.3%	2010bps
Operating profit from continuing operations	**6.5**	3.0	118%
Loss from discontinued operations	**(0.5)**	(45.3)	99%
Operating profit / (loss) from total operations	**6.0**	(42.3)	115%
Franchising Revenue	**27.0**	20.9	29%
Franchising Underlying Operating Profit	**7.6**	4.3	78%
Franchising Underlying Operating Margin	**28.3%**	20.6%	770bps
Franchise KPIs			
HMRC Transactions (000's)[4]	**1,101**	1,019	8%
Exchange units[5]	**20,385**	18,603	10%
Managed properties	**37,462**	37,502	-
Number of Territories[6]	**310**	308	1%

Notes:

1 Refer to note 4 to the Financial Statements

2 Following the conversion of the entire owned estate agency network to franchises in H1 2023, this was classified as a discontinued operation and is now presented as such in the Financial Statements. Refer to notes 2 and 6 to the Financial Statements

3 Divisional Underlying Operating Profit and Divisional Underlying Operating Margin are stated on the same basis as Group (as set out in note 5 to the Financial Statements)

4 Number of residential property transaction completions with value £40,000 or above, HMRC (Jan 2025)

5 Excludes Marsh & Parsons disposed in January 2023

6 Territories quoted for 2023 is from the commencement of the wholly franchised Estate Agency business in May 2023

Highlights

- Continued to **support the growth of franchisees**, including the first loans granted to support **lettings book acquisitions**, adding c.700 properties to the franchisee lettings portfolios.
- **Benefits of new business model** are reflected in a substantial increase in Underlying Operating Profit[7] of £7.6m (2023: £4.3m[8]) with an underlying operating margin of 28%.
- **Scope remains for further cost efficiency gains within Estate Agency business** as the operating model approaches target state.
- The number of **properties under franchisees management remained stable at 37,462** (31 December 2023: 37,502).
- On a statutory basis, operating profit was £6.5m (2023: £3.0m).

Notes:

7 Divisional Underlying Operating Profit and Divisional Underlying Operating Margin are stated on the same basis as Group (as set out in note 5 to the Financial Statements)

Section 172 Statement and Stakeholder Engagement

Our Stakeholders

The Directors have a responsibility, in accordance with Section 172 of the Companies Act 2006 (Section 172), to act in a way in which they consider, in good faith, is most likely to promote the success of the Company and its members as a whole. In doing so, the Board takes into account the interests of our stakeholders when decisions are made, considering the impact of those decisions on both the Company as a whole and its individual stakeholders. In order to understand our stakeholder groups, we have various engagement methods.

Mortgage and insurance advisers, lenders, Estate Agency franchisees

Stakeholder Engagement

Shareholders

Purpose	Providing access to market-leading, growth orientated assets in the UK mortgage and property market.
Why we engage	The support of our Shareholders is crucial to our long-term success.
How we engage	Members of the Board regularly meet with institutional Shareholders. The Executive Directors will usually meet with such Shareholders and analysts after the release of our full year and interim results or if a strategic initiative has been announced. We also offer our major Shareholders the opportunity to meet with the Chair and other Non-Executive Directors as required. Newly appointed Directors are offered the chance to meet with significant Shareholders, particularly the Chair, Senior Independent Director and Executive Directors, as part of their induction process. The Chairs of the various Board Committees are also available to meet with major Shareholders to discuss relevant issues as appropriate. Our AGM gives individual Shareholders the opportunity to engage with the Board, including the Chairs of the Board and its Committees. The Board values the opportunity given by the AGM to meet with Shareholders in person and hear their views. Separate resolutions are proposed for each item of meeting business, with voting conducted by a poll. The Notice of AGM is sent to Shareholders at least 20 working days ahead of the AGM. Email enquires from Shareholders are also considered by the Executive Directors. We publish a variety of information on our website (lslps.co.uk), including copies of any Regulatory News Service announcements, our Financial Statements and our Living Responsibly Report. Any Shareholder wishing to engage with the Board should contact the Group Company Secretary, whose details are included on page 174.
Board oversight	The Board receives feedback on engagement with Shareholders from the Executive Directors, the Chair, any other Non-Executive Director who has met with Shareholders and our corporate advisers in order to consider Shareholder views when taking decisions.
2024 outcomes	Members of the Board met with Investors following the departure of David Barral as Chair. Darrell Evans and Adrian Collins met with a broad group of Shareholders following their appointment as Interim Chair and Chair respectively. The Chair discussed, among other things, Group strategy, governance arrangements and the rationale for a significant vote against the re-election of Gaby Appleton at the 2024 AGM. As announced to the market on 13 December 2024, the Company believes that Gaby being in the role of SID while there were governance concerns prompted this significant vote against. As explained further on page 64, these issues have now been resolved. The Chair, Group CEO and Group CFO had positive engagement with investors following the announcement of David Stewart's retirement, the appointment of Adam Castleton as Group CEO Designate and the introduction of non-executive chairs for our Surveying & Valuation Division and Estate Agency Franchising Division.

Section 172 Statement and Stakeholder Engagement continued

Stakeholder Engagement continued

Colleagues

Purpose	Delivering an improving colleague experience through an increasingly diverse, inclusive culture which puts colleague feedback at its heart.
Why we engage	Our colleagues are critical to our desired culture and values and we recognise the importance of ensuring our workforce is engaged, motivated and working in a safe environment. We are committed to being a better place to work.
How we engage	We engage with our colleagues via a number of channels, as summarised below: • Colleague surveys. • Our Group colleague forums, which include our Colleague Engagement Forum, the Inclusion & Diversity Forum and the Communities Forum, and divisional colleague forums. • A Senior Management conference is held annually, with updates from the Group CEO, Group CFO and the Divisional Managing Directors, alongside other topics of interest. • Webinars with Q&A sessions with the Group CEO and Group CFO. • Emails from the Group CEO and Divisional Managing Directors on business performance. • A regular newsletter which includes a round-up of news, interviews, celebrations and updates from across the Group to which all colleagues are invited to contribute. • An annual “Speak Up” week where colleagues are encouraged to raise serious concerns in confidence which operates alongside our Whistleblowing Policy. • Our Group intranet, The Hive. We operate all-employee share schemes to provide a way for colleagues to acquire shares in LSL which aligns their interests with our Shareholders.
Board oversight	The results of colleague surveys are shared in detail with the Executive Committee, Divisional Management Teams, our colleague forums and the Board. The colleague engagement forums report regularly to the Group CEO and the Living Responsibility Steering Committee, which report up to the Board and its Committees via our Group CPO. Darrell Evans is our designated Non-Executive Director for workforce engagement[1] (Workforce NED). He regularly meets with the Colleague Engagement Forum and contributes to Board discussions on colleague views. This is supplemented by reports to the Board and Nominations Committee from our Group CPO on various metrics which demonstrate patterns in our workforce.
2024 outcomes	The 2024 colleague survey received an 84% response rate (2023: 77%), with an engagement score of 73% (2023: 73%) and belief in action by management of 46% (2023: 41%). We are delighted to have moved up 5 percentage points for our belief in management score against the previous survey. Maintaining feedback loops at all levels is essential for sustaining this trust. Voluntary colleague turnover has reduced from 18.2% to 13.5% in 2024, with recruitment growth outweighing voluntary attrition. We were delighted to be awarded HR Team of the Year at the 2024 Business Awards UK. More information on our colleague engagement initiatives and forums and the work done in 2024 to improve colleagues’ health and wellbeing, pay and benefits is included in our Sustainability Report on pages 41 to 47 together with details on our policy in relation to human trafficking and modern slavery.

Notes:

1 Darrell Evans was appointed as Interim Chair from 5 March to 29 April 2024 and Gaby Appleton stepped into the role of Workforce NED during this period but did not meet with the Colleague Engagement Forum

Customers

Purpose	**Mortgage and insurance advisers:** Providing technology, compliance, marketing and business development services to help our customers grow their businesses through delivering excellent customer service and ensuring good customer outcomes. **Lenders:** Providing access to a national network of highly-skilled chartered surveyors and using our market-leading knowledge of property risk to help customers make safe lending decisions and deliver excellent customer service. **Estate Agency franchisees:** Providing technology and business development services to help customers safely grow their business and deliver good customer service. **Consumers**: Providing direct-to-consumer surveys through our Surveying & Valuation Division to help buyers gain insight and reassurance about their home purchase.
Why we engage	Delivering high quality, consistent and continually evolving products and services is important for customer satisfaction and retention, especially in the Financial Services Network and Surveying & Valuation Division where we operate in a competitive market. Our predominantly B2B service model means that, by delivering high quality services to our customers, we also support the delivery of their services to their customers which in turn generates revenue for the Group.
How we engage	All Group businesses seek regular feedback from customers, which informs our decision making and the development of our products and services. The Group's key customers are: **Financial Services Network:** mortgage and protection brokers, which are appointed representatives and FCA authorised firms and their customers. **Surveying & Valuation:** lenders for valuations and property data services and consumers for private home condition surveys. **Estate Agency Franchising:** franchisees. Each division has arrangements in place to manage customer relations, which include: • Obtaining customer feedback through relationship management meetings, product and service engagement meetings and other divisional specific engagement arrangements and councils. • Attendance at events and conferences. • Formal questionnaires. • Mystery shopping exercises and focus groups. • Our Surveying & Valuation Division uses Trustpilot to gather feedback from consumers for home surveys.
Board oversight	Each division monitors KPIs and management information relating to its customer service, including complaints information, adherence to agreed service levels for corporate clients and Trustpilot scores where applicable. As part of regular and special business presentations from each Division during the year, the Board receives reports on customer feedback and results of consumer surveys.

Continued...

Section 172 Statement and Stakeholder Engagement continued

Stakeholder Engagement continued

Customers
continued

2024 outcomes

Our Financial Services Division received the award for Best Network at both the Mortgage Strategy Awards and the Financial Reporter Awards and the Best Mortgage Club at the Mortgage Introducer Awards alongside various individual colleagues receiving specific recognition in their fields. The Division has undertaken a number of initiatives designed to improve the customer outcome, including:

- Improving technology with the introduction of a CRM in partnership with Mortgage Brain and new telephony capability.
- Reviewing compliance procedures to make it easier for our brokers to do business and grow.
- Invested in the sales and distribution teams alongside providing a package of pre-approved marketing materials for brokers to use with their customers.

We have listened to feedback from our mortgage and protection brokers regarding their expectations in relation to the technology we use and the Board has approved significant investment into technology in the Financial Services Division. More information on this Board decision is included on page 33.

Various brands within the Estate Agency Franchising Division won places in the prestigious “Best Estate Agency Guide”, which is a guide highlighting the best estate and lettings agents across the UK.

Our Surveying & Valuation Division successfully renewed four of its largest lender contracts in 2024, including agreeing a new long-term contract with Lloyds Banking Group. The Division has an excellent rating of 4.8 on Trustpilot for our private home consumer surveys and a highly rated net promotor score of 58[1] from our lender clients for our valuation services.

Notes:

1 Source: discussion with e.surv’s top 10 lending relationships

Suppliers

Why we engage	The performance of our key suppliers is important to our success. We expect them to operate with an appropriate level of integrity and within applicable laws and regulations, including the Modern Slavery Act 2015.
How we engage	Key suppliers are managed through supplier management protocols, which include reviews of contractual performance and other KPIs. Suppliers within e.surv are managed via procurement and supplier policies which include commitments to ensure that our purchasing and contracting activities are aligned with our values. These policies include a risk rating process for suppliers by reference to their level of access to our data and systems and the monitoring of suppliers' performance and ongoing financial security. More information on our payment practices to suppliers is included in our Sustainability Report on page 47.
Board oversight	The Board relies on Senior Management to manage the relationship with suppliers on a day-to-day basis. Any significant new relationships are approved by the Board. Any concerns about significant suppliers are escalated to the Board. Key supplier arrangements are discussed as part of regular Divisional reporting to the Board.
2024 outcomes	In our 2023 Section 172 Statement we reported that we would look to establish a Group-wide supplier code as part of a supplier management framework which would encompass the good practices already established within e.surv. This has not progressed as planned in 2024 and will be a focus for 2025.

Section 172 Statement and Stakeholder Engagement continued

Stakeholder Engagement continued

Regulators

Why we engage	Engaging with our regulators enables us to ensure we are compliant with regulations and adapt our processes as changes to best practice operations are identified.
How we engage	We seek to ensure that our interactions with the regulators of our various businesses (which include the UKLA, HMRC, FRC, FCA, RICS, TPO and NTSEAT) are open and co-operative. We ensure that we respond appropriately to any requests for information or guidance received from our regulators.
Board oversight	The Board and/or ARC receive regular updates from management on the Divisions' compliance with their regulatory obligations and, in particular, any correspondence and engagement on material matters with the FCA is notified to the Board.
2024 outcomes	During the year our regulated subsidiaries have responded to a number of regulatory consultations and guidance, and reviewed their operations where appropriate in response, including: • Responding to the FCA product oversight and governance thematic review. • Preparing data to respond to an FCA market study into the provision of premium finance for home and motor insurance. • Participating in phase 2 of the FCA's review of quality of mortgage advice study.

Communities and the Environment

Why we engage	We want to have a positive and lasting impact on the communities we work in and reduce our impact on the environment.
How we engage	Our Living Responsibly Steering Committee (SteerCo) is responsible for considering our impact on our local communities, charitable considerations and the environment. Our Sustainability Report on pages 41 to 47 and our separate Living Responsibly Report available on our website (lslps.co.uk) provides more information on the work of the SteerCo. Our Surveying & Valuation Division undertakes various sustainability initiatives in conjunction with our lender clients in order to ensure compliance with contractual commitments and mitigate against the risk of not achieving agreed supplier standards. The Financial Services Network participates in the Mortgage Climate Action Group, which is an industry-wide group focusing on education and collaboration in the Net Zero economy.
Board oversight	The Board receives annual updates on the Group's Sustainability Report and Living Responsibly strategy and the initiatives undertaken by management.
2024 outcomes	Our colleagues have been involved in various charitable initiatives during the year, as detailed in the Living Responsibly Report. We have continued to evolve our reporting on the Task Force on Climate-related Financial Disclosures requirements which appear on pages 49 to 59.

Section 172 Statement

Board decisions

Our Board is diverse in terms of skills, knowledge and experience which assists it in making informed decisions promoting the long-term success of the Company whilst considering the needs of our stakeholders. More information on the Board is included on in the Directors' biographies on pages 60 and 61 and in our Corporate Governance Report and Nominations Committee Reports on pages 64 to 76.

The Board sets the Group strategy, values and culture which ensure that stakeholder considerations are considered when decisions are being made across the business.

The key matters, and their impact on the Group's stakeholders' interests, considered by the Board and/or management during the year are set out below. In making these decisions, the following Section 172 considerations were considered:

- The likely consequences of any decisions in the long-term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

Further information on how these factors are considered is included in the Group's Business Model and Strategy (pages 4 to 7), Risk Management (pages 34 to 38) and Sustainability Report (pages 41 to 47), the Corporate Governance Report (pages 64 to 71) and our separate 2024 Living Responsibly Report which is available on our website at lslps.co.uk.

The principal decisions during the year were:

Capital allocation policy	In response to Shareholder feedback, the Board decided to update its capital allocation policy. This included the decision to appoint our broker to manage a non-discretionary share buyback programme to repurchase ordinary shares up to a maximum consideration of £7m in the 12 months ending 30 April 2025 on the terms as announced on 30 April 2024 in order to return excess capital to Shareholders, which instruction has been extended until the 2025 AGM.
Financial Services CRM	The Board has supported considerable investment into the technology used by the Financial Services Division via the procurement and implementation of enhanced technology solutions provided to PRIMIS advisers. This will provide a foundation to provide a modern technology solution for our customers and drive efficiency for our business.
Audit tender	The Group's current auditor, Ernst & Young LLP, was nearing its maximum term limit and so a comprehensive formal tender process, overseen by the ARC, was conducted. In accordance with a proposal from the ARC, the Board is recommending to Shareholders that Grant Thornton UK LLP be appointed as the Group's auditor for the year ending December 2025.
Risk	Having considered the risk environment in which the Group operates, the Board decided to appoint a Group Chief Risk Officer (CRO) to provide input into the ARC on the risk and control environment across the Group. The Divisional risk structure that has been in place for a number of years will continue, with the Group CRO providing support and guidance to those functions alongside providing relevant information to the ARC and Board to assist it setting its risk appetite and the Group Risk Framework. This is an important step forward, especially considering the risk on our business from the regulatory horizon and scrutiny of financial services products.
Relocation of registered office	With the lease on our registered office in Newcastle due to expire, consideration was given to refurbishing and staying at Newcastle House or seeking alternate office space. Both the cost impact, environmental considerations and the needs of our colleagues were considered and it was agreed to move to a new registered office with an EPC rating of A+ during 2025.

Risk Management

Our risk framework

Effective risk management is critical to delivering our purpose. We adopt a prudent approach to risk management, taking only those risks which support our strategy and managing them via a Board approved risk framework and governance structure.

Our risk management processes ensure we appropriately manage the risks that arise from our activities by:

- A rigorous assessment of our principal risks and uncertainties, including those that would threaten our business model or future performance, or increase the potential for customer harm.
- Robust decision-making, ensuring we take the right risks in a considered way that supports the strategy and maintains our reputation for high standards of business conduct.
- Ensuring the risks we take are understood, controlled and managed appropriately.

We have adopted a 'three lines of defence' approach to risk management:

- First line- line management are accountable for day-to-day operations and have responsibility for the management and ownership of risks and controls within their business units.
- Second line- risk and compliance teams are responsible for the oversight and challenge of the first line in its day-to-day management, control, monitoring, and reporting of risks. Our risk and compliance teams are independent of the management personnel responsible for originating risk exposures.
- Third line- Internal Audit provides independent assurance to the Board, Audit & Risk Committee and Senior Management over the effectiveness of our risk management control and governance processes.

Group Risk Governance Structure

As a regulated business, the Financial Services Division has a formal governance framework. This includes an independent board, a board compliance & audit committee and a board risk & customer outcomes committee. The board comprises three independent non-executive directors (iNEDs), one non-executive director (NED) and two executive directors. The board is chaired by an iNED, with separate iNEDs chairing each of the board committees.

In July 2024, we created a new role and appointed a Group Chief Risk Officer (CRO) to further enhance risk oversight and foster a consistent approach to risk management across the Group. This includes investment in additional risk resource at a Group level and also procurement of a governance risk & compliance (GRC) system (Protecht) for roll out across the Group in 2025.

Each of our Divisions have risk management arrangements, systems and controls which feed into the Group's overall arrangements. Divisional risk officers and risk committees oversee Divisional risk management frameworks, which involve the use of risk metrics, policies, risk control assessments, risk treatment plans and tracking of emerging risks.

The Audit & Risk Committee oversees Divisional risk management arrangements which includes Divisional top and emerging risks and progress against various risk initiatives. The Committee also regularly reviews the Group's principal risks and uncertainties, including confirming the effectiveness of risk management and internal control systems, and considers emerging risks and the outputs of our stress testing routines.

The Data & Information Security Committee provides oversight of data protection and information security arrangements (including the risk profile and control environment) across the Group by providing review, challenge and recommendations on current and proposed arrangements, including the policies which are included within the Group's data and information security framework.

The Group scrutinises and challenges Divisional risk management activities via the Group CRO's oversight, regular Internal Audit cycle and through risk-based governance forums, attended by senior Group and Divisional representatives.

Principal risks and uncertainties

The Board has assessed our principal risks, including emergent areas. The Board performs this exercise twice yearly as part of its agenda, having considered the views of the Audit & Risk Committee, the Executive Directors, the Group CRO and the Head of Internal Audit.

Our principal risks and uncertainties are outlined below. These are the most significant risks that may adversely affect our business strategy, financial position or future performance.

Following review in January 2025, there have been two changes to our individual principal risks and uncertainties. We have removed business infrastructure (including technology) as this risk is now covered by market disruption, execution of strategy and information security (including data protection and cyber threats) risks. We have added a new principal risk in relation to credit risk.

We consider our overall risk exposure to be stable, with increasing regulatory and information security risks being offset by reducing UK housing market and execution strategy risks.

Nature of principal risk and uncertainty/context	Mitigating actions	Gross trend
1. UK housing and lending market: The cyclicality of the UK housing market and fluctuations in the lending market exposes the Group to volatility in transaction volumes.		
• Inflation and affordability: high inflation and living costs may reduce market transactions. • Mortgage finance: availability and affordability of mortgage finance may impact demand. • Interest rates: increases in the base rate may affect mortgage rates. Recent stability and falling rates may boost market activity, despite Q4 inflation concerns. • Government policy: policy changes, like renters reform or stamp duty may impact how our business operates. • Geopolitical risk: heightened market uncertainty may affect bond and interest rates.	• Three-year plan aligned to current challenges with effective budgeting process and proactive sensitivity analysis. • Strong capital and liquidity levels. • Strong discipline over capital allocation decisions and scrutiny and challenge of discretionary spend. • Regular operating reviews enabling effective executive oversight, governance and alignment of each Division.	Decreasing
2. Market disruption: We may be exposed to competitive pressures from market participants, including new entrants, disruptor business models (including direct sales mediums), artificial intelligence platforms and disintermediation threats.		
• New entrants: strong competition in our markets could impact our success at building scale across our markets. • Artificial intelligence: the continued evolution of AI may disrupt the markets in which we operate, for example by enabling new entrants to compete with potentially lower costs and more efficient processes. • Changing consumer behaviours could impact demand for products and services across our businesses and accelerate disintermediation (for example next generation demanding direct sales channels, preference for long-term mortgages).	• Market monitoring: ongoing tracking of disruptor activity and response plans. • Governance: support for new technology, service and product initiatives. • Financial Services: technology transformation with Mortgage Brain CRM and further enhancements in 2025. Launch of protection product quote service in Q3 and continued technology investment. • Surveying: development of data, modelling, and home survey initiatives to enhance offerings.	Stable

Risk Management continued

Nature of principal risk and uncertainty/context	Mitigating actions	Gross trend
3. Execution of strategy: We might not effectively execute our strategic initiatives and associated capital allocations and therefore fail to deliver the required level of Group growth.		
• Failure to adapt: not adapting to changing customer behaviour, technological developments, regulatory expectations, competition and cost management may impact our business. • Strategic execution: may be limited by operational capacity and regulatory complexity. • Costs: saving initiatives may not meet targets, impacting business results, financial condition, customer outcomes, prospects and reputation. • Failures could arise in obsolete technology and or failures in deployment of new technology.	• Regular strategy assessments by ExCo, Group CEO, Group CFO and the Board. • Transformation programs aligned with business strategy, prioritised in three-year planning and budgeting. • Leadership-led governance for transformation programs with clear accountabilities and milestones. • Strategy and transformation leadership reporting, tracking benefits and aligning spend targets and value outcomes. • Periodic reporting on key business and functional initiatives to the Board and Audit & Risk Committee.	↓ Decreasing
4. Professional services: We may receive claims arising from systemic lapses in the delivery of professional services across the Group.		
• Failure to meet legal or contractual obligations: could lead to client actions/claims, negatively impacting reputation, financial condition and business results. For example: • Estate Agency Franchising Division: claims from franchisees for unmet service expectations. • Financial Services Division: claims from customers for inadequate advice or from brokers for inadequate services or unpaid commissions. • Surveying & Valuation Division: claims from lenders for property valuation accuracy.	• Strong focus on service level delivery and relationship management ensuring contractual obligations are met. • Surveying & Valuation and Financial Services: quality assurance framework in place over adherence to lender valuation requirements and broker activity respectively. • Professional indemnity insurance to mitigate financial exposure: established governance routines to monitor claims trends and insurance arrangements. • Limiting exposure to high-risk products: for example, the Financial Services Network does not supervise investment advice.	↔ Stable
5. Client contracts: Significant falls in business volume could arise from the loss or withdrawal of key B2B clients, brokers and/or franchisees.		
• Loss of market share: competition, changing customer service propositions, pricing structures and alternative business models may attract customers elsewhere. • Market capabilities: development of capabilities by B2B clients, brokers, and franchisees may also see us lose market share. • Our capabilities: not being able to provide effective services, technology, or maintaining relationships could impact market share.	• Ongoing monitoring and renewal of key contracts. • Benchmarking of product and service propositions for value delivery. • Surveying & Valuation: Long-term extension of a contract with key client and renewal of a further two client contracts with improved terms. • Rigorous oversight and service delivery via relationship managers. • Monitoring the financial health of PRIMIS network brokers and our Estate Agency franchisees. • Strategic investment in systems and technology.	↔ Stable

Nature of principal risk and uncertainty/context	Mitigating actions	Gross trend
6. Information security (including data protection and cyber threats) and failure of global service providers: The threat of cyber-attacks continues to increase globally.		
• Cyber attacks: the increasing sophistication and frequency of cyber-attacks, along with global uncertainties and geo-political tensions elevate information security threats. • The threat landscape changes as we use data more intelligently, introduce new technology, increase Cloud use, and operate hybrid work models. Reliance on third parties for services or data hosting adds risks (as demonstrated by the 2024 CrowdStrike outage). • Reliance on third parties for services or data hosting: this adds to our risk profile, as demonstrated by the 2024 CrowdStrike outage.	• Continuous monitoring of cyber threats and investment in our defences. • Oversight by the Data & Information Security Committee (DISC), Divisional information security specialists, and Data Protection Officers. • Group Minimum Standards in place with regular Divisional attestations and audit cycle to ensure a strong control environment. • System security through penetration testing, intrusion scanning, secure backups, data encryption, and access control. • Using data more intelligently, introducing new technology, increasing Cloud use and operating hybrid work models. • Ongoing training and education for vigilance. • Risk-based cyber-security assurance program. • Information security obligations in third-party contracts with assurance programs.	↑ Increasing
7. Regulatory compliance and responding to regulatory changes: We may fail to establish and maintain a robust compliance framework and/or regulatory policies could develop in a manner that is detrimental to our business.		

• Our regulatory landscape includes FCA rules and consumer protection laws.
• Regulatory policies: externally imposed policies could be detrimental to our business or develop in a way that presents opportunities, that we fail to adapt to quickly enough to benefit. Examples include:
  • In 2024, the FCA communicated several initiatives, including market studies on pure protection product distribution and premium finance, a continued focus on appointed representative oversight and consumer duty implementation.
  • The FCA are expected to issue further communications on the court ruling regarding undisclosed commission arrangements.
  • The BoE recently published report has highlighted the effect of brokers on banks' business models and highlighted broker prioritisation of short-term fixed mortgages.
  • Furthermore, timelines for passing the Renters Reform Act will increase landlord costs by enhancing renter protections and establishing a landlord ombudsman.
	• Financial Services Division: independent governance via board/board committees with iNEDs, including the chair.
	• Compliance teams in place across all Divisions.
	• Active engagement with regulatory bodies to ensure we maintain high standards of business and deliver good outcomes for our customers.
	• We identify, track and review the impact of regulatory change through our internal control processes, with material updates being considered at the Divisional risk committees, the Audit & Risk Committee and the Board.
	• Structured initiatives are in place to identify and deliver relevant regulatory changes promptly and proportionately.
	• We actively engage with regulatory bodies to ensure we maintain high standards of business and deliver good outcomes for our customers.
		↑ Increasing

Risk Management continued

Nature of principal risk and uncertainty / Context	Mitigating actions	Gross trend
8. Environmental, social and governance (ESG)		
• Failure to identify and effectively manage sustainability risks could affect our productivity, reputation, colleague engagement and retention and/or market value. • The Group's operations have environmental implications. The Group faces risks related to carbon emissions, energy consumption, and waste management.	• Living Responsibly ESG programme: promotes diversity, inclusion, communities, environmental responsibility and governance. • Leadership: Group CEO sponsors ESG programme; Group CPO and Group Head of ESG supports Group and Divisional arrangements. • Sustainability Report: annual publication ensures transparency and stakeholder engagement. • Colleague engagement: through forums, working groups, surveys and training. • Climate risk policy: our framework for considering climate-related risks. • Emissions reduction: targets set to reduce emissions and plans for Net Zero transition.	↔ Stable
9. Colleague resources, talent and expertise: Successful strategy delivery depends on attracting and retaining highly qualified professionals.		
• Colleague retention: successful strategy delivery depends on attracting and retaining highly qualified professionals. Risks include key personnel or expertise teams leaving, impacting our business. • Focus on digitalisation: this may increase competition for technology and digital skills meaning we are unable to employ appropriate resource.	• Group governance, policies, and initiatives overseen by the Remuneration Committee and Nominations Committee to recruit and retain key talent. • Colleague surveys, forums, and welfare initiatives to identify and address pressures, promoting an open culture. • Colleague training, development programs, remuneration strategies, and succession planning to avoid key personnel dependencies. • Active identification and development of talent, highlighting values and social purpose, promoting our Group as a great place to work.	↔ Stable
10. Credit risk: Exposures from contingent liabilities (commission clawback) where broker firms become insolvent.		
• The nature of protection business is such that Insurers pay advance commission which is subject to clawback should the customer cancel their insurance policy in the indemnity period. As a result, where a broker firm becomes insolvent, we remain liable for any future clawbacks.	• All new firms are subject to strict due diligence and financial health checks prior to onboarding to the network. • Ongoing monitoring of financial health of firms with established intervention, support and escalation controls.	↔ Stable

Viability Statement

The Directors have assessed the Group's prospects and financial viability, taking into account its current and expected financial position, existing banking facilities, actions available to management and the potential impact of its principal risks and uncertainties.

Assessment of prospects

The Board assesses the Group's prospects throughout the year and particularly during the strategic, three-year planning and budget processes. This includes an annual review of our plans, which is led by the Group CEO and Group CFO, with input from Executive Committee members who run our Group functions and the Divisional Managing Directors.

The Directors participate in the annual planning processes. Part of the Board's role is to consider whether our plans take appropriate account of the changing environment, including macroeconomic, political and geopolitical, regulatory, technological and climate-related matters.

This process results in the Board adopting strategic objectives and detailed financial forecasts over a three-year period, which we refer to as the three-year plan. The Board reviewed the latest updates to the three-year plan in December 2024 and, in assessing the Group's viability, considered our current position and our prospects of operating over the three-year period ending 31 December 2027.

Our business model and strategy are described on pages 4 to 7.

Assessment of viability

For the purposes of assessing the Group's viability, we have determined that a three-year period is appropriate as it is consistent with the Board's strategic planning cycle. Our assessment takes into account the Group's current position and prospects, the Group's principal risks and uncertainties the risk management arrangements in place.

To make this assessment, we considered several severe but plausible scenarios that stress test our business performance. The scenarios modelled (as shown below) are based on input from a functional group of senior managers, including representatives from the Divisional finance teams. The Group's base forecast and scenarios assume all three Divisions continue to operate.

The viability scenario modelled reflected the following risks in aggregate:

a severe downturn in our markets, where: → housing transactions decrease by an average of 26% versus 2024, which is 6% below the level seen during the last recession in 2008, caused by:

- economic conditions (such as high inflation and interest rates and reduced availability of debt funding);
- political or other uncertainties; or
- a combination of these issues.

the loss of a major contract → such as the loss of a top five lender, which has not occurred for over five years.

a Professional Indemnity risk event → resulting in a significant increase in valuation claims for our Surveying & Valuation Division.

a material one-off regulatory fine or redress expense

Viability Statement continued

Detailed assumptions by month were modelled across the three-year period, including both the individual and aggregate impacts of the risks, the downside impact on revenue and the actions we would take to retain cash reserves and maintain our operations, such as suspending capital expenditure. We also considered climate-related impacts and our current assessment is that these would not be material enough to impact our viability over the next three years.

We also made assumptions about the stability and potential growth of the Group's recurring income and counter-cyclical businesses, notably mortgage and insurance renewals, lettings (via our Estate Agency franchisees) and asset management, which account for c.30% of Group Revenue. We considered the extent to which we could quickly ramp up some activities, such as remote valuations, to mitigate against extreme market conditions. The modelling and assumptions took account of our broad range of services across the UK, which gives us some protection from the impact of stress scenarios.

The stress testing indicated that the Group would be able to withstand the financial and operational impact of each scenario and therefore continue to operate and meet its liabilities, as they fall due, over the three-year period ending 31 December 2027. Under all the modelled scenarios, the Group had sufficient liquidity throughout the going concern period and to the end of the viability period to December 2027. Group funding has been further strengthened by the extension of the Group's £60m banking facility to January 2030.

We also modelled significantly more severe reverse stress scenarios, to assess the level to which market conditions would have to deteriorate before we would breach our banking covenant ratio of 2.75x Net Debt: adjusted EBITDA (with a ratio of 3.00x allowable for two consecutive test periods during the renewal period). Excluding any action we would take to retain cash reserves and maintain our operations, the modelling indicated that UK housing market transaction activity would have to fall to a level c.10% below the financial crisis of 2008 in the first year of assessment with no material recovery, which is equivalent to a 26% fall in comparison to 2024. We consider the likelihood of this to be remote.

During 2024, the Audit & Risk Committee oversaw the process by which the Directors reviewed and discussed management's assessment of the Group's ongoing viability.

Based on their assessment of the Group's prospects and viability, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years, and that the likelihood of extreme scenarios which would lead to a breach of banking covenants is remote.

The Directors also confirm that in making this statement they carried out an assessment of the principal and emerging risks and uncertainties facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

Sustainability Report

Introduction

We deliver our Environmental, Social and Governance (ESG) initiatives through our Living Responsibly programme. We include a summary of key information within this report, with more detailed information on our initiatives (particularly in relation to our people and our communities) included in our Living Responsibly Report on our website lslps.co.uk.

We have continued to deliver our Living Responsibly programme throughout 2024, led by the Group CEO and supported by our Living Responsibly Steering Committee (SteerCo) and our Head of ESG.

Our sustainability strategy

Our Group culture is at the heart of our Living Responsibly strategy, as evidenced below:

The right people, doing the right things, in the right way

	PEOPLE	COMMUNITY	ENVIRONMENT	GOVERNANCE
Programme component	**Responsible with our people**	**Responsible with our communities**	**Responsible with our environment**	**Responsible in the way we work**
We are committed to…	…being a better place to work.	…supporting colleague initiatives and giving back.	…reducing our impact on the environment.	…excellent governance.
Why?	People are our greatest asset and central to securing our sustainability.	We want to have a positive and lasting impact on the communities we work in.	We have a responsibility to do this as a global citizen and our stakeholders are keen for us to play our part.	Our customers depend on our excellent governance to support them in their business operations.
Executive Committee sponsor	Debra Gardner, Chief People Officer	Saad Hassanuddin, Group Chief Risk Officer	Saad Hassanuddin, Group Chief Risk Officer	Debbie Fish, Group Company Secretary

PEOPLE

Our colleagues are the foundation of our success, and we recognise their dedication, expertise, and contribution in driving our business forward. We remain committed to fostering a supportive and safe workplace, that enables them to thrive, innovate, and deliver sustainable growth.

We are pleased to see a continued reduction in our colleague turnover in 2024:

	31 December 2024	31 December 2023[2]	31 December 2022	31 December 2021
Total colleagues	1,802	1,724	4,452	4,617
Total voluntary turnover (%)	13.5	18.2	30.5	28.1
Male (%)[1]	49%	47%	47%	47%
Female (%)[1]	51%	53%	53%	53%

We are still seeing slightly more movement among females and will continue to monitor this, including reviewing for any differences in experience highlighted in our annual colleague survey. Analysis of data to date suggests that females are more engaged than males within the Group.

Notes:

1 Percentage of total voluntary turnover made up of male or female colleagues

2 Headcount reduction between 2022 and 2023 results from a move to a franchise model

Sustainability Report continued

Colleague dialogue

We have three Group-wide colleague forums to support our colleague engagement, all of which report up to our Living Responsibly Steerco and our Group HR Team.

Our forums are:

Forum		Examples of feedback and discussions
LSL Colleague Engagement forum	**The CEF is a collaborative forum made up of elected colleague representatives where colleague-related issues are raised by both our Group CPO and forum members.** **Darrell Evans, our designated Non-Executive Director for workforce engagement, regularly attends the CEF to receive direct feedback.**	• The CEF raised the issue of holiday entitlement and long-service holiday awards. In response, all colleagues now receive at least 25 days holiday entitlement, with long serving colleagues receiving an additional entitlement of up to five days each year. • Members of the forum participated in a tender for a new Employee Assistance Programme provider. This benefit offers colleagues and their immediate families a safe space to confidentially discuss personal or professional challenges they may be facing.

Forum		Examples of feedback and discussion
LSL Inclusion & Diversity forum	**The I&D Forum (previously LSL Voices) is focused on delivering events and communications around I&D initiatives through the year.**	• The I&D Forum is currently contributing to the simplification of our colleague policies.

Forum		Examples of feedback and discussion
LSL Communities forum	**The Communities Forum champions opportunities for colleagues to support communities and charities.**	• In response to feedback from the Communities Forum, the annual paid volunteering day for all colleagues was secured.

Colleague survey

An important part of our colleague engagement is our annual colleague survey, conducted in partnership with People Insight. This year, we had the opportunity to compare our results with those from the previous year, providing valuable insights into our progress and areas for development. We have benchmarked our findings against industry standards within the private sector, offering a broader perspective on our performance.

2024 colleague survey in numbers

Our annual colleague engagement survey launched in November 2024 achieved an impressive 84% response rate, representing 1,514 colleagues, marking a significant increase from 77% in 2023. The survey unveiled the following insights:

Themes	Response Favourability			Private Sector	2023 Survey
Purpose	81%	13%	6%	+4	+1
Enablement	73%	15%	13%	+5	0
Autonomy	69%	15%	15%	-3	-3
Reward	62%	22%	16%	-1	0
Leadership	67%	20%	13%	+2	+1
Engagement	73%	19%	8%	-5	0

The survey further highlighted questions in the areas of Purpose and Leadership which returned favourable and improved responses when compared to 2023 or external benchmark. These indicators show our colleagues believe action will be taken based on the survey results, and they have a clear understanding of our business objectives.

Question	Theme	Response Favourability			Private Sector	2023 Survey
I understand the objectives of my business	Purpose	92%	5%	3%	+8	+1

Question	Theme	Response Favourability			Private Sector	2023 Survey
I believe action will be taken as a result of this survey	Leadership	46%	32%	22%	-10	+5

Key:
Favourable Neutral Unfavourable

Sustainability Report continued

PEOPLE	2024	2023	External benchmark[1]
Survey response rate	84%	77%	–
Colleague engagement[2]	73%	73%	79%
Survey themes			
Having a purpose	81%	80%	77%
Understanding the objectives of our business	92%	91%	84%
Knowing how the work we do helps our business achieve its objectives	94%	93%	88%
Enablement	73%	73%	68%
Perception of leadership	67%	66%	65%
Autonomy	69%	72%	72%
Reward & recognition	62%	62%	63%
Belief in action	46%	41%	56%

As a result of the feedback, we identified three areas of focus for 2025:

- **Reinforce senior management listening and involving:** perception of senior management is increasingly positive since last year. Clarity of future direction is an area of success to be celebrated. Senior managers listening and seeking opinions to inform decisions is important for colleague engagement.
- **Improve workload & work-life balance:** whilst health and wellbeing support is viewed positively in its broader sense, workload and work-life balance have attracted higher negative scores this year. Workload and work-life balance also feature as a theme for improvement in colleague commentary.
- **Improve performance & recognition:** informal recognition, such as thanks or praise, is vastly improved. However, feeling recognised for work done and performance-related pay continue to be areas of dissatisfaction. Perception of feeling recognised through development opportunities is similar to 2023, yet managers are viewed less positively in their support of development and would benefit from re-energising this focus.

Employee share schemes

We provide our colleagues with the opportunity to invest in our business by offering all-employee share schemes such as our BAYE/SIP and SAYE. The BAYE/SIP scheme allows colleagues to buy LSL shares on a monthly basis in a tax efficient manner with LSL matching one share for every five shares bought. The SAYE enables colleagues to save monthly with the opportunity to buy LSL shares at the end of the saving period. We are pleased that 14% of our colleagues participated in the 2024 SAYE offer. This was lower than the participation in 2023 (20%) but in line with the offer before that in 2021 of 16%.

Notes:
1 Source: People Insight
2 Our engagement score is a representation of how committed, motivated and satisfied colleagues are with their work and the organisation

Diversity & Inclusion

We believe that having a diverse workforce and an inclusive culture is important to our business. More information is included in our Living Responsibility Report.

We have adopted the diversity targets that are incorporated into the UK Listing Rules. Our progress towards these targets is reported in the Nominations Committee Report on pages 74 and 75, alongside the gender and ethnicity metrics of our Board and Executive Committee. Our senior management and all colleague gender and ethnicity mix is represented below:

Senior Management Team[1]			Male	Female
31 December 2024	68%	32%	30	14
31 December 2023	67%	33%	30	15

All colleagues[2]			Male	Female
31 December 2024	54%	46%	965	837
31 December 2023	54%	46%	932	792

Senior Management Team[1]			White	Ethnic minority
31 December 2024	95%	5%	39	2
31 December 2023	95%	5%	38	2

All colleagues[2]			White	Ethnic minority
31 December 2024	88%	12%	1,255	170
31 December 2023	92%	8%	1,172	107

We have seen an increase in the proportion of colleagues identifying as ethnic minority across the workforce. We will continue to work with the I&D Forum to improve diversity and inclusion across the Group.

Notes:

1 Our Executive Committee and Divisional Managing Directors and their direct reports who are A1 and A2 grades (excluding Executive Directors). Non-disclosure rate is 9% (4 colleagues)

2 All colleagues. Ethnicity data obtained through the all-colleague survey. Non-disclosure rate is 6% (89 colleagues) which is the proportion of colleagues completing the survey who chose not to disclose their ethnicity

Sustainability Report continued

Disability

Over the last two years, we have focused on being a better place to work for our colleagues who have a disability or long-term health condition. We were awarded 'Disability Confident' employer status by the Department of Work and Pensions in 2022, and we continue to work on a programme of training with Disability Rights UK, to upskill colleagues on the Equality Act and its implications.

We have continued to use our annual colleague survey to understand how many of our colleagues have a disability or long-term health condition. In total, 17% of our workforce (2023: 17%) disclosed that they have a disability or long-term health condition, which is in line with national census data for the working age population. Our non-disclosure rate was steady at 4%. During 2025, we are committed to achieve Disability Confident Leader status with the support of Disability Rights UK. We have established a Disability Forum, whose members are receiving ongoing training and will work with our colleagues to understand challenges faced in the workplace and supporting reasonable adjustments.

disability confident EMPLOYER

Human rights and modern slavery

We create employment directly for our colleagues and indirectly within our supply chains. This means human rights and modern slavery are at the core of our commitment to *doing the right thing*. We are committed to adhering to the UN Guiding Principles on Business and Human Rights, promoting the highest standards of integrity, personal conduct, ethics and fairness, in line with the UK regulatory environment we operate in.

We protect and promote the human rights of our colleagues in the following ways:

- Undertaking pre-employment checks on all new colleagues, confirming their identity and eligibility to work in the UK.
- Providing clear and timely information to colleagues on their statutory rights, including sick pay, holiday pay and other benefits they are entitled to.
- Paying our colleagues fairly and continuing to ensure all colleagues across the Group are paid at least the Real Living Wage.
- Maintaining regular communication with our colleague community, using the CEF and regular colleague surveys.
- Regularly calculating and monitoring our gender pay gap across the Group.
- Completing annual compliance training on modern slavery.
- Making available grievance and whistleblowing channels for colleagues and ensuring whistleblower protection.

Across the Group we expect all parts of our supply chain to adhere to international standards on human rights, including with respect to child and forced labour, land rights and freedom of association. Our Surveying & Valuation Division includes a risk assessment as part of its supplier due diligence processes. We also continue to operate procedures to comply with the FCA's consumer duty regime.

We are committed to taking active steps to identify human rights issues. During 2024, within our Surveying & Valuation Division we made 527 reports setting out safety or vulnerability concerns relating to our customers, and we will continue to take steps to ensure our colleagues have the confidence and awareness to identify vulnerabilities, whether they be in relation to customers with particular needs or concerns. In 2024 we had a significant increase in the reporting of vulnerable customer cases as a result of our increased awareness of the topic and an increase in market share of Equity Release Lender Clients.

These procedures collectively help to address our ongoing commitment to protect our colleagues' and stakeholder human rights and the elimination of all forms of forced and compulsory labour.

Colleague policies

We have centralised Group colleague policies, as well as separate specific Divisional policies for certain matters. Our Group policies cover topics such as family friendly initiatives, equality and diversity, pregnancy loss, menopause, stress and mental wellbeing, colleague data protection & security arrangements and how our colleagues can support the environment.

Group and Divisional learning and development teams also publish training material to support colleague learning and compliance with the policies.

Combined ethics policy

Our Group-wide combined ethics policy outlines our approach to anti-corruption and bribery (including hospitality), anti-slavery and human trafficking, conflicts of interest, tax evasion, whistleblowing and fraud. We have an annual programme of compliance training for colleagues that includes anti-money laundering, financial crime and information security.

Whistleblowing – 'Speak Up'

We have a whistleblowing policy that allows all of our colleagues to raise concerns on matters related to the Group and ensure that anything raised is investigated. This is via our Group-wide 'Speak Up' policy which outlines our colleague whistleblowing channel. During 2024, we again ran a 'Speak Up' week to raise awareness of the channel and the protection offered to any whistleblowers. Our Group CPO regularly reports the outcomes to the Board.

Health and safety

Our Group CFO is responsible for health and safety across the Group. We are committed to ensuring colleagues work in a safe and healthy working environment. Within e.surv, which is our largest employer, we are certified to ISO 45001. The nature of the field work within the Surveying & Valuation Division underlines the importance of our health and safety arrangements to us.

As part of our management of occupational health and safety, we monitor the identification of hazards, occurrence of accidents, and employer and public liability claims. During 2024, there were two RIDDOR reportable incident (2023: 1) and no work-related fatalities. There were no employer liability claims in 2024 (2023: 0). Group-wide health and safety reports go to the Board bi-annually. Internal Audit undertakes a rolling audit of health and safety data and procedures and there are currently no high-priority actions outstanding.

Payment practices reporting

Your Move, First Complete and e.surv (our Group entities which meet the thresholds for statutory reporting set out in the Small Business, Enterprise and Employment Act 2015) annually submit their payment practices reports, which are available on the Government's website for report submissions (check-payment-practices.service.gov.uk).

COMMUNITY

We want to have a positive and lasting impact on the communities we work in. This involves us creating opportunities for our colleagues to volunteer for charities, providing Give As You Earn opportunities and evolving Group-wide campaigns led by our Communities Forum. You can find more information on our work in the LSL Communities Forum section of our website.

ENVIRONMENT

We are working towards reducing our impact on the environment. More information can be found in our TCFD and CFD reporting on pages 49 to 59.

GOVERNANCE

Our approach to governance is described in our Corporate Governance Report on pages 64 to 71.

Non-Financial and Sustainability Information Statement

The table below includes information required by section 414CB of the Companies Act 2006:

Reporting requirement	Cross reference/location of reporting	Page
Climate-related financial disclosures	TCFD and CFD Reporting	49
• **Environmental matters (including the impact of our businesses on the environment)** • **Our colleagues** • **Social matters** • **Respect of human rights** • **Anti-bribery and corruption matters**	Corporate Governance Report Sustainability Report Section 172 Statement and Stakeholder Engagement Living Responsibly Report 2024	64 41 26 See separate report
Business Model	Business Model and Strategy	4
Non-financial policies	Sustainability Report includes overviews of our policies relating to: • Human rights and modern slavery. • Anti-corruption and bribery. • Whistleblowing and speak-up arrangements. • Health and safety. • Colleague employment policies.	41
Principal risks relating to the non-financial matters and how these are managed	Risk Management	34
Non-financial KPIs	Sustainability Report Corporate Governance Report Living Responsibly Report 2024	41 64 See separate report

TCFD and CFD Reporting

TCFD and CFD Statement

Our climate related disclosures have been prepared in accordance with the following:

1. Companies Act (section 414CB(2A)).
2. UK Listing Rules (UKLR 6.6.6(8))
3. Task Force on Climate-related Financial Disclosures (TCFD).
4. Streamlined Energy and Carbon Reporting (SECR) (specifically the requirements to disclose greenhouse gas emissions, energy consumption, energy efficiency action are set out in Schedule 7 of SI2008/410).

Compliance

We confirm that we have complied with the 11 TCFD recommendations in relation to the disclosures made in this TCFD and CFD Statement through our explanations of the climate related governance, risks & opportunities and metrics and targets in place. However, we recognise that we have not made the progress we had hoped to make in 2024 in relation to our reporting on climate strategy and risk management and will look to improve this in 2025.

Climate related commitments

We set out below the progress made in 2024 to improve our climate-related processes, including reporting against commitments made in our 2023 Annual Report and Accounts.

Governance

Our commitments	Progress
• Review how the Board and Audit & Risk Committee are informed about climate-related matters, and how these matters are considered in relation to strategy and risk management. • Review and develop the roles of the Environment Working Group (EWG) and Climate-Related Working Group (CRWG). • Ensure risk management frameworks and business planning integrate and consider climate-related risks and opportunities. • Develop and monitor delivery of climate-related learning and development.	• Further action is required to formalise how the Board and Audit & Risk Committee are consistently informed about and consider climate-related risks effectively. These commitments are carried over into 2025. • The roles of the EWG and CRWG have been combined within the EWG only, with revised terms of reference agreed in January 2025. • Our newly appointed Group CRO will lead on developing the roles of the EWG and ensuring the risk management framework and business planning sufficiently consider climate-related risks and opportunities. These commitments are carried over into 2025. • So far, climate-related training has been focused on our Surveying & Valuation Division and its delivery is being monitored on an ongoing basis. ESG compliance training, including climate-related content, will be rolled out to the wider Group in 2025.

Strategy

Our commitments	Progress
• Further understand and set targets for reducing scope 3 emissions, including setting Net Zero targets. • Update our climate transition plan to reflect the group restructuring. • Continue to develop our response to climate-related issues and modelling to assess different climate-related scenarios.	• We have taken steps to appraise our pathway to Net Zero 2040. This included the commissioning of a Net Zero strategy paper by our sustainability consultants, Energise. This paper supersedes our previous Climate Transition Plan. In 2025 we will publish our Net Zero 2040 strategy and engage with our Divisions to develop action plans against targets. • In 2025 we will establish reporting against targets as part of our Net Zero 2040 strategy. • The development of our climate modelling and scenario-analysis will continue in 2025 under the leadership of our new Group CRO. He will be supported by Living Responsibly Steering Committee and Head of ESG.

TCFD and CFD Reporting continued

Risk management

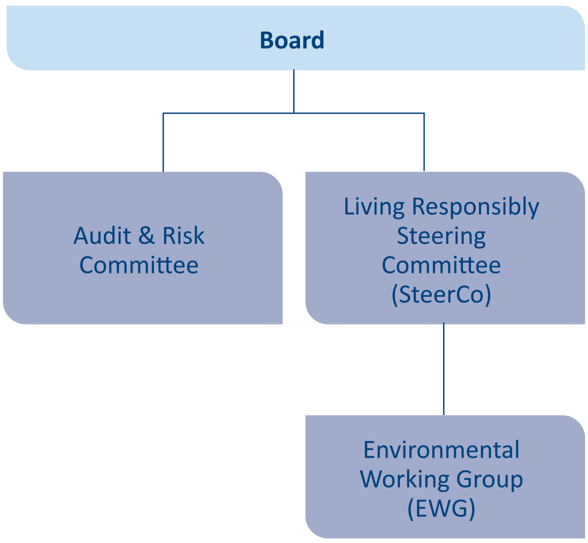
Our commitments	Progress
• The EWG and CRWG working to further develop our arrangements for assessing and managing climate-related risks and opportunities. • Continuing to review climate-related risks and opportunities identified in 2023 and update as necessary. • Ensuring climate-related risks are included in the continued development of our Group risk frameworks and arrangements.	• Our climate-related risks and opportunities have been reviewed and updated by Divisional working groups made up of representatives from risk and finance. On an annual basis, Group Finance provide market related assumptions to each Division. Division planning actions consider climate related issues and risks or opportunities identified as material to the business are brought forward into financial planning activities. • Divisional risk assessments have been reviewed, collated and presented at the EWG. • Group risk frameworks and arrangements are in the process of being re-defined and enhanced under the leadership of our new Group CRO. • Commitments from 2024 are therefore ongoing through 2025.

Metrics and targets

Our commitments	Progress
• Review and update the period for baseline emissions data following restructuring in 2023. • Updating our climate transition plan (including scope 3 emissions) and carbon footprint baseline. • EWG working to enhance our understanding of our environmental impacts and identifying additional KPIs where appropriate.	• Our 2023 Living Responsibly Report (published in April 2024) included our revised baseline carbon footprint, including scope 3 data, and took into account the transition of our estate agency business to a franchising model. • Based on this revised baseline, our climate transition plan has been superseded by our new Net Zero Strategy, which includes targets for scope 1, 2 and 3 and priority actions to achieve those targets. • A preliminary impact materiality assessment has been undertaken, with oversight from the EWG, which has stated our priority impacts. • Environmental KPIs for carbon and waste are detailed in our 2024 Living Responsibly Report.

Climate-related governance

The key governance forums that consider climate related issues is set out below:



Oversight and final approval of Annual Report including climate-related financial disclosures.

Audit & Risk Committee oversees the risk framework and financial controls.

Living Responsibly SteerCo reviews and recommends approval of climate risks and disclosures to Board.

Considers the climate-related risk assessment approach by the Group and the Divisions, and leads on process improvement.

Board	The Board has overall accountability and oversight of climate-related risks and opportunities within the Group and approves the climate-related disclosures in the Annual Report and Accounts. The Board receives annual updates from the Group CPO on ESG matters which are discussed at the Living Responsibility SteerCo. The Group CPO is responsible for the performance of the Living Responsibly strategy, ensuring it is aligned to our business model. Day-to-day management is delegated to the Group Head of ESG. The Board has delegated oversight of risk management, including in relation to climate related risks, to the Audit & Risk Committee, from which it receives regular updates in order to inform its decisions. The updates to the Board are via the Chair of the Committee, who sits on the Board, who provides a summary of all matters discussed at the most recent meeting of the Committee. ESG risks are included in our principal risks and uncertainties which are approved by the Board (see page 38). Sonya Ghobrial, one of our independent Non-Executive Directors has extensive experience in ESG matters.
Audit & Risk Committee	The Audit & Risk Committee (ARC) oversees, on behalf of the Board, the framework in place to manage risk, which includes climate-related risks and opportunities. The ARC periodically considers the Group's principal risks and uncertainties, which includes considering ESG related risk, and discusses these with our Group CRO. It also considers the methodology for our assessment of climate-related risks and provides oversight and assurance to the Board on our judgement and reporting of them. The Group CRO attends each ARC meeting to discuss material risks across the Group and Divisions, including climate-related risks where applicable. The ARC reviews this TCFD and CFD Statement on behalf of the Board and considers the impact of climate-related matters within our financial reporting.
Living Responsibly Steering Committee (SteerCo)	The Living Responsibly SteerCo is the most senior group with a governance role solely related to ESG matters. It is chaired by the Group CEO, and its members include the Group CFO, Group CRO, Group Company Secretary, Group CPO and the Head of ESG. The primary role of the SteeroCo is to establish the ESG policy and strategy for the business and monitor progress against commitments. It is responsible for implementing arrangements to support the climate-related risks and opportunities assessment, which includes: providing resources and guidance to the EWG (see below); approving changes to process; reviewing and approving reporting and updating the Board as required (including in relation to climate-related risks and related disclosures).
Environmental Working Group	The EWG was formed by the Living Responsibly SteerCo to own and champion our commitment to reduce environmental impact across the Group. One of their key aims is to review and maintain the climate-related risks and opportunities register and annually understand the impacts on any business planning. The EWG works closely with the Divisions and Group functions to ensure Group-wide alignment of our environmental strategy, including moderation and rationalisation of our climate-related risk assessments. The EWG meets bi-monthly and its membership includes the Group CRO and divisional Heads of Risk, Head of Facilities Management, Head of ESG, Group Financial Controller and other colleagues from across divisions with an interest in environmental matters.

Our Executives and management also have responsibilities in relation to climate risk. Our Group CEO and Group CFO both have performance targets that are aligned with our corporate sustainability and ESG strategies, which are set and monitored by the Remuneration Committee. More detail is included on page 92. Our Group CEO has overall responsibility for our corporate sustainability and ESG strategy. Our Group CFO leads the reporting on risks and internal controls and is responsible for planning and budgeting processes which considers the impact of climate related risks (both transition and physical) and related costs on our businesses alongside any opportunities and associated revenue.

As explained in more detail in the Risk Management section of this Report on page 34, we appointed a Group CRO in 2024. He is our environmental executive sponsor, allowing him to be in the best position to ensure that our risk framework and reporting has sufficient focus on climate related matters. He works closely with the Divisional Risk Officers to ensure a cohesive strategy across the business.

We hired a new Head of ESG in January 2025 and have reviewed and repurposed our priorities for 2025 (as described on pages 49 and 50).

Central functions, including HR, legal and facilities, provide support on climate related matters including, but not limited to, compliance, development of policies and incentives and the collection of emissions data. Our Internal Audit team provide assurance on Group arrangements to the Audit & Risk Committee.

Climate strategy

Climate related matters present a relatively low impact on our overall strategy. However, we recognise that it offers certain opportunities to create new and more non-cyclical revenue streams and presents certain risks in parts of our business. We have utilised two scenarios to assess the potential impact of climate related matters on our strategy, business and financial planning. The scenarios considered are:

- Scenario 1 – Net Zero by 2050
- Scenario 2 – Three degree rise

For the purpose of scenario planning, a Net Zero 2050 date has been selected. This timeframe does not form part of LSL's Net Zero 2040 ambition.

The following sets out our approach to and methodology for assessing climate related risks and opportunities together with the outputs of risks and opportunities identified for each scenario.

TCFD and CFD Reporting continued

Climate-related risks and opportunities

In 2023 we established the Climate Risk Working Group (CRWG) to lead climate risk assessment activities and to share information across the Divisions. The composition of this group was very similar to that of the EWG, therefore, in order to simplify governance processes and improve efficiency, the responsibilities of the CRWG have been subsumed into the EWG.

Last year we committed to review the climate change scenarios used for our climate-related risk assessments. Given the changes to the Senior Management Team described in the governance section above, this has not been done in 2024, and therefore for the purposes of risk assessments and disclosures as relates to the 2024 reporting year, the scenarios remain the same as those used in the 2023 reporting year (described below). The principal transition and physical climate risks as identified in 2023 have been used as the basis of the revised risk assessment undertaken in 2024.

Our risk assessment this year has been informed by calculation of our scope 3 emissions for 2023/2024, which we can now compare to our revised 2022/2023 baseline emissions as reported in the 2023 Living Responsibly Report (published April 2024). This process has highlighted priority focus areas for decarbonisation, including fleet and supply chain emissions.

Improvements have been made to the clarity of our disclosure on our climate related risks and opportunities. However, there remains significant scope for improvement in our climate-related risk assessment processes and integration into wider divisional and Group level risk management processes. This work will continue into 2025 under the leadership of our Group CRO.

Climate-related risk assessment methodology

The EWG led our assessment activities, providing a forum for identifying and sharing information on climate-related risks and opportunities. The review and update of the assessments at a granular level was undertaken by smaller Divisional risk working groups (as described in the Climate-related governance section above). The Divisional working groups make use of a risk assessment framework as established by the EWG and work through the risks under the two scenarios and three timeframes, taking the form of a number of collaborative workshop sessions, where stakeholders reach consensus on risk ratings, and recording commentary to justify their ratings.

The approach to this included using climate scenario modeling data from the *Network for Greening the Financial System* (NGFS) portal and applying these to the exposure dimensions listed within the template. In each dimension, the terms assessed the scale of the impact in the short, medium and long term.

Overview of approach applied

Risk assessment framework

- Template with previously identified risks, previously agreed time horizons and two climate scenarios.
- Provided to divisional working groups with guidance from EWG.

→

Divisional risk working groups undertake assessment

- Divisional groups use industry knowledge and apply a quantitative approach to identify risks and opportunities applicable to their operations.
- Groups apply risk ratings across time horizons and in two climate scenarios.

→

Identify financial impact of risks and opportunities

- Divisional finance teams with support from Group apply financial impact to risk assessment.

→

Review and moderation

- EWG review Divisional risk assessments.
- Feedback to Divisional working groups.
- Outputs combined into the summary included in this report.

We group climate-related risks into two categories:

- physical risks including those related to the physical impacts of climate change; and
- transition risks including those relating to the transition to a lower carbon economy. This could be the introduction of legislation or the costs associated with becoming Net Zero.

Climate-related scenario analysis[1]

Scenario	Net Zero 2050 Quick and significant policy change; food and fuel price increases; huge change in customer and labour preferences	Three degrees rise Business as usual policy, large scale action delayed to long term; increased physical impacts in short to medium term
Global population	9.6bn	9.9bn
Average temperature increase	1.3degC	2.0degC
Weather	Stable	Extreme
Clean energy	92%	35%

Climate-related risk analysis and financial impact

Magnitude of financial impact	Description
Low	Below 5% of five-year average underlying operating profit.
Medium	5-10% of five-year average underlying operating profit.
High	Over 10% of five-year average underlying operating profit.

Time periods applied to assessment	Notes
Short-term (0-3 years)	Aligns with our three-year planning cycle.
Medium-term (4-9 years)	Selected to include year 2030, linked to our near-term targets and phase out of new petrol and diesel cars; as well as two further three-year planning cycles.
Long-term (10+ years)	Beyond the above dates.

Notes:

1 Source: ARUP

TCFD and CFD Reporting continued

Primary climate-related risks and opportunities

Following the risk assessments undertaken by each Division, application of financial impact, and collation and moderation by the EWG (and Audit & Risk Committee); the key risks and opportunities which could have a financial impact on the operating profit of the Group are summarised in the table below.

The identified risks and opportunities, presented over the short, medium and long-term horizons are considered to have a low material financial impact on the Group strategy and operating model.

Scenario: Net Zero 2050

Specific risk	Business Impact	Applicable Divisions	Timeframe Impact	Financial Impact	Planned Actions
Type of risk: Transition risks					
Increased environmental commitments and administration driven by current and future B2B customers.	Increased administration costs to meet additional disclosure requirements and deliver environmental commitments.	All	Short	Low	Develop environmental capability across the group to support decarbonisation actions and reporting.
Costs associated with becoming Net Zero across all emission scopes.	Potential increased operational costs associated with delivering action to reduce emissions and purchasing carbon offsets.	All	Short	Low	Establish Net Zero project group to appraise the action, cost and support needed to reduce emission hotspots across the Group.
Increased regulation in the property sector to reduce the environmental impact of properties, could affect the availability and affordability of housing	Reduced demand across portfolio of services.	All	Short	Low	Build expertise in EPC's and valuation of energy efficient properties.
Type of risk: Physical risks					
Properties impacted by climate conditions (such as floods) become uninsurable and potentially unsuitable as security for a mortgage.	Reduced demand across portfolio of services.	All	Medium	Low	Monitor data on properties subject to new or additional climate risk.
Travel disruption impacting ability to deliver contracted services.	Increased cost of service delivery, potential impact on brand reputation.	All	Medium	Low	Include climate impact as part of Business Continuity planning. Evaluate and develop virtual survey service.
Type of risk: Opportunities					
Collaboration with stakeholders to improve climate action, strategy and reporting.	Improved brand reputation with customers, contributing to long-term relationships.	All	Short	Low	Engage stakeholders to collaborate on climate actions and improve disclosures.
Increased interest in data services from B2B customers looking to mitigate their own climate related risks.	Increased revenue from new service lines.	Surveying & Valuation and Financial Services	Long	Low	Investment in data services and training to develop new product lines within Surveying & Valuation and Financial Services.

Scenario: Three degrees rise

Specific risk	Business Impact	Applicable Divisions	Timeframe Impact	Financial Impact	Planned Actions
Type of risk: Transition risks					
Increased need to consider climate related impacts when assessing capital allocation/improving investment proposals.	Reduction in investment opportunities capable of delivering the required level of growth to achieve the Group's strategic aims.	All	Short	Low	Investment Committee to consider climate impact as part of the Group's capital allocation policy. Ensure investment requests will address climate-related risks, opportunities or intervention costs.
Increased regulatory costs or climate-related taxes.	Potential increased operational rates associated with climate mitigation actions and compliance with regulation.	All	Medium	Low	Monitor regulatory landscape.
Type of risk: Physical risks					
Properties impacted by climate conditions (such as floods) become uninsurable and potentially unsuitable as security for a mortgage.	Reduced demand across portfolio of services.	All	Short	Low	Monitor data on number of properties subject to new or additional climate risk.
Travel disruption impacting ability to deliver contracted services.	Increased cost of service delivery, potential impact on brand reputation.	All	Medium	Low	Include climate impact as part of business continuity planning.
Type of risk: Opportunities					
Increased stakeholder interest in understanding energy efficiency (for example via the EPC).	Increased revenue from new service lines.	Surveying & Valuation	Medium	Low	Investment in data and training across Surveying & Valuation Division to offer services in climate risk and adaption.
Increased interest in data services from B2B customers looking to mitigate their own climate related risks.	Increased revenue from new service lines.	All	Medium	Low	Investment in data services and training to develop new product lines within Surveying & Valuation and Financial Services.

The identified risks and opportunities support the position that climate change has a relatively low impact on our overall strategy.

Scenario 1 – Net Zero by 2050

Under this scenario, we consider transition risks to present the largest business impact. Costs associated with decarbonisations activities, including supply chain emissions, investment in renewable energy and procurement of carbon credits are expected. It is anticipated that supply chain costs will increase as suppliers transition to a low carbon economy.

The cost of reporting and disclosure is anticipated to increase as government policies and regulatory requirements become stricter.

Scenario 2 – Three degree rise

Under scenario 2, we anticipate physical risks to present the most significant business impact. In addition to increased taxes to fund climate intervention, we expect to see a rise in business continuity costs associated with the adaptation of office space and protection of the workforce from climate change.

Opportunities are identified under both scenarios and include the introduction of new products and services enabling clients to assess and adapt to climate change.

TCFD and CFD Reporting continued

Other risks and opportunities

In addition to the primary risks and opportunities, others were considered as part of the wider assessment of climate-related scenario testing, as follows:

Specific risk	Applicable Divisions
Type of risk: Transition Risks	
Customer choice driven by environmental commitments in the B2C space.	All
Ban on new petrol and diesel cars from 2035.	Surveying & Valuation
Type of risk: Physical Risks	
Impact of changing weather on colleagues including health matters.	All
Increased supply costs arising from climate events.	All
Type of risk: Opportunities	
'Green valuation' product offering – promoting use of local surveyor.	Surveying & Valuation
Increasing prevalence of 'green' mortgages and green property upgrades.	All
Potential growth in retrofitting environmental upgrades for consumer homes.	All

Strategy impact assessment and resilience

The assessment of the chosen scenarios demonstrate that climate related matters have a relatively low impact on our strategy and business model, and therefore there is a high degree of resilience. However, there are a number of risks that may result in increased costs and have an impact on operations that, whilst unlikely to have a significant impact, are factored into our business and financial planning.

Climate-related metrics and targets

In 2024, we focused on improving data collection for greenhouse gas emissions reporting, integrating organisational changes into Scope 3 emissions for franchises and, for the first time, including emissions from investments.

As our data matures, we will monitor emissions against a rolling baseline and use this to establish reduction targets aligned with a Net Zero 2040 pathway.

Streamlined energy and carbon reporting (SECR)

The Group has reported on all emission sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which includes the SECR requirements. We have applied a financial control methodology, reporting emission sources that fall within the Group Financial Statements (with the exception of Pivotal Growth – see below). We do not have responsibility for any sources that sit outside this.

Within the Group our Surveying & Valuation entity, e.surv, is also in scope of the SECR requirements. In accordance with these regulations we have reported a Group-wide disclosure and therefore e.surv as the in-scope entity will not be making any separate disclosures.

This section covers the seven main Greenhouse Gases (GHG) covered by the *Kyoto Protocol* which include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3). It has used the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Revised edition), and emission factors from the Government's GHG emission factors for Company Reporting.

Metric	**2024**	2023
Total kWh (Scope 1 + Scope 2)	**2,777,178**	8,016,326
Scope 1 emissions (natural gas and company vehicles), tCO2e	**692**	730
Scope 2 electricity (location-based), tCO2e	**292**	996
Total Scope 1 + Scope 2 (location based), tCO2e	**983**	1,727
tCO2e (Scope 1 + 2) per employee[1] (location-based)	**0.5**	0.6
tCO2e (Scope 1 + 2) per £ million revenue[2] (location-based)	**5.7**	9.8
Scope 2 emissions from purchased electricity (market-based)	**240**	637
Total Scope 1 + Scope 2 emissions (market-based)	**932**	1,368
tCO2e (Scope 1 + 2) per employee[1] (market-based)	**0.5**	0.5
tCO2e (Scope 1 + 2) per £ million revenue[2] (market-based)	**5.4**	7.7

Notes:

1 Total colleague numbers as at 30 September 2024

2 Revenue from total operations

TCFD and CFD Reporting continued

Greenhouse gas emissions

Our full GHG emissions detail is reported here including scope 3 emissions for the second year. The reporting period is 1 October 2023 to 30 September 2024. This overlaps by nine months with the Group's financial year and is used for historical reporting reasons.

GHG emissions 2024 data summary table

		Tonnes CO2e Market / (Location) based	
Scope	Category	**2024**	2023
Scope 1	Operations of facilities (fuels including gas)	286	287
	Owned vehicles	387	396
	F-gas	19	48
	Total	**692**	**730**
Scope 2	Purchased energy	240 (292)	637 (996)
	Total	**240 (292)**	**637 (996)**
Scope 3	Purchased goods and services	3,776	10,391
	Capital goods	159	39
	Fuel and energy-related activities	233	416
	Upstream transportation and distribution	**16**	120
	Waste generated in operations	**2**	13
	Business travel	**1,168**	1,316
	Colleague commuting (including homeworking)	**1,006**	1,823
	Franchises	**1,988**	341 (678)
	Investments	**2,777**	–
	Total	**11,123**	**14,461 (14,797)**
Total Scope 1, 2 and 3	**Market/(Location) based**	**12,055 (12,106)**	**15,828 (16,524)**

Data notes

Greenhouse gas reporting assumptions and estimations

In some cases, missing data has been estimated using either extrapolation of available data from the reporting period or estimated using CIBSE Guide F (2021) Building Benchmark and Facility Floor Size. The methodology used to estimate the supply chain emissions from purchased goods and services, upstream transportation and distribution, and capital goods is based on the Exiobase environmentally extended input-output (EEIO) dataset. EEIO combines economic information about the trade between industrial sectors with environmental information about the emissions arising directly from those sectors.

Data coverage and quality

- The Group has adopted to use a financial control approach to consolidate emissions as described in the Greenhouse Gas Protocol. Where applicable, both Market and Location-based emissions are reported. Our elected intensity ratios are reported against revenue and headcount.
- Included in our 2024 reporting year are emissions from investments related to our joint venture, Pivotal Growth. The emissions in this category have been estimated based on a 2024 revenue figure, and account for 23% of the Group's total market based GHG emissions.

Net Zero strategy and targets

Throughout 2024 we have taken steps to appraise our pathway to Net Zero 2040. This included the commissioning of a Net Zero strategy paper by our sustainability consultants, Energise. The report, taken from a 22/23 baseline, showcased that due to the nature of their operations, our Surveying & Valuation Division (e.surv) accounted for 58% of Group Scope 1 emissions and contributed to 45% of all business travel emissions. Therefore, during 2024 we have prioritised the build out of a Net Zero plan for this Division and developed three specific science aligned targets:

Scope(s)	Target[1]
1 & 2	Near-term reduction of 42% by 2030
3	Near-term reduction of 25% by 2030
All	90% reduction by 2040

Over the course of 2025 and under the guidance of the EWG, a program team will be established to develop Group wide targets and actions for all emission scopes.

Decarbonisation actions

A number of actions have been progressed in 2024 regarding decarbonisation, particularly with reference to reducing our Scope 1 and Scope 2 emissions from facilities and fleet.

- Energy audits were undertaken at three of our offices in 2024 to identify priority energy reduction opportunities, related to ESOS compliance (energy savings opportunities scheme). We progressed actions including reviewing temperature settings for server rooms; improving timing of heating controls for occupied spaces and replacing light fittings where necessary with low energy LED fittings. Some recommendations have not been possible due to our offices being leased rather than owned (such as installation of solar photovoltaic panels).
- We have secured a lease on a new office facility for our Head Office in Newcastle upon Tyne, which we will relocate to in 2025. The new office is highly energy efficient, it is electrically heated and cooled and has an EPC A+ rating.
- We continue to purchase REGO-backed renewable electricity and gas for our main office facilities.
- Progress continues to be made in transitioning our owned fleet from internal combustion engine vehicles to hybrid or electric vehicles. This mainly impacts our Surveying & Valuation Division.
- We continue to support a hybrid working model for the majority of our colleagues (excluding operational surveyors) with a number of colleagues on remote-first employment contracts. This continues to limit our emissions from commuting; although we will look to improve the quality of data with respect to the amount of commuting and home-working related energy consumption.

Our Net Zero Strategy identified some priority actions for us to move forward in 2025 and beyond:

- We will continue to improve our ability to dynamically collect data related to emissions to enable more active monitoring and management. This is likely to involve engaging with a third party data platform.
- We will develop our ESOS related actions and progress reporting for our management offices, working with our landlords where required.
- We will develop our supply chain management processes, including due diligence, engagement and data gathering, to better understand the emissions associated with our suppliers and to drive reduction.
- We will continue to transition our owned fleet to hybrid and full electric vehicles. For surveying, the largest contributor to fleet emissions, 91% (286) of vehicles are hybrid or full electric at the end of 2024.
- We will seek to develop policies to incentivise lower carbon modes of transport for business travel.
- We will roll out a training and awareness programme to all colleagues linked to decarbonisation and wider personal impact on the environment.

Our Strategic Report, which runs from pages 2 to 59, explains how we operate to achieve our business model and is approved by and signed on behalf of the Board of Directors.

David Stewart
Group Chief Executive Officer

25 March 2025

Adam Castleton
Group Chief Financial Officer and Group CEO Designate

25 March 2025

Notes:

1 Against a 22/23 baseline year

The Board and Executive Team

The Board as at 25 March 2025

Executive Directors

David Stewart

Group Chief Executive Officer
(from 1 May 2020)

Committees

D E I

Appointed to Board:

1 May 2015
Will retire on 30 April 2025

Key skills and experience

- Responsible for the Group's performance, strategy and development.
- Significant experience in finance, strategy, operations, risk and compliance.
- Particular expertise in financial services.
- Qualified as a chartered accountant.
- Graduate of Warwick University.

Previous appointments

- LSL Non-Executive Director, Chair of the Audit & Risk Committee and member of the Remuneration and Nominations Committees from 1 May 2015 to 30 April 2020.
- Chief executive, finance director and operations director roles at Coventry Building Society.
- Group chief executive and group finance director roles at DBS Management.
- Peat Marwick (KPMG).

Current external appointments

- Non-executive director of Pivotal Growth Limited.

Adam Castleton

Group Chief Financial Officer and Group CEO Designate
(CEO Designate from 30 January 2025)

Committees

D E I

Appointed to Board:

2 November 2015

Key skills and experience

- Detailed knowledge of the Group's business.
- In-depth experience in corporate leadership.
- Closely engaged with our investor community.
- Over 30 years' experience in finance.
- Qualified as a chartered accountant.

Previous appointments

- Group finance director of French Connection Group PLC.
- Leadership roles including at O2 UK and The Walt Disney Company.
- PriceWaterhouse.

Current external appointments

- None.

Non-Executive Directors

Adrian Collins

Non-Executive Chair

Committees

D N R

Appointed to Board:

30 April 2024

Key skills and experience

- Highly experienced board chair and executive director of listed companies.
- Deep understanding of public markets.
- Co-founded and led a number of highly successful financial services businesses.
- Contributed to building one of the UK's leading institutional and retail fund management businesses.
- Experience in transformation of businesses and significantly growing assets.

Previous appointments

- Managing director at Gartmore Investment Management.
- One of the founders of Trustnet.
- Senior executive roles at Jupiter, Bestinvest and Lazard Investors.
- Executive and non-executive chair of Liontrust Asset Management.
- Other board positions.
- Non-executive director of Hargreaves Lansdown plc.

Current external appointments

- Board chair of Logistics Development Group plc.

James Mack

Independent Non-Executive Director

Committees

AR D N

Appointed to Board:

27 September 2021

Other responsibilities

- Senior Independent Director.

Key skills and experience

- Significant knowledge in audit and risk, with recent relevant financial experience.
- Qualified as a chartered accountant.
- Holds a BA from the University of Nottingham.

Previous appointments

- Chief financial officer at Barclays Bank UK plc.
- Chief financial officer at Aldermore plc.
- Acting chief financial officer at the Co-operative Bank.
- Senior roles in finance and internal audit at Skipton Building Society.
- KPMG.

Current external appointments

- Director of John Lewis Money.

Committees key

AR Audit & Risk
R Remuneration
N Nominations
E Executive
I Investment
D Disclosure
Chair

Gaby Appleton

Independent
Non-Executive Director

Committees

AR N R

Appointed to Board:

1 September 2019

Key skills and experience

- Significant experience in strategy, technology operations, sales and marketing, particularly in the professional information solutions sector.
- Holds a BA from the University of Cambridge.

Previous appointments

- Global director of strategy and director of research strategy at Elsevier.
- Operating positions at Sainsbury's Supermarkets Ltd.
- Senior manager at McKinsey & Co.

Current external appointments

- Chief digital product officer of Reed Exhibitions (a RELX Group plc company).

Sonya Ghobrial

Independent
Non-Executive Director

Committees

AR R

Appointed to Board:

4 March 2022

Key skills and experience

- Significant experience in banking, finance, strategy, investor relations, governance and ESG.
- Involvement in the consumer sector.
- Qualified as an accountant.
- Holds a BAcc (Hons) in Accountancy and Economics.

Previous appointments

- Head of investor relations at Haleon and Heineken.
- Provided investor relations and consultancy services as Clear Giraffe IR.
- Senior roles at investment banks, including Barclays Capital, Goldman Sachs and Morgan Stanley.
- KPMG.

Current external appointments

- Global head of investor relations of Diageo plc.

Darrell Evans

Independent
Non-Executive Director

Committees

AR N R

Appointed to Board:

28 February 2019

Other responsibilities

- Designated Non-Executive Director for workforce engagement.
- Chair of the Surveying & Valuation Division.

Key skills and experience

- Significant experience in financial services.
- Experience in retail banking and mortgage propositions.
- Experience in strategy, proposition development and commercial management.

Previous appointments

- Chief executive at Beneden Health.
- Chief commercial officer at the Co-Operative Bank plc.
- Product director for the RBS Retail Bank.
- Senior executive roles at Direct Line Insurance Group plc and Virgin Money plc.
- Chief executive officer at The Consulting Consortium.

Current external appointments

- None.

Michael Stoop

Independent
Non-Executive Director

Committees

None

Appointed to Board:

24 June 2024

Other responsibilities

- Chair of the Estate Agency Franchising Division.

Key skills and experience

- Significant experience in estate agency and franchising.
- Fellow of the Royal Institute of Chartered Surveyors.
- Fellow of the National Association of Estate Agents.

Previous appointments

- Managing director at M Winkworth plc.
- Managing director of the estate agency division at Legal & General Group plc.
- Chair and non-executive director at Belvoir Group plc.
- Group managing director at The Property Franchise Group plc.

Current external appointments

- Industry board member and chair of the finance & performance committee at The Property Ombudsman.
- Director at Michael Stoop Property Services Ltd.
- Director at Kriva Ltd.

The Executive Team

The Executive Team as at 25 March 2025

Group Executive Committee

David Stewart

Group Chief Executive Officer

Executive Director and PDMR

Additional responsibilities

- Living Responsibly programme executive sponsor.
- Executive responsible for colleague matters.

Adam Castleton

Group Chief Financial Officer and CEO Designate

Executive Director and PDMR

Additional responsibilities

- Investor Relations.
- Health and safety.

Debra Gardner

Group Chief People Officer

Additional responsibilities

- Living Responsibly programme owner and lead on colleague matters.
- Executive sponsor of I&D Forum.
- Chair of Data and Information Security Committee.
- Chair of Colleague Engagement Forum.

Debbie Fish

Group Company Secretary

Additional responsibilities

- Living Responsibly programme member and governance lead (including Board diversity).

Sam Greatorex

General Counsel

Additional responsibilities

- Member of Data and Information Security Committee.

Saad Hassanuddin

Group Chief Risk Officer

Additional responsibilities

- Living Responsibly programme member and environmental and Communities Forum lead.
- Chair of the Environmental Working Group.
- Member of Data & Information Security Committee.
- Group risk and internal controls.

Divisional Managing Directors

Richard Howells
Managing Director, Financial Services

PDMR

- Responsible for the leadership of our Financial Services Division and the PRIMIS Network.

Steve Goodall
Managing Director, Surveying & Valuation

PDMR

- Responsible for the leadership of e.surv and Templeton.

Paul Hardy
Managing Director, Estate Agency

PDMR

- Responsible for the leadership of our Estate Agency Franchising Division.

Corporate Governance Report

Chair's Introduction

Dear Shareholder

As Chair of the Board, I am pleased to present our Corporate Governance Report for the year ended 31 December 2024. The Board is committed to good corporate governance and we are focused on the key topics of strategy, financial and operational performance, customers, colleagues, risk and governance. As Chair, I am responsible for ensuring that all of our decisions take our Shareholders and other stakeholders into account. We explain how we do this in our Section 172 Statement and Stakeholder Engagement Report on pages 26 to 33. Since my appointment as Chair I have met a number of our Shareholders, as have our Executive Directors, and we continue to maintain an open dialogue with our investors.

Key governance activities undertaken

Risk governance

We enhanced our risk governance framework in 2024 by the appointment of a Group Chief Risk Officer (CRO) who is working closely with the business to foster a consistent approach to risk management across the Group and reports regularly to the Board and the Audit & Risk Committee.

Board and Committee membership

We made several changes to our Directors' additional responsibilities following board changes in February 2024 and again upon my appointment in May 2024. More information is included on page 69 of this Report.

Divisional Governance

As reported last year, over 2022 and 2023 we enhanced our governance arrangements within our Financial Services Network by the appointment of non-executive directors, including a non-executive chair. We have continued to develop oversight of this Division over 2024, receiving regular updates from the Division and the Group CRO on specific issues relating to the regulated nature of that business. The Senior Management Team in the Division has also been expanded.

In January 2025 we put in place additional governance for our other Divisions, with Darrell Evans becoming chair of the Surveying & Valuation Division and Michael Stoop taking up the chair position in our Estate Agency Franchising Division. Over 2025 we will continue to develop the governance of our Divisions.

Compliance with the UK Corporate Governance Code

We are listed on the London Stock Exchange and, as such, we were subject to the principles and provisions of the UK Corporate Governance Code 2018 (the 2018 Code) published by the Financial Reporting Council (FRC) and available at frc.org.uk for the year ended 31 December 2024. With effect from 1 January 2025 we are subject to the principles and provisions of an updated Code and guidance (the 2024 Code). We are reporting against the 2018 Code in this Report and confirm that our policies and procedures have, or will have, been updated in order to report against the 2024 Code as those provisions become applicable.

The Board considers that the Company complied with all provisions of the 2018 Code for the year ended 31 December 2024. This Corporate Governance Report and the individual Committee Reports on pages 72 to 98 sets out details of our governance framework and how we have applied the principles in 2024.

The UK Corporate Governance Code prescribes that when 20% or more of votes have been cast against the Board recommendation for a resolution put to its AGM the Company should explain, when announcing voting results, what actions it intends to take to consult Shareholders in order to understand the reasons behind the result. At the AGM held on 20 June 2024, 25.01% of those voting in relation to Gaby Appleton's re-election voted against the resolution. As announced to the market on 13 December 2024, I had a dialogue with a broad group of Shareholders (including those that had voted for and those that voted against the resolution) shortly after the AGM in order to understand views. It is understood that the vote against Gaby's re-election was reflective of her position as Senior Independent Director at a time when Shareholders had raised issues with the Board on governance matters. Shareholders confirmed to me at the meetings that they were comfortable with the governance arrangements in place following my appointment as Chair and we therefore believe that the issue prompting the significant vote against Gaby's re-election has now been resolved.

Adrian Collins
Chair

25 March 2025

Corporate Governance Statement

Code principle 1: Leadership and company purpose

The Board is led by the Chair who drives strategic focus and robust debate. The Board is diverse, with a strong mix of knowledge and experience which allows it to provide appropriate leadership and oversight of our strategic objectives to ensure the long-term success and sustainability of the Company for the benefit of its stakeholders.

The Company's purpose, culture and values align to the Group strategy and provide an anchor point for risk management across our three Divisions.

The diagram below shows how our Group purpose, culture, values, strategy and business model link with each other, how they interact with our governance arrangements and how they deliver long-term value for our stakeholders.

Our purpose:

To provide first class services to mortgage and insurance advisers, Estate Agent franchisees, lenders and their customers, to create long-term benefits for external stakeholders and our people.

Culture and values:

The right people: who accept accountability for their actions.

Doing the right things: which delivers customer expectations.

In the right way: being open, challenging of themselves and supporting others.

Our commitment to Living Responsibly:

Increase the diversity of our Board and workforce.

Build an inclusive culture where colleagues are supported to develop and thrive.

Support colleagues to connect with our communities.

Minimise our environmental footprint.

Ensure excellent governance.

Purpose drives our business model and shapes our strategic decisions

Culture aligned to purpose, values and strategy

Become a more sustainable business

Strategy:

We are one of the largest providers of services to the UK property and mortgage market across a range of different complementary areas. We seek to deliver sustainable, resilient and profitable growth through B2B services to mortgage intermediaries and Estate Agent franchisees, valuation services to lenders and home surveys direct to consumers.

Business model:

We leverage our technology, infrastructure, capital and people to provide first class products and services to mortgage and insurance intermediaries, franchisees, lenders and consumers for the benefit of our shareholders, colleagues, customers and suppliers.

Our business model and strategy generate value for our stakeholders

Long-term value for our stakeholders:

Long-term benefits for our external stakeholders, our people and our surroundings.

Culture

The Board has responsibility for our culture which provides the foundation to drive our purpose and delivery of our strategy and the long-term success of the Group. Our culture is set out in our Business Model and Strategy on page 6, with more information provided in our Sustainability Report on page 41.

The Estate Agency Franchising Division has adopted the Group culture and values. Our other two Divisions have adopted their own purpose, culture and values which are aligned with their strategic objectives and business models.

Division	Culture
Financial Services (PRIMIS)	Our vision is to become the preeminent network/service provider for composite broker firms by delivering best in class services to support their growth and become the market consolidator of choice.
Surveying & Valuation (e.surv)	Our purpose, vision and values underpin everything we do at e.surv, every day. They define us and set the tone for the way we work and because we believe that success comes from within, we've developed an honest and open culture that empowers our people to do their best, and enables our business to deliver results.

Corporate Governance Report continued

Corporate Governance Statement continued

The Board has a range of mechanisms for monitoring Group culture, including:

- Monitoring colleague engagement as part of the Board engagement programme:
  - Results of the annual employee survey and regular pulse surveys are reported to the Board throughout the year.
  - The Group's Whistleblowing Policy (including our 'speak up' policy) is approved by the Board and it receives regular reports on whistleblowing.
  - The designated Non-Executive Director for workforce engagement attends meetings with the Colleague Engagement Forum each year.
  - The CPO reports and presents regularly to the Board on Group HR matters, including colleague engagement and communication arrangements.
- Annual presentations on our Living Responsibly programme.
- Receiving an annual presentation on the Group's culture, from the CPO.
- Receiving regular reporting on our colleague diversity, equality and inclusion projects.
- Conducting an annual deep dive on our people strategy, including metrics on colleague attrition, talent and succession for Senior Managers, presented by the CPO.
- Monitoring Senior Managers' leadership capability, development and succession through the Nominations Committee.
- Overseeing progress against Senior Managers' non-financial measures, which form part of the annual bonus plan.
- Regular updates on and annual reviews of our core Group compliance policies.

Stakeholder engagement

The Board considers the interests of its stakeholders when taking decisions. More information on stakeholder engagement activities (including Shareholder and workforce engagement) and how the Board considered their interests in making decisions in 2024 can be found in the Section 172 Statement and Stakeholder Engagement section of this Report on pages 26 to 33 and the Sustainability Report on pages 41 to 47, which are incorporated in this Corporate Governance Report by reference.

Our workforce engagement processes are in line with the 2018 Code via our designated Non-Executive Director for workforce engagement. Our workforce policies and practices are consistent with our values and support our long-term sustainable success. These include having whistleblowing policies (overseen by the Board), and fraud and anti-bribery policies (overseen by the Audit & Risk Committee) in place. More details can be found in the Audit & Risk Committee Report on pages 77 to 82, the Risk Management section on pages 34 to 38 and the Sustainability Report on pages 41 to 47.

Colleague diversity

We report on our colleague diversity in the Nominations Committee Report on page 75 and Sustainability Report on page 45.

We published our gender pay reports for all Group companies with more than 250 employees in April 2024 (available at gender-pay-gap.service.gov.uk) and will continue to report each year.

Code principle 2:
Division of responsibilities

The Board

The Board is responsible for establishing the Group's purpose, its overall management and making strategic decisions. It monitors financial and operational performance and formulates the Group's risk appetite and risk framework. It has a schedule of regular matters for discussion at meetings, which includes routine and special business and ensures that meetings focus on material matters and strategy. The Board has a schedule of matters reserved for its attention so that it is clear what items require Board approval and what matters are delegated to the Executive Directors. These include strategic issues, financial matters (including reporting and controls), communication with Shareholders, stakeholder engagement, structure and capital matters, ESG, Board and Committee appointments, treasury, legal, administration and pension matters and colleague policies and protocols.

At each scheduled meeting, the Directors receive regular reports from the Executives and management which provide information including:

- Reports on strategy and strategic initiatives.
- Key project updates.
- Group financial performance data.
- Material risk issues.
- Colleague matters and performance against KPIs such as staff turnover and whistleblowing.
- Living Responsibility ESG KPIs.
- Updates on financial and operational matters.
- Updates on Divisional performance, risk and operational matters.
- Legal and regulatory updates and advice on the application of company law and rules applicable to the Company.
- Information on engagement with Shareholders and investors.
- Special business presentations arising from a particular aspect of strategy, business area, investment opportunity or initiatives.

The Board meets annually to specifically consider strategy in more detail. Outside of formal meetings, the Executives maintain a dialogue with the Non-Executive Directors on Group performance or matters requiring their attention.

Governance framework

The Group's governance structure provides the framework within which the Group operates and delivers our strategy. The information describes our governance arrangements as at the date of this Report.

Committees key

AR Audit & Risk | N Nominations | R Remuneration | D Disclosure | E Executive | I Investment | L Living Responsibly Steering Committee

Independent assurance: external auditor
Internal assurance: Group Internal Audit

Board of Directors

The Board is responsible for establishing the Group's purpose, its overall management and for decisions on strategy.

The Board has delegated matters to its Committees (by determining their terms of reference) and to the Executive Directors as prescribed by The Matters Reserved for the Board Policy.

Board Committees

AR
Discharges governance responsibilities in respect of audit, risk and internal controls, and reports to the Board as appropriate.

N
Leads the process for appointments to the Board, ensures plans are in place for orderly succession and monitors diversity and inclusion.

R
Determines the policy for Chair, Executive Director and Senior Management remuneration and ensures alignment of incentives and rewards with culture.

D
Oversees our compliance with the disclosure and control of inside information obligations.

Executive Committees

E
Chaired by the Group CEO Designate and includes Group senior management representatives.

I
Consists of the Executive Directors and considers investment decisions, in accordance with the Group's capital allocation policy.

Management Committees and Forums

L
Responsible for ESG programme and Corporate Sustainability

- LSL Environmental working group
- LSL Inclusion & Diversity forum
- LSL Communities forum
- LSL Colleague Engagement forum
- LSL Data & Information Security committee

Divisional chairs

Each Division has a non-executive chair which reports up to the LSL Board. The Financial Services Division has an independent non-executive board.

Divisional Management Teams

Each trading Division has statutory boards for each of its companies, and an executive management team led by the Divisional Managing Director. Divisional management, Governance and Risk Committees are in place to manage risk and governance supported by our Group Chief Risk Officer.

- Group
- Estate Agency Franchising
- Financial Services
- Surveying & Valuation

Divisional Management Teams include:

- Managing Directors
- Finance directors
- Sales directors
- Operations directors
- Chief risk officers

Corporate Governance Report continued

Corporate Governance Statement continued

The Disclosure Committee is made up of the Chair, the Senior Independent Director and the Executive Directors to ensure compliance with the UK Listing Rules, Disclosure and Transparency Rules and the UK Market Abuse Regulation. The Committee meets on an ad hoc basis when necessary. It did not meet during 2024 as all such considerations were made directly by the Board, which is responsible for compliance with all regulatory disclosure obligations. A share dealing policy and share dealing code, which apply to all of our Directors and PDMRs (as set out on pages 60 to 63) and other relevant staff, is in place.

Information on the membership and operation of the other Board Committees is included in the separate individual reports for each Committee in this Annual Report and Accounts.

Details of membership of the Executive Committee is shown on page 62. More information on the operation of other executive committees and management forums can be found in the Sustainability Report on page 42 and the Risk Management section on page 34.

The Investment Committee considers any proposed new investments by the Group and monitors the performance of any investment against the initial business case. This includes oversight of the Group's joint venture with Pollen Street Capital in Pivotal Growth (as detailed in note 20 to the Financial Statements) from which it receives monthly management information on financial, operational and risk metrics and acquisition activity. The Board receives regular reports from the Investment Committee on all investments, and in relation to Pivotal Growth there is also an LSL nominated non-executive director on the relevant entities' boards who reports up to the Board.

The Group's governance arrangements are supported by Group Finance, LSL Legal (in-house legal team) and Group HR. The Board and the Committees are all supported by the Group Company Secretary who is responsible for ensuring adherence to governance requirements, managing meeting arrangements and supporting Director induction and training. All Directors have access to the advice of the Group Company Secretary in fulfilling their duties and can also take independent professional advice at the Company's expense.

Our Divisional Management Teams consist of Managing Directors, finance directors, sales directors, operations directors and Divisional risk directors. The Divisional Managing Directors have a dual reporting line into the chair of the Division and the Group CEO, which report up to the Board on Divisional matters. Day to day governance of the Group's subsidiaries is delegated to the respective Divisional management committees and boards of those entities. Group subsidiary governance guidance is in place and the Group Company Secretary provides advice and training for our subsidiary directors.

There is clear division of responsibilities between the key roles on the Board, details of which are set out on our website lslps.co.uk, and are summarised below:

Chair

- Leadership of the Board, including setting its agenda and overseeing its decision making processes and arrangements.
- Shaping the culture, style and tone of discussions and promoting openness and debate.
- Leading regular Non-Executive Director only meetings to support the Board's discussions.
- Overseeing our stakeholder engagement arrangements.
- Supporting the Group CEO and other Directors, including ensuring appropriate training and induction arrangements are in place.
- Leading our annual Board and Committee evaluation exercise.

Senior Independent Director

- Acting as a sounding board for the Chair.
- Leading the evaluation of the Chair.
- Providing an alternative point of contact for Directors and stakeholders (including Shareholders).

Non-Executive Directors

- Providing guidance and constructive challenge to management.
- Working with the Chair and Executives to develop strategy.
- Considering the performance of the Executive Directors.
- Executive Director recruitment.

Group CEO

- Running the business, using delegated powers set by the Board.
- Proposing and delivering Group strategy.
- Overseeing Group culture and sustainability priorities (Living Responsibly/ESG).
- Supporting the Board's decision making by providing appropriate information.
- Engaging with our Investors.

Code principle 3: Composition, succession and evaluation

Board composition and attendance at meetings

The Directors who held office during the financial year, and their attendance at scheduled meetings, is shown below.

The numbers in brackets indicate the number of meetings in the year that the Director was a member of the Board or Committee for.

Name	Current Position / *Prior positions/notes*	Board meetings	Audit & Risk Committee	Nominations Committee	Remuneration Committee
Number of scheduled meetings		**13**	**5**	**3**	**3**
Adrian Collins	Board and Nominations Committee Chair *from 30 April 2024*	7 (7)	–	1 (1)	2 (2)
David Barral	*Board and Nominations Committee Chair until 26 February 2024*	2 (2)	–	–	–
Gaby Appleton	Independent Non-Executive Director *Senior Independent Director until 4 March 2024. Chair of Remuneration Committee from 5 March to 29 April 2024. Designated Non-Executive Director for workforce engagement from 5 March to 29 April 2024*	13 (13)	5 (5)	3 (3)	3 (3)
Simon Embley	*Non-Executive Director until 1 May 2024*	6 (6)	–	–	–
Darrell Evans[4]	Independent Non-Executive Director Chair of the Remuneration Committee Designated Non-Executive Director for workforce engagement Chair of the Surveying & Valuation Division *Interim Chair of the Board from 26 February to 29 April 2024. Chair of the Nominations Committee from 5 March to 29 April 2024. Stepped down as Chair of the Remuneration Committee and as a member of the Audit & Risk Committee from 5 March and 29 April 2024*	11 (13)	3 (3)	3 (3)	3 (3)
James Mack[5]	Independent Non-Executive Director Chair of the Audit & Risk Committee Senior Independent Director *from 5 March 2024* *Nominations Committee member from 5 March 2024*	13 (13)	5 (5)	0 (3)	–
Sonya Ghobrial	Independent Non-Executive Director *Remuneration Committee member from 5 March 2024*	13 (13)	5 (5)	–	2 (2)
Michael Stoop	Independent Non-Executive Director Chair of the Estate Agency Franchising Division *Appointed on 24 June 2024*	6 (6)	–	–	–
David Stewart	Group Chief Executive Officer	13 (13)	–	–	–
Adam Castleton	Group Chief Financial Officer and Group CEO Designate	13 (13)	–	–	–

Notes:

1 In addition to the scheduled meetings noted above, the Board or Committees formed by a quorum of the Directors also met on an ad hoc basis throughout the year to discuss matters such as final and interim results and dividends, Chair succession and investments by our joint venture with Pollen Street Capital, Pivotal Growth

2 The Directors meet in person and virtually

3 The Non-Executive Directors also meet without the Executive Directors or representatives of management present. The Audit & Risk Committee also meets with the auditors without the Executive Directors

4 Darrell Evans was absent from two Board meetings in 2024 because they were arranged or rearranged at short notice. He received the papers for the meeting and provided feedback on the business being discussed ahead of the meeting

5 James Mack was absent from meetings of the Nominations Committee in 2024, but received the papers for the meetings and was present at the Board meetings at which the business undertaken by the Committee was reported up to the Board and provided input into those discussions

Corporate Governance Report continued

Corporate Governance Statement continued

The Nominations Committee and Board review the Board and Committee composition, Director independence and the skills, knowledge, diversity and experience on the Board at least annually to ensure that its size, structure and composition remain appropriate. The Board believes that each of the Directors identified on page 69, other than Adrian Collins, were independent during the year and as at the date of this Report in accordance with Provision 10 of the 2018 Code. The Company entered into an agreement for the provision of consultancy services with Fincorp International (with which Adrian is closely associated) on 7 August 2024 and he was therefore deemed to not be independent after that date. He was independent at the time of his appointment as Chair of the Board on 1 May 2024. The Board believes that it has the necessary skills and experience required in relation to the operations of the business. The Directors' biographies on pages 60 and 61 set out the qualifications and experience of each Director.

As can be seen from the reports of our various Board Committees, the membership of our Committees was refreshed during 2024 to ensure compliance with the 2018 Code during a period of change. As part of the Board changes we appointed James Mack as our Senior Independent Director in place of Gaby Appleton in reflection of his considerable experience as a non-executive director.

Board succession

In our 2023 Annual Report we committed to continue Board succession planning in order to improve diversity and our mix of portfolio NEDs and NEDs with executive roles. In 2024 we appointed an additional portfolio NED, Michael Stoop, as a Non-Executive Director and Adrian Collins as our Chair. Whilst the Board has not become more diverse in terms of its gender and ethnicity, the addition of these two NEDs has increased the diversity of the Board in terms of skills, background and other responsibilities.

The Group Company Secretary maintains a schedule of Directors' appointment terms in order to assist the Board and Nominations Committee in considering succession. The Board has noted the 2018 Code recommendations in relation to extension of directors' terms beyond nine years, and in particular the Chair. It is the Board's policy for the tenure of the Chair to be no longer than nine years, subject to extension for a limited time if necessary to aid succession planning or continuity in certain circumstances in accordance with the provisions of the 2018 Code.

More information on Board succession planning, diversity and recruitment are set out in the Nominations Committee Report on pages 72 to 76, which is incorporated into this Report by reference.

Board appointments

The Board is responsible for making appointments to the Board, following consideration and recommendation by the Nominations Committee. Each Executive Director has a service contract. Each Non-Executive Director (including the Chair) has a letter of appointment. These documents are available for inspection at our registered office during normal business hours and at each AGM. More information on our Directors' appointments and terms is included in the Nominations Committee Report and the Directors' Remuneration Report.

All Directors retire and offer themselves for election or re-election at the AGM each year in line with good governance practice. More details are included in the Report of the Directors on page 99 and in our Notice of Annual General Meeting.

Time commitments and external appointments

The time commitment of Non-Executive Directors is set out on appointment and is regularly monitored. The Board does not consider that any of the Directors' other appointments (as set out on pages 60 and 61) interfere with their ability to fulfil their role for the Group.

Board induction and training

Each Director receives a tailored induction on joining the Board. Adrian Collins completed his induction in 2024 and Michael Stoop will continue his induction in the first half of 2025. The induction process includes receiving previous meeting papers, corporate and constitutional documentation and meeting with the Board and appropriate Executive Committee members and advisers, such as the corporate brokers and auditors. The Chair will also meet with significant Shareholders and customers as appropriate. Ongoing training is provided either by the Group Company Secretary or external parties if there is a change in regulation or a specific need on a particular subject.

Board skills and experience

The Board has experience and skills in the following areas:

- Strategy
- Technology and digital services
- Financial services
- Operations
- Governance
- Residential and commercial property
- Entrepreneurship
- Capital markets
- ESG
- Investor relations
- Risk and compliance
- Sales and marketing
- Finance
- Employment and human resources
- Banking and treasury
- Real estate
- Digital products
- Strategic leadership
- Value creation
- Transformation
- Audit
- Professional information solutions
- Financial controls

Board and Committee evaluation

The Directors undertake an annual review of the performance of the Board and Committees and the evaluation for 2024 was completed in February 2025. We undertook the exercise internally by the completion of a questionnaire by each Director, with the anonymous results reported to and discussed by the Board at its meeting in March 2025. The outcome from the completion of the questionnaire allowed the Board to undertake its assessment of the effectiveness of the Board, its Committees and the individual Directors in place at the date of this Report.

The actions coming out of our 2024 evaluation were:

- Our purpose, values and culture will be reviewed and refreshed following a period of change for the Group. This will include consideration of how the Board is informed about cultural initiatives.
- Processes to be implemented to ensure that the Board discusses the outcome of any decisions and any lessons learnt once the outcome is understood.
- How the Board and Audit & Risk Committee receive information on ESG and climate related matters to be reviewed.
- Consideration will be given to how external resources can enhance the information the Board receives in relation to regulatory matters and other Board training.

Whilst we are not required by the 2018 Code to undertake an external facilitated evaluation, in our 2023 Annual Report we had committed to considering the use of an external facilitator. There were significant changes to the Board in 2023 and 2024 and we believe that we need to allow time for the Board to settle under the leadership of our new Chair before considering undertaking an external evaluation in order to get the best value. We will keep the use of an external facilitator under review.

Code principle 4: Audit, risk and internal control

The Board recognises the need to have in place a sound system of internal control, it is responsible for establishing procedures to manage risk and oversee the work of management to establish an internal control framework which enables the Group to fulfil its long-term strategic objectives. Our systems address the mitigation of business and operational risks and those relating to financial reporting. The system of internal control is designed to manage rather than eliminate the risk of failure and provide reasonable assurance against material misstatement or loss.

We report on our activities relating to audit, risk and internal control and the assessment and management of our risks in the Audit & Risk Committee Report and the Risk Management section of this Report. During 2024 the Group enhanced its risk management arrangements by the appointment of a Group Chief Risk Officer (CRO), who works closely with the Divisional risk management teams to assess and manage risk across the business.

In line with the 2018 Code, the Board is required to review the effectiveness of the internal controls in place and report to Shareholders on the outcome. In 2024 it has done this via regular reports from the Group CRO and the Group CFO and its consideration and approval of the Group risk management framework. It also relies on reports and recommendations from the Audit & Risk Committee. In line with the recommendation made by that Committee (as set out in its Report on page 78), the Board has noted that work is being undertaken to improve the internal controls alongside our preparations to be able to report against the 2024 Code.

The Audit & Risk Committee is led by an independent Non-Executive Chair with recent and relevant financial experience. It has oversight of the external and internal audit functions and planning and our internal control framework, including receiving reports from the Group CRO on the adequacy of the Divisional risk management frameworks. It also oversees our financial reporting, including any judgements made in the preparation of financial reporting.

Code principle 5: Remuneration

Our Remuneration Committee is led by an independent Non-Executive Chair. The Committee sets remuneration policy and has oversight of all remuneration matters. This includes ensuring our incentive schemes are sufficient to attract and retain talent, drive our culture and values and create alignment with stakeholder interests. Remuneration policies and practices are designed to support strategy and promote our long-term sustainable success. More information is included in the Directors' Remuneration Report on pages 83 to 98.

The Corporate Governance Report is approved by and signed on behalf of the Board of Directors.

Debbie Fish
Group Company Secretary

25 March 2025

Nominations Committee Report

Committee Membership

Adrian Collins – Chair[1]

Gaby Appleton

Darrell Evans[2]

James Mack[3]

Dear Shareholder

As Chair of the Nominations Committee (the Committee), I am pleased to present our report for the year ended 31 December 2024.

The Committee has been established by the Board to lead the process for appointments to the Board and to ensure plans are in place for orderly succession for both the Board and Senior Management positions. We also oversee the development of a diverse pipeline for succession. This report sets out how we, as the Committee, have discharged our responsibilities in 2024 and our priorities as we move through 2025.

Committee composition and meetings

The Committee operates within written terms of reference which are available on the website at lslps.co.uk. A majority of members of the Committee (as listed above) are independent Non-Executive Directors, and as such the Committee is considered to be independent of management.

The Committee met three times during 2024. Committee member attendance at these meetings is included in the Corporate Governance Report on page 69. The CEO and CPO regularly join meetings by invitation.

Board appointments

The Committee considers Board appointments and makes recommendations to the Board on the appropriate candidate for any position. We consider the appropriate process for appointing a Director, including whether an external search agency will be used, the key attributes for the role and role specification (taking into account the balance of skills, experience and diversity of the Board).

In 2024 the Committee considered the process for the appointment of Adrian Collins as Non-Executive Chair and Michael Stoop as Non-Executive Director. Both Directors bring considerable experience to the Board, as evidenced by their biographies on pages 60 and 61. Miles Advisory, which has no connection to the Group other than the provision of these services, assisted us with these searches.

Since the year end, David Stewart advised the Board that he wished to retire from the Board and as Group CEO. The Nominations Committee instructed Odgers Berndtson (Odgers) to undertake an external executive search process to identify a successor to this role. Having considered a report from Odgers, the Nominations Committee recommended to the Board that Adam Castleton, our Group CFO, be appointed as Group CEO Designate with effect from 30 January 2025. He will take over as Group CEO from 1 May 2025. Odgers has no connection to the Group other than the provision of these services.

Notes:

1 Adrian Collins joined the Committee on 30 April 2024

2 Darrell Evans was interim Chair of the Committee from 5 March to 29 April 2024

3 James Mack joined the Committee on 5 March 2024

Miles Advisory and Odgers are both signatories to the Government Standard Voluntary Code of Conduct for Executive Search Firms (the Voluntary Code) which evidences that they are actively committed to helping their clients increase the effectiveness of their boards and senior executive teams and acknowledge the value that diversity brings.

When making appointments, we seek to ensure that we are presented with a diverse list of candidates as we recognise the imbalance that exists and the role we can play in improving diversity and inclusion. Whilst we believe that all appointments should be made on merit, we recognise the benefits that diversity has on decision making and performance, as supported by our Diversity Policy (as set out on page 74). The Committee is focused on ensuring the inclusion of women and individuals from minority ethnic backgrounds in searches for the Board and Senior Management and will continue to use recruitment partners who have signed up for the Voluntary Code when making senior appointments.

Each Director stands for election or re-election at each AGM. The Committee considers whether to recommend to the Board whether each Director should be elected or re-elected, and has done so in relation to those Directors standing at the 2025 AGM. More information is included in the Notice of Annual General Meeting.

Diversity and inclusion

We have a number of initiatives in place to promote diversity and inclusion across our business, as detailed in the Sustainability Report on pages 41 to 47. Our CPO provides regular updates to the Committee and Board on these initiatives.

The Board has adopted a Diversity Policy, which is annually reviewed by the Committee, in relation to the Board, its Committees, the Executive Committee and our Senior Management Team. A summary is shown on page 74, with the full policy available on our website lslps.co.uk. This policy sits alongside our other Group employment policies which also seek to promote diversity and inclusion across the Group.

Activities undertaken during the year

The Committee has an annual cycle of matters for consideration. The activities undertaken in 2024 in order to fulfil the Committee's responsibilities included:

March

- Considered the appointment of an external search agency to undertake the search for a new Board Chair and an additional independent Non-Executive Director and discussed the key attributes required for the roles.

April

- Considered and agreed to recommend to the Board the appointment of Adrian Collins as Board Chair.

September

- Considered Board and workforce diversity.
- Considered talent and succession planning for the Executive Committee.
- Noted the measures in place to assess senior talent.
- Received an update on key senior hires and colleague recruitment.
- Undertook the annual review of the Committee's terms of reference.
- Undertook the annual review of the Diversity Policy.
- Recommended to the Board that James Mack's initial term be extended for a further three years.

During 2024, a number of Nominations Committee matters were considered directly via the Board. These included the annual assessment of the independence of the Non-Executive Directors, the election and re-election of the Directors at the AGM and the consideration of Michael Stoop's appointment. All members of the Committee were involved in these considerations.

In accordance with our terms of reference, the Committee is required to evaluate our own performance. For the year under review this was done as part of the wider Board and Committee evaluation, as described on page 71.

Since the year end, the Committee has considered Board succession, Director's time commitments and the structure, size and composition of the Board. This included the balance of skills, knowledge, experience and diversity of the Board.

Nominations Committee Report continued

Topic	Policy summary
Importance of diversity	The Board recognises the benefits of diversity. Through our recruitment, appointment and succession planning arrangements, we seek to promote diversity including professional skills, experience, social backgrounds, gender and ethnicity, in addition to individual cognitive and personal strengths. In relation to the Board, we believe that diversity has a positive effect on decision making and benefits Shareholders and other stakeholders. The Directors recognise that the Board and Committees set the tone for diversity and inclusion throughout the Group and that by actively reviewing, monitoring and engaging with discussions of diversity and inclusion, the Board is best able to drive a positive impact to the advantage of all stakeholders. While the Diversity Policy includes targets in relation to gender and ethnicity, we recognise that other types of diversity exist, including sexual orientation, disability, neurodiversity and socio-economic background.
Role of the Nominations Committee	The Committee leads the process for appointments to the Board and its Committees and ensures that plans are in place for orderly succession to both the Board and Senior Management positions. In discharging its duties, the Committee oversees the development of a diverse pipeline for succession.
Role of the Remuneration Committee	The Committee is responsible for the Remuneration Policy relating to the Chair, the Executive Directors and Senior Management (including the Group Company Secretary). The Remuneration Committee also reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture and the promotion of diversity and inclusion in the Group.
Annual evaluation	As part of the annual evaluation exercise, the Directors consider the Board and each Committee's composition, diversity and how effectively the members work together to achieve our objectives.
Diversity targets	The Board has adopted diversity targets, as explained further below.

Board diversity targets

The Board has adopted targets for diversity of the Board and Senior Management which align with UK Listing Rule 6.6.6R(9), as set out below:

- at least 40% of the Board to be women;
- at least one of the Senior Board positions (Chair, CEO, SID or CFO) to be a woman;
- at least one member of the Board to be from a minority ethnic background[1];
- at least 33% of Senior Management[2] to be women and at least 33% to be men; and
- at least 11% of Senior Management[2] to be from a minority ethnic backgroud[1].

The data tables on page 75 show how we are performing against these targets in relation to the Board and Senior Board positions. We are currently only meeting target 3, with two members of the Board being from a minority ethnic background. In terms of our Senior Management, 32% are female and 4% are from an ethnic minority (the data for which is included in our Sustainability Report on page 45). We are therefore broadly in line with the target for our Senior Management gender target, but still some way behind our goal for ethnic minority representation.

We have considered our position against the targets when making Board and Senior Management appointments in 2024. We are cognisant that we have fallen behind our prior year metrics in some areas, which is disappointing. We are confident in our approach to ensure we are considering a diverse pool when making appointments, but it is important that we continue to ensure that the right person is in each role and we feel our appointments in 2024 reflect the experience and expertise required. We will continue to promote diversity and develop our approach when engaging with recruitment/search partners to ensure our diversity and inclusion priorities are considered when we look for prospective applicants to join our business as explained earlier.

Notes:

1 Defined by reference to the categories recommended by the Office of National Statistics ("ONS") as coming from a non-white ethnic background (see table on page 75 for the specific categories)

2 Our Executive Committee and Divisional Managing Directors and their direct reports who are designated A1 and A2 grades (excluding Executive Directors)

Diversity data

Our disclosures and statement on the diversity of our Board, Senior Board positions and Executive Management in compliance with UK Listing Rule 6.6.6R(9) and (10) are set out below:

Diversity data based on gender identity or sex

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management[2]	Percentage of Executive Management
Men	6	75	4	5	72
Women	2	25	–	2	28
Not specified/prefer not to say	–	–	–	–	–

Diversity data based on ethnic background

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management[2]	Percentage of Executive Management
White British or other white (including minority-white groups)	6	75	3	6	86
Mixed/multiple ethnic groups	1	12.5	–	–	–
Asian/Asian British	–	–	–	1	14
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group	1	12.5	1	–	–
Not specified/prefer not to say	–	–	–	–	–

Information on the diversity of our colleagues is included in the Sustainability Report (page 45), including our reporting on gender and ethnic diversity of our Senior Management Team and the wider workforce. Our separate Living Responsibly Report for 2024 includes further information on our diversity and inclusion initiatives.

Notes:

1 All data is as at 31 December 2024

2 Executive Management is made up of all members of the Group Executive Committee and our Divisional Managing Directors as listed on pages 62 and 63, excluding the Executive Directors

3 Data is collected via self-reporting by colleagues completing a questionnaire asking them to identify against the gender and ethnicity categories set out above

Nominations Committee Report continued

Committee commitments

We made a number of commitments in the 2023 Annual Report and Accounts:

What we said we would do in 2024		What we did
Commence the search for a new Non-Executive Chair, an experienced Senior Independent Director and an additional independent Non-Executive Director to strengthen the Board.	→	We appointed Adrian Collins as our Non-Executive Chair and Michael Stoop as an Independent Non-Executive Director. We decided that James Mack had the relevant experience to become our SID and a further appointment was therefore not made.
Review our Board and Senior Management diversity targets.	→	We did not make any change to our targets but will keep this, and our performance against our targets, under review.
Develop the Board's succession planning arrangements with a focus on diversity and ensuring the Board is equipped with the right mix of skills to support the Group's strategy and prioritise the development of succession planning arrangements for the Executive Committee, especially in relation to the key roles of Group CEO and Group CFO. Focus on improving Executive and Senior Management succession planning to ensure skills and experience gaps are filled, and that this takes into account the skills required to deliver the future strategy.	→	The Committee considered diversity and succession during 2024 and management are continuing to evolve this in order to support the Committee. Talent development plans have been written and calibrated for senior colleagues in order to develop them for succession purposes.

2025 Commitments

- Board and Senior Management succession to be considered in more detail, particularly in relation to emergency succession and updating our skills matrix.
- Continue to monitor performance against our diversity and inclusion targets.

Adrian Collins
Chair of the Nominations Committee

25 March 2025

Audit & Risk Committee Report

Committee Membership

James Mack – Chair

Gaby Appleton

Darrell Evans[1]

Sonya Ghobrial

Dear Shareholder

As Chair of the Audit & Risk Committee (the Committee), I am pleased to present our report for the year ended 31 December 2024. The Committee considers all audit, risk and internal control matters on behalf of the Board and routinely reports to the Board on its considerations. This report sets out how we, as the Committee, have discharged our responsibilities in 2024 and our priorities as we move through 2025.

Committee composition and meetings

The Committee operates within written terms of reference which are available on the website at lslps.co.uk. All members of the Committee (as listed above) are independent Non-Executive Directors, and as such the Committee is considered to be independent of management. The Board has determined that both James Mack and Darrell Evans have recent relevant financial experience necessary for the Committee's constitution as required by the Code.

The Committee met five times during 2024. Committee member attendance at these meetings is included in the Corporate Governance Report on page 69. The Group Chair, CEO, CFO, CRO, Group Internal Audit Director and representatives of the external auditor regularly join meetings by invitation. The Committee has the opportunity to meet with the Group CRO, Group Internal Audit Director and external audit partner without the Executive Directors or members of management present.

Internal audit

The Group Internal Audit Director has a direct reporting line to the Chair of the Committee and has access to each Committee member. The Committee receives summary reporting of all internal audit reports with commentary from the Group Internal Audit Director on key findings, audit themes and the progress of closing related actions agreed by management. In 2024 we introduced steps to improve the transparency of our Internal Audit Team objectives and quality assurance plans for 2025. We also implemented measures to articulate levels of engagement and control awareness across Divisional Management Teams.

We annually review and approve the internal audit plan, the wider audit cycle, the internal audit charter and consider the effectiveness of the internal audit function. Benchmarking of the function includes consideration of relevant standards, such as the Global Internal Audit Standards which became effective from January 2025. Performance of the function is also monitored on an ongoing basis by way of the presentations and discussions at meetings.

External audit

The Committee is responsible for considering the appointment of the external auditor, monitoring its effectiveness and ensuring that it continues to be independent.

Ernst & Young LLP's (EY) audit tenure began in 2004 and, as reported last year, it was concluded that its tenure should cease following the 2024 audit, with it coming up to having served the 20 year limit following our listing on the London Stock Exchange in 2006. The tender process was completed in 2024 and, in line with the recommendation of the Committee, the Board has recommended that Grant Thornton UK LLP be appointed as the Group's external auditor. A resolution to seek approval from Shareholders for Grant Thornton's appointment will be put to the 2025 AGM.

Our Auditor Independence Policy sets out the procedures and guidance under which the relationship with the external auditor is governed. The policy was prepared pursuant to relevant ethical guidance regarding the provision of non-audit services, including the

Notes:

1 Darrell Evans stood down from the Committee from 5 March to 29 April 2024 during his tenure as Interim Chair of the Board

Audit & Risk Committee Report continued

Ethical Standards for Auditors, and the threats to auditor objectivity identified therein. The only fees incurred for non-audit services in 2024 were in relation to a review at the half-year, as disclosed in note 11 to the financial statements.

Having considered the 2024 audit fees, the value of the non-audit services provided by EY and the procedures EY has in place to maintain independence, the Committee considers that EY is independent of the Group. Based on the information provided as part of the audit tender on fees and processes, the Committee also considers that Grant Thornton is independent.

Risk management and internal controls

Considerable progress has been made in 2024 to enhance our risk management processes following the appointment of a Group CRO, who is now the key contact point for the Committee in place of the divisional CROs. Our risk management arrangements and how the Group evaluates and manages our principal risks and uncertainties (including emerging risks) are described on pages 35 to 38. The Group CRO attends each meeting of the Committee to discuss the Group risk profile and ongoing development of the Group's risk framework. The Committee also invites other senior managers from across the business to meetings to discuss any particular areas of concern, as appropriate.

The Committee is responsible for reviewing and recommending to the Board whether the Group's risk management systems and internal controls are effective, having discussed such processes with management. A number of improvements have been made throughout 2024 with further focus required in 2025 on enhancing the internal control framework. This will be a key priority for the newly appointed Group CRO. The Committee has noted the additional requirements of the 2024 Code in relation to the monitoring and reporting on internal controls and the work being done by the business in response to these changes.

Activities undertaken during the year

The Committee has an annual cycle of matters for consideration. The activities undertaken in 2024 in order to fulfil the Committee's responsibilities included:

At each scheduled meeting

- Received a report from the Group CFO on the financial performance of the Group and related Group finance matters, including FRC publications, accounting policies, audit planning, financial systems and controls.
- Received updates on current and planned internal audits, including progress on completion of actions arising from audits, and discussed any issues.
- Received updates on any significant accounting judgements.
- Received updates on the external audit tender process and transition.
- Discussed the requirements of the 2018 Code and enhanced reporting requirements in relation to internal controls and received updates from management on its preparations in this regard.
- From July 2024, received a report from the Group CRO on the Group risk profile, top risk issues of Group level significance, the regulatory horizon, key risk indicators and progress against the risk delivery plan.
- From September 2024, received an update on the progress of the subsidiary company statutory accounts.

March

- Received an update on the development of risk management and governance frameworks for the PRIMIS network, including an update from the PRIMIS risk and customer outcomes committee and a paper setting out the development of second-line routines.
- Received an update on the Surveying & Valuation Division's supplier risk management.
- Considered the draft year-end external auditor report which was discussed with the audit partner, including consideration of any significant audit and accounting matters. In accordance with the Committee's terms of reference, the Committee met with representatives of the external and internal auditors without management or the Executive Directors present.
- Received an update on the Annual Report and Accounts' production process and discussed key elements of disclosure.
- Considered the effectiveness of the internal control framework.
- Considered management information on the monitoring of fraud.

April

- Considered the 2023 Annual Report and Accounts including: the Group's ongoing viability and going concern status; TCFD disclosures; risk management and internal controls reporting; and the fair, balanced and understandable assessment for recommendation to the Board.
- Approved the principal risks and uncertainties and description of the risk and control framework for disclosure in the 2023 Annual Report and Accounts.
- Received the final year-end report of the external auditors.
- Considered 2023 audit fees.
- Considered the effectiveness and independence of the external auditor and recommended their reappointment at the AGM.

July

- Considered a Group insurance assurance review from the external insurance broker.
- Discussed the enhanced internal control reporting requirements arising from the 2018 Code.
- Considered risk management arrangements and key risks within the Estate Agency Franchising Division, including the impact of the Renters Reform Bill and Employers Reform Bill.
- Received an update on environmental risk and TCFD disclosures.
- Received an update on the process of the appointment of a new external auditor.
- Received an update from the risk and audit committees of the PRIMIS Network.
- Received the internal audit report, including coverage of emergent Global Internal Audit Standards.

September

- Received the half-year results review report from the auditor.
- Considered the half-year results and key accounting judgement areas and recommended the results, the principal risks and going concern assessment to the Board.
- Received an update on an FCA product oversight and governance thematic review impacting the Financial Services Division.

November

- Received an update on 2024 external audit planning and key judgement areas and had discussions on the audit fee.
- Received an update on the finance team and financial controls.
- Received reports from management in relation to fraud and confirmed that it was not aware of any material incidences.
- Received the internal audit report, the 2025 internal audit planning cycle, benchmarking of the effectiveness of the internal audit function and approved the Internal Audit Charter.
- Approved the Group risk management framework underpinning the risk framework delivery plan.
- Received an update from the risk and audit committees of the PRIMIS Network.
- Undertook the annual review of the Committee's terms of reference.
- Undertook the annual review of the auditor independence policy, including the policy for non-audit services.
- Received an update on the progress of the commitments made by the Committee in the 2023 Annual Report and Accounts, as part of the annual performance evaluation exercise and in order to comply with the 2018 Code.

In accordance with our terms of reference, the Committee is required to evaluate its own performance. For the year under review this was done as part of the wider Board and Committee evaluation, as described on page 71.

Audit & Risk Committee Report continued

Since the year end the Committee has met and considered similar matters as those considered in April 2024 in relation to the 2024 Annual Report and the Financial Statements. The table below describes how the Committee has discharged some of its key duties in 2024 and so far in 2025.

Requirement	Responsibilities discharged	Conclusion or action taken
Going Concern and Viability		
The Group is required to disclose its position as a going concern, and make statements about its longer-term viability in its Annual Report and Accounts.	At both the full and half-year stage, the Committee considered the assessment of the Group as a going concern and its longer-term viability. This included noting the measures in place to ensure the Group maintains sufficient liquidity, comprising of various stress tests and financial modelling assumptions performed by management. Management advised that the likelihood of extreme scenarios that would lead to a breach of lending covenants were remote, and that the Financial Statements should be prepared on a going concern basis.	The Committee recommended to the Board that the Group could continue to operate and meets its liabilities, as they fall due for at least the next 12 months.
Internal Control Improvements		
The Group will be required to make enhanced disclosure in its 2026 Annual Report and Accounts in relation to its internal controls in accordance with the 2024 Code.	The Committee has received updates at each meeting, from both the Group CFO and the Group CRO, on the work being done to enhance both financial and non-financial controls.	Work had already begun in 2023 to enhance our internal controls which continued throughout 2024. We will continue to embed our enhanced control framework over the year ahead and start to prepare for our disclosure requirements in accordance with the 2024 Code. The Committee will continue to monitor progress.
Risk Management Framework		
The Committee oversees the management of risk across the Group and the effectiveness of risk mitigation and monitoring processes.	The appointment of the Group CRO has provided a holistic view of risk across the Group, which assists the Committee in discharging its oversight responsibilities.	A new risk management framework has been put in place and the Board has defined its Group risk appetite.
Appointment of External Auditor		
The Group decided to appoint a new external auditor because of the length of tenure of EY.	A tender process for the external audit was conducted, with members of the Committee joining presentations from those audit firms that were short-listed as part of the selection committee. The Committee received regular progress updates on the process.	The Committee recommended to the Board that Grant Thornton be appointed as external auditor. The transition to the new auditor will be monitored by the Committee.
Interim and Annual Results		
The Committee is responsible for considering the Annual Report and Accounts and the accounting judgements contained therein, challenging management and the auditor where appropriate.	The Committee considered the disclosures made in the 2024 Annual Report and Accounts and discussed significant matters with management and the external auditor.	The Committee considered, and discussed with management and the external auditor, various matters in relation to the 2024 Annual Report and the Financial Statements. Details of those considerations is included on page 52. The accounting treatment applied as a result of these considerations is included in note 2 to the Financial Statements.

Committee Commitments

We made a number of commitments in the 2023 Annual Report and Accounts:

What we said we would do in 2024		What we did
Complete an audit tender process.	→	The audit tender has been completed, and Shareholders will be asked to approve the appointment of Grant Thornton at the 2025 AGM.
Focus on second-line effectiveness and coordination of the assurance plans across all lines of defence.	→	The internal audit cycle ensures the effectiveness of key second-line functions is regularly assessed and reported on. The appointment of a Group CRO has reinforced the focus on second-line effectiveness. The Group CRO works closely with the Group Internal Audit Director and the Divisional CRO's to coordinate assurance plans and ensure actions are completed.
Review Divisional risks post-simplification of the Group in 2023, taking into account development of new strategic initiatives.	→	As part of the refresh of the Group risk framework, a risk universe has been developed which identifies the key risks that each division and the Group is exposed to. This risk universe forms a core component of all risk management activities.
Continue to oversee the development of processes to support management representations to the external auditor.	→	The Internal Audit Team have implemented a process whereby relevant business functions provide an attestation to support the management representations being made to the Committee and Board (which in turn makes representations to the external auditor) on any disclosable events arising after the end of the reporting period. This process was undertaken for the 2023 and 2024 year-end and the 2024 half-year.
Enhance internal controls and risk management arrangements, taking into account the new Group structure and operating model.	→	The Group CRO was appointed in July 2024 and has developed a risk delivery plan to enhance and align risk management processes across the Group. Progress updates are provided to the Committee via the CRO report. A new risk management framework was approved by the Committee in November 2024. Assurance from Internal Audit on levels of progress is scheduled throughout 2025.
Review and update Group governance arrangements ahead of the new Code requirements; including a review/enhancement of internal controls and associated reporting, and consideration of the new Audit Committee Minimum Standard.	→	The Committee has received updates on the new Code requirements through 2024. The risk framework delivery plan being led by the Group CRO includes a detailed internal control plan and assessment of the Group's position against the new reporting requirements. The Committee agreed to not voluntarily comply with the new Audit Committee Minimum Standard as it was felt that the Group has sufficiently strong governance practices in place for a business of its nature.

Audit & Risk Committee Report continued

2025 Commitments

- We will continue to evolve our internal control framework and assess how we can monitor its effectiveness in order to be able to meet the new Code disclosure requirements for our 2025 year-end reporting.
- We will continue to enhance and integrate a consistent risk management framework in line with the risk delivery plan. This includes the continued development of our Group-wide risk appetite statement and roll-out of a Group-wide risk system.
- We will monitor the transition of external audit services from EY to Grant Thornton.
- We will continue to promote the independence and effectiveness of the Internal Audit function through its reporting line arrangements, its regular benchmarking routines and its ongoing implementation of new professional working standards.

Key considerations in relation to the 2024 Annual Report and the Financial Statements

- The Committee considered, and agreed to recommend to the Board, that the Report taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s position, performance, business model and strategy.
- The Committee examined the integrity of the full year Financial Statements and recommended their approval to the Board.
- The appropriateness of key accounting policies and practices, judgements, estimates and compliance with accounting standards and tax requirements, including recent developments, was assessed. In particular, the Committee considered the appropriateness of revenue recognition, including commission refund liabilities provisions, and following discussion with management and the external auditor agreed that the Financial Statements reflected the appropriate accounting treatment.
- Management’s calculations and assumptions applied in the assessment of the recoverability of Parent Company investments, were reviewed. This included an assessment of the position in relation to the investment in the Group's joint venture, Pivotal Growth (see notes 20 to the Group Financial Statements and 3 to the Parent Company Financial Statements). After consideration, it was agreed that the position was correctly applied in the Financial Statements.
- Management’s application of revenue recognition policies and the continued monitoring of compliance with financial reporting and accounting controls linked to revenue recognition was considered and approved.
- Management’s estimates of commission refund liabilities provisions an including consideration of the risk that revenue is recognised in the incorrect period, either due to cut-off errors, management bias and/or estimation uncertainty.
- The Viability Statement and Going Concern Statement and assessments were considered, with detailed supporting material and scenario testing. After due consideration, the Committee agreed to recommend to the Board that the Group is able to continue in operation and meet its liabilities as they fall due and that it is a going concern. More information on the Group’s position is included in the Viability Statement on pages 39 and 40 and the Notes to the Financial Statements on pages 118 and 119.
- Management’s treatment of exceptional items including a specific provision relating to a protection only appointed representative firm and costs incurred in relation to the administration of the previous owner of TenetLime Limited and concluded this was appropriate.
- The Group’s Non-Financial and Sustainability Information disclosures including TCFD and the CFD (see pages 49 to 59 of Strategic Report) were discussed and recommended to the Board for approval.
- The principal risks and uncertainties, as set out on pages 35 to 38, were considered and recommended to the Board.

James Mack
Chair of the Audit & Risk Committee

25 March 2025

Directors' Remuneration Report

Committee Membership

Darrell Evans[1] – Chair

Gaby Appleton[2]

Adrian Collins[3]

Sonya Ghobrial[4]

Dear Shareholder

As Chair of the Remuneration Committee (the Committee), I am pleased to present the Directors' Remuneration Report for 2024. During the year, I temporarily stepped down from the role of Committee Chair on 5 March 2024 to assume the role of Interim Non-Executive Chair of the Board. Gaby Appleton, a member of the Remuneration Committee, was appointed Remuneration Committee Chair for this interim period. Following the appointment of our new Non-Executive Chair on 1 May 2024, I resumed my role as Chair of the Remuneration Committee.

The Committee has delegated responsibility from the Board for determining the policy for Executive Director remuneration and certain other Board and Executive Management roles and reviewing workforce remuneration policies. It operates within written terms of reference which are available on the website at lslps.co.uk. All members of the Committee (as listed above) are independent Non-Executive Directors except for the Chair of the Board who was independent on appointment, and as such the Committee is considered to be independent of management.

Remuneration advisers

The Committee received independent professional advice during the year from Korn Ferry on matters relating to Executive Director and Senior Management remuneration. Korn Ferry does not provide any other services to the Group.

The Committee appointed Korn Ferry in 2017. Korn Ferry's fees for 2024, which are primarily based on an hourly rate, were £87,660 (excluding VAT) (2023: £65,000).

Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed that it adheres in all respects to the terms of that code. The Committee is comfortable that its advice continues to be independent and objective.

This Directors' Remuneration Report is divided into the following sections:

- **Annual Statement**: summarising remuneration outcomes for 2024, explaining decisions made during the year and the operation of the Directors' Remuneration Policy for 2025.
- **Directors' Remuneration Policy (Policy)**: a summary of the main elements of the Policy that was approved by Shareholders at the 2023 AGM. The full Policy is included in the Directors' Remuneration Report in the Annual Report and Accounts 2022.
- **Annual Report on Remuneration**: setting out details of the remuneration earned by Directors in 2024 and how the Policy will be implemented during 2025.

Notes:

1 Darrell Evans stood down from the Committee from 5 March to 29 April 2024 during his tenure as Interim Chair of the Board

2 Gaby Appleton stepped into the role of Committee Chair from 5 March to 29 April 2024

3 Adrian Collins joined the Committee on 30 April 2024

4 Sonya Ghobrial joined the Committee on 5 March 2024

Directors’ Remuneration Report continued

Annual Statement

The Committee met three times during 2024. Committee member attendance at these meetings is included in the Corporate Governance Report on page 69. The Group CEO, CPO, Head of Reward and external remuneration advisers regularly join meetings by invitation.

Activities undertaken during the year

The Committee has an annual cycle of matters for consideration. The key activities undertaken in 2024 in order to fulfil the Committee’s responsibilities included:

At each scheduled meeting

- Considered updates from the remuneration advisers on market trends, investor views and the implications of changes to the UK Corporate Governance Code on remuneration practices.
- Approved any changes to senior management remuneration in line with the provisions of the Committee's terms of reference.

March

- Approved the 2021 LTIP vesting outcome.
- Approved the 2023 annual bonus outcome.
- Approved the 2024 annual pay review.
- Approved the 2024 incentive design, including performance measures and targets for bonus and LTIP.
- Approved the 2023 Directors’ Remuneration Report.

September

- Received an update on the forecast 2024 annual bonus and inflight LTIP awards outcome.
- Approved the launch of the 2024 Sharesave (SAYE) scheme.
- Reviewed the 2024 workforce remuneration arrangements.

November

- Considered workforce remuneration matters, including the impact of increased national insurance costs imposed by the government.
- Received an update on the forecast 2024 annual bonus outcome.
- Considered the parameters for the 2025 annual pay review and bonus.
- Considered an update on variable pay.
- Received an update on the progress of the commitments made by the Committee in the 2023 Annual Report, as part of the annual performance evaluation exercise and in order to comply with the Code.
- Undertook the annual review of the Committee’s terms of reference.

Subsequent to the year end, the Committee has met to consider similar items to those considered in March 2024, the outcomes of which are disclosed in this Annual Statement.

Our performance in 2024

Following the successful completion of our strategic transformation last year, the Group delivered robust financial performance for 2024, with each of our Divisions achieving strong market share, increasing underlying operating profit and improved operating margin. As a result, Group revenue has increased by 20% on prior year and Group Underlying Operating Profit is £27.7m. It is within this context that we have reviewed remuneration for the year.

Board changes

We had a number of changes in Board membership and responsibilities during 2024 impacting the level of remuneration paid to each Director. More details on the changes are included in the Corporate Governance Report on page 69 and details on remuneration for each Director is on page 91.

In particular, in April 2024 we announced the appointment of Adrian Collins as Chair of the Board, following David Barral stepping down in February. Adrian Collins' fee on appointment was £150,000.

Since the year end, we have announced our Group CEO David Stewart's intention to retire from the Board on 30 April 2025 following a transition and handover period with Adam Castleton who is appointed Group CEO Designate. A search is currently underway for a new Group CFO and the Remuneration Committee will set their remuneration in line with Policy.

David Stewart is a good leaver. His remuneration on retirement is set out later in this report.

Incentive outcomes

Annual bonus

The Executive Directors' bonus is based 70% on Group Underlying Operating Profit targets and 30% on the successful delivery of strategic objectives, with the maximum bonus opportunity set at 100% of basic salary. As a result of robust profit performance during the year, the Group Underlying Operating Profit outcome was between target and maximum, with an overall payout of 81% of maximum for this measure. There was good progress made against the strategic objectives, with 70% for the Group CEO and 71% for the Group CFO achieved, demonstrating strong delivery against objectives focused on Shareholder value, ESG and Leadership amongst others. As a result, bonus payouts for 2024 are 78% of maximum for the Group CEO and 79% of maximum for the Group CFO. As stated in last year's report, the Group CEO will invest all of his bonus, net of tax, into LSL shares which must be held for a period of two years. The Group CFO will invest 25% of his bonus, net of tax, into LSL shares in line with Policy.

LTIP

The 2022 LTIP was based 50% on adjusted EPS targets and 50% on relative TSR performance measures. Performance against the stretching EPS targets was below threshold and as a result there is no payout under this element. Performance against the FTSE SmallCap (excluding investment trusts) Index under the TSR element was also below threshold and resulted in no payout. The award will therefore lapse in full.

Further details of performance against the targets for the annual bonus and LTIP awards are set out in the Annual Report on Remuneration on page 93.

We considered the underlying performance of the Group's Divisions, workforce remuneration and incentive outcomes in determining that the incentive outcomes for 2024 were appropriate and that the Policy had operated as intended. We also considered whether there were any relevant ESG matters that needed to be taken account of and concluded that there were none.

Implementation of the Policy for 2025

On appointment to the Group CEO role, Adam Castleton's salary will be £500,000. This is broadly in line with David Stewart's salary as Group CEO. Adam's salary remains unchanged for the period 1 January 2025 to his appointment as Group CEO on 1 May 2025.

The salary of David Stewart is unchanged at £493,000 and will be paid for the duration of his notice period. The salary for our new Group CFO will be set on appointment.

The fee for the Chair of the Board and most of the fees for the Non-Executive Directors will be increased by 2%, aligned to the approach for the workforce, rounded to the nearest £250.

With the appointment of our new Group CEO and changes announced in January 2025 to our organisation structure the Committee is reviewing the Policy for Executive Directors and the remuneration approach throughout the Group to ensure it is effective for our newly structured organisation. At the date of this report, we are consulting with our Shareholders in respect of some potential changes to the Policy and approach for 2025. The purpose of this consultation is to ensure we have the right remuneration structures in place to maximise the performance of our more streamlined Group, and each of the three Divisions, to deliver value to our Shareholders.

Depending on feedback received from our consultation a new Policy may be brought for Shareholder approval this year. If there are no Policy changes, details of the LTIP awards granted for 2025 under our current Policy, including performance conditions and targets, will be disclosed in the relevant market announcement made at the time of grant. No changes are expected to the current annual bonus opportunity of 100% of salary for 2025 and the measures and weightings for the annual bonus are set out later in this report.

Colleague pay

We continue to ensure we understand the workforce's views on remuneration. Gaby Appleton assumed the role of our designated Non-Executive Director for workforce engagement for part of 2024 when I became Interim Non-Executive Chair. I resumed this role on resuming my Remuneration Committee Chair role. Topics discussed with the Colleague Engagement Forum during the year included the Group annual bonus scheme, a review of HR policies, enhancing the holiday policy and the introduction of a new employee discount portal.

During 2024 we built on the progress made in 2023 and brought salaries to the real living wage. We will continue to pay real living wage in 2025 by embedding this in our 2025 Colleague Pay Review Principles.

In October, we invited colleagues to take part in the 2024 Sharesave scheme, offering a 20% discount on the option price. Participation in the scheme remained high with 14% of the workforce applying to the scheme.

Directors' Remuneration Report continued

Annual Statement continued

Conclusion

We believe that the remuneration outcomes for the Executive Directors are aligned to performance, Shareholder value delivered and consistent with the approach taken to colleagues more generally.

As mentioned, we are currently reviewing the Remuneration Policy and should any changes be proposed they will be brought for Shareholder approval this year by extraordinary general meeting.

In addition, several of our share plan rules expire in 2026 and therefore the Committee is taking the opportunity to renew the plans at the 2025 Annual General Meeting. The new rules align with standard market practice and a full summary of the principal terms of the plans are set out in our 2025 Annual General Meeting Notice. We continue to welcome Shareholder feedback and are proactively engaging in relation to potential changes to the Policy and the application of the Policy. I will be pleased to hear from you if you have any specific feedback or questions on our approach to remuneration. I look forward to your support for the advisory resolution on the Directors' Remuneration Report and the separate resolutions for our new share plan rules at our forthcoming Annual General Meeting.

Remuneration at a glance

Remuneration outcomes for 2024

Fixed pay	+	Annual bonus	+	LTIP	=	Total remuneration
• **Base salary:** 3% salary increase on prior year • **Pension:** 3% of banded earnings • **Benefits:** private medical cover and car / car allowance		**Payout of 78% (CEO) and 79% (CFO) of maximum** **100% of salary opportunity**		**Payout of 0% of maximum** **125% of salary grant**		**£893,953 for CEO** **£611,480 for CFO**

Variable pay performance outcomes

Annual bonus		LTIP	
70% Group Underlying Operating Profit	**30% Strategic objectives**	**50% Earnings per share (EPS)**	**50% Total Shareholder return (TSR)**
Threshold: **£22.0m** Target: **£24.9m** Max: **£29.5m**	Targets based on a range of objectives linked to shareholder value, governance, risk management, ESG and leadership	Threshold: **46.9 pence** Max: **52.8 pence**	Threshold: **Median** Max: **Upper quartile**
Actual **£27.7m**		**Actual** **21.1 pence**	**Actual** **34th percentile**

Directors' Remuneration Policy

Introduction

This part of the Directors' Remuneration Report summarises the Policy for the Directors and has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and subsequent amendments.

The Policy was approved by Shareholders at our AGM on 25 May 2023 and is intended to apply until the 2026 AGM unless any changes to Policy are necessitated before this date. Full details of the Policy can be found in the Directors' Remuneration Report in the Annual Report and Accounts 2022.

Consideration of Provision 40 of the UK Corporate Governance Code (the Code)

In determining the Policy and its operation, the Committee assessed the following six Code factors:

- *Clarity* – the Policy is well understood by our Senior Management Team and has been clearly explained to our Shareholders through direct engagement and our annual remuneration reporting. Engaging on all people-related matters, including remuneration, is a key responsibility for Darrell Evans, the Remuneration Committee Chair and designated Non-Executive Director for workforce engagement, and for our Group Chief People Officer. This engagement is conducted via meetings with our Colleague Engagement Forum and our colleague surveys, the results of which are presented to the Board.

- *Risk* – the Policy is designed to ensure that reputational, behavioural and other risks are managed and mitigated via (i) a balanced use of fixed and variable pay, with both short and long-term incentive plans, which employ a blend of financial, non-financial and Shareholder return targets, (ii) the significant role played by equity in the incentive plans (together with executive shareholding guidelines in service and the post-service policy) and (iii) the inclusion of malus/clawback provisions.

- *Proportionality* – there is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive or 'at-risk' pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded.

- *Simplicity* – our focus is to ensure that our Policy and practices are simple and straightforward and that the objectives and deliverables are clear. We only operate two incentive plans, an annual bonus and a long-term incentive scheme (LTIP). Targets are based on business KPIs and measure performance against them, tracking and rewarding progress toward achieving our strategies and longer-term sustainable growth.

- *Predictability* – our incentive plans are subject to individual caps, with share plans also subject to market standard dilution limits. The scenario charts illustrate how the rewards potentially receivable by the Executive Directors vary based on performance delivered and share price growth. The Committee also has the discretion to adjust any vesting outcomes if they are not considered appropriate.

- *Alignment to culture* – the incentive schemes drive behaviours consistent with our purpose, values and strategy (including the Group's ESG and corporate sustainability strategies), by using metrics in both the annual bonus and the LTIP that underpin the delivery of our strategies. Colleague personal success is directly linked to the success of our clients and businesses, through the short and long-term incentive plans and targets which we operate.

Directors' Remuneration Report continued

Directors Remuneration Policy continued

Policy

Below is a summarised version of the Policy, you can read the full Policy in our Annual Report and Accounts 2022 available on our website lslps.co.uk.

Element	Purpose and link to strategy	Maximum	Operation
Basic salary	• Core element of fixed income, reflects the value of the individual, their role, skills and experience over time.	• There is no prescribed maximum annual basic salary increase.	• Reviewed annually, normally effective 1 April. • Guided by general increase for employees but lower or higher increases may be awarded.
Benefits	• Support Executive Directors and their families during ill health or in event of accident or death. • Car allowance to facilitate travel.	• At cost.	• Includes car allowance, life assurance and private medical insurance. • Other benefits may be provided.
Pension	• Contribution towards retirement income.	• Aligned to rate applying to the majority of the workforce. • Existing Directors pension in accordance with auto enrolment minimums.	• Defined contribution. • HMRC approved arrangement.
Annual bonus	• Incentivises annual delivery of financial and strategic goals.	• Maximum opportunity of 100% of basic salary, with the ability to increase to 125% of basic salary. • Maximum opportunity will not be increased above 100% of basic salary without significant shareholder consultation.	• Targets reviewed annually, maximum 30% non-financial and minimum 70% financial measures. • No more than 20% bonus payout at threshold. • Paid in cash with one third of bonus paid for Group CEO and 25% of bonus paid for Group CFO, net of tax, invested in shares and held for two years. • Committee discretion to adjust or override formulaic outcome and malus and clawback provision apply.
LTIP awards	• Aligned to Group key performance indicators that drive the strategies and performance of the businesses over the longer-term.	• Normal maximum is 125% of salary. • Exceptional maximum is 200% of salary.	• Up to 30% can be determined by non-financial measures with the remainder financial measures. • 25% vests for threshold performance. • Three-year performance period with two-year holding period. • Committee discretion to adjust or override formulaic outcome and malus and clawback provision apply.
All-employee share schemes: SAYE, SIP/BAYE and CSOP	• Encourages long-term shareholding in LSL.	• As per HMRC limits.	• Invitations from the Remuneration Committee under the approved SAYE, SIP/BAYE and CSOP.
Executive share ownership guidelines	• Aligns long term interests of Executive Directors and Shareholders.	• Minimum of 200% of basic salary for Group CEO and 150% of basic salary for the other Executive Director(s)- no maximum.	• Group CEO required to build and retain 200% of base salary over a period of five years. • Other Executive Directors 150% of base salary. • Requirement (or actual shares if lower) continues post-employment for two years. • Executive Directors expected to retain all vested LTIP awards (subject to tax liabilities) and shares purchased from the annual bonus until the guideline is met. • Bonus and LTIP holding periods continue post-cessation of employment.
Chair and Non-Executive Directors	• Provides fees reflecting time commitment and responsibilities of each role.	• No prescribed maximum annual fee increase, although there is a total fee cap of £750,000 in our articles of association. • Fees are determined and reviewed taking into account experience, time commitment, responsibility and scope of role, as well as the general increase for employees and market data for similar roles in other companies of a similar size and complexity. Current fees are set out in the Annual Report on Remuneration.	• Cash fee paid monthly. • Fees are normally reviewed annually. • Any reasonable business-related expenses can be reimbursed.

Service contracts for Executive Directors

The service contracts for the two Executive Directors are not fixed term and are terminable by either the Company or the Executive Director as detailed below:

Director	Commencement of service contract	Notice period (from Executive Director and the Company)
David Stewart	1 May 2020	Nine months
Adam Castleton	2 November 2015	Nine months

Copies of Directors' service agreements are available for inspection via the Group Company Secretary (see page 174 for details).

At the Committee's recommendation and at the Board's discretion, an Executive Director's service contract can be terminated early by payment of basic salary and benefits in lieu of the required notice period.

Non-Executive Directors

Non-Executive Directors, including the Chair, have letters of appointment which set out their roles and responsibilities. The Non-Executive Directors, including the Chair, are not eligible to participate in incentive arrangements or receive pension provision. The following table shows details of the terms of appointment of our Non-Executive Directors who are on the Board at the date of this Report.

Director	Date original term commenced	Date current term commenced	Expiry date of current term
Adrian Collins	30 April 2024	30 April 2024	29 April 2027
Gaby Appleton	1 September 2019	1 September 2022	31 August 2025
Darrell Evans	28 February 2019	28 February 2025	27 February 2028
Sonya Ghobrial	4 March 2022	4 March 2025	3 March 2028
James Mack	27 September 2021	27 September 2024	26 September 2027
Michael Stoop	24 June 2024	24 June 2024	23 June 2027

Copies of Non-Executive Director letters of appointment are available for inspection via the Group Company Secretary.

Directors’ Remuneration Report continued

Annual Report on Remuneration

Implementation of the Policy for the year ending 31 December 2025

Executive Directors

Remuneration element	David Stewart	Adam Castleton
Salary	£493,000[1]	£500,000[2]
Pension and benefits	Cash in lieu of 3% of banded earnings. Benefits in line with Policy.	Pension contribution of 3% of banded earnings. Benefits in line with Policy.
Annual bonus opportunity	Not entitled to participate in annual bonus.	100% of salary 33% of any bonus earned, net of tax, will be used to purchase shares which must be held for two years.[3]
Annual bonus performance measures		70% Group Underlying Operating Profit. 30% strategic objectives.
LTIP	Not entitled to participate in the LTIP.	Approach subject to consultation.
Shareholding guidelines	200% of salary.	200% of salary[4].
	Post-cessation Executive Directors must hold the lower of shares with a value equivalent to the in-service shareholding requirement and actual shares held on cessation for two years.	

Non-Executive Directors

The fees for the Chair of the Board and most of the fees for the Non-Executive Directors increased by 2% effective from 1 April 2025, aligned to the increase for Executive Directors. The fees for 2025 are set out below.

Role	2025 (£)	2024 (£)
Chair of the Board	**153,000**	150,000[5]
Independent Non-Executive Director	**53,000**	50,000-52,000
Senior Independent Director	**9,000**	8,750
Chair of the Remuneration Committee	**9,500**	9,250
Chair of the Audit & Risk Committee	**9,500**	9,250
Designated Non-Executive Director for workforce engagement	**2,000**	2,000

Notes:

1 David Stewart will retire from the Board and as an Executive Director on 30 April 2025. David's salary will remain unchanged at £493,000 until end of his notice period on 30 October 2025

2 On appointment to the Group CEO role, Adam Castleton’s salary will be £500,000

3 On appointment to the Group CEO role, Adam Castleton’s requirement to purchase shares will increase from 25% to 33% of any bonus earned, net of tax

4 On appointment to the Group CEO role, Adam Castleton’s shareholding guideline will increase from 150% to 200% of salary

5 Adrian Collins' fee on appointment which is all inclusive of his responsibilities was set at £150,000. David Barral's fee on an annualised basis was £159,750

Directors' remuneration payable in 2024 (audited information)

Directors' remuneration

The remuneration of the Directors for 2024 was as follows:

	Year	Basic salary or fees (£)	Benefits[8] (£)	Pension contributions[9] (£)	Sub total- fixed pay (£)	Annual bonus (£)	Share awards[10] (£)	Other[11] (£)	Sub total - variable pay (£)	Total (£)
Chair										
Adrian Collins[1]	2024	100,000	-	-	100,000	-	-	-	-	100,000
	2023	-	-	-	-	-	-	-	-	-
David Barral[2]	2024	64,583	-	-	64,583	-	-	-	-	64,583
	2023	100,800	-	-	100,800	-	-	-	-	100,800
Executive Directors										
Adam Castleton	2024	330,563	16,501	1,321	348,385	261,872	-	1,223	263,095	611,480
	2023	323,250	16,501	1,321	341,072	-	63,231	1,474	64,705	405,777
David Stewart	2024	489,437	16,501	1,161	507,099	386,217	-	637	386,854	893,953
	2023	478,750	16,501	1,161	496,412	-	93,714	531	94,245	590,657
Non Executive Directors										
Gaby Appleton[3]	2024	54,877	-	-	54,877	-	-	-	-	54,877
	2023	59,000	-	-	59,000	-	-	-	-	59,000
Simon Embley[4]	2024	16,958	-	-	16,958	-	-	-	-	16,958
	2023	50,500	-	-	50,500	-	-	-	-	50,500
Sonya Ghobrial	2024	51,625	-	-	51,625	-	-	-	-	51,625
	2023	50,500	-	-	50,500	-	-	-	-	50,500
James Mack[5]	2024	68,018	-	-	68,018	-	-	-	-	68,018
	2023	59,500	-	-	59,500	-	-	-	-	59,500
Darrell Evans[6]	2024	80,325	-	-	80,325	-	-	-	-	80,325
	2023	61,500	-	-	61,500	-	-	-	-	61,500
Michael Stoop[7]	2024	25,000	-	-	25,000	-	-	-	-	25,000
	2023	-	-	-	-	-	-	-	-	-
Total	**2024**	**1,281,386**	**33,002**	**2,482**	**1,316,870**	**648,089**	**-**	**1,860**	**649,949**	**1,966,819**
	2023	**1,183,800**	**33,002**	**2,482**	**1,219,284**	**-**	**156,945**	**2,005**	**158,950**	**1,378,234**

Notes:

1 Adrian Collins was appointed on 30 April 2024. A payment of £32,400 for other services provided to the Company was paid to Fincorp Limited, a consultancy company closely associated with Adrian Collins

2 David Barral stood down on 26 February 2024

3 Gaby Appleton was appointed as Interim Chair of the Remuneration Committee and our designated Non-Executive Director for workforce engagement from 5 March to 29 April 2024. She was appointed as Senior Independent Director until 4 March 2024

4 Simon Embley stood down on 1 May 2024

5 James Mack was appointed as Senior Independent Director on 5 March 2024

6 Darrell Evans was appointed as Interim Non-Executive Chair from 5 March to 29 April 2024. Stepped down as Chair of the Remuneration Committee and as designated Non-Executive Director for workforce engagement during that period

7 Appointed on 24 June 2024

8 Benefits comprise private medical cover and company car or car allowance

9 David Stewart receives 3% of banded earnings as cash in lieu of pension. Adam Castleton is part of the auto enrolment pension scheme and receives 3% of banded earnings as an employer contribution

10 The share awards for 2023 reflect the vesting level under the 2021 LTIP award of 22.4% of maximum. The value of these awards has been restated based on the closing share price on the date of vesting (300 pence)

11 The 'other' column includes the value of matching shares and dividend shares under the SIP at the date the shares were awarded

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Annual bonus payments 2024 (audited information)

The maximum bonus potential for the Group CEO and Group CFO was 100% of salary.

Set out below is a summary of performance targets.

Measure	Threshold (25% of max)	Target (50% of max)	Maximum (100% of max)	Actual	Outcome (of element)
Group Underlying Operating Profit 70%	£22.0m	£24.9m	£29.5m	£27.7m	81%

The table below sets out the Executive Directors' objectives under the 30% non-financial measures and the outcome against each objective.

Group CEO - David Stewart

Focus Area	Weighting	Combined objective and performance achieved	Performance assessment
Shareholder value	40%	Good progress made with increasing effective shareholder communication and broadening investor base.	25%
Develop new long-term revenue schemes	20%	Progress made with further work to do, developing plans to build new revenue streams to reflect changing market needs.	8%
ESG	10%	Significant, specific positive interventions made to accelerate progress to limit our impact on the environment, make a positive contribution to the communities in which we operate and become a better place to work.	8%
Governance	15%	Significant enhancement of structures and processes which allow the Company to execute strategy more effectively.	14%
Risk management, regulatory and compliance	15%	Successful development and implementation of enhanced Group wide risk framework.	15%

Group CFO - Adam Castleton

Focus Area	Weighting	Combined objective and performance achieved	Performance assessment
Shareholder value	35%	Good progress made with increasing and effective shareholder engagement and broadening investor base.	23%
Governance	10%	Enhancement of structures and processes made which allow the Company to execute strategy more effectively.	7%
Risk management, regulatory and compliance	10%	Facilitated and achieved significantly increased engagement of the businesses with Internal Audit as part of their overall risk framework, combined with a step change in collaboration and completion of key audit actions.	10%
ESG	15%	Demonstrated personal leadership and sponsorship of initiatives to support the acceleration and success of the Living Responsibly work across the Group.	11%
Leadership	30%	Good development of Finance team across the Group driving more insightful management information to support strategic and operating decision making.	20%

The table below sets out the total bonuses payable to the Executive Directors for 2024 performance. As explained in the letter, the Group CEO committed to investing his total 2024 bonus payout, net of tax, into LSL shares. The Group CFO will use 25% of his bonus payout, net of tax, to purchase shares which must be held for two years in line with the Policy.

Measure	Outcome of Group Underlying Profit element (max 70%)	Outcome of strategic objectives (max 30%)	Total outcome (% of max)	**Bonus payable for 2024 performance**
Adam Castleton	81%	71%	79%	**£261,872**
David Stewart	81%	70%	78%	**£386,217**

2022 LTIP award vesting (audited information)

The performance period for the 2022 LTIP award ended on 31 December 2024. The table below sets out the performance targets and final level of vesting for the 2022 LTIP award.

Performance measure	Percentage of award subject to condition	Performance period	Threshold performance level (25% vesting)	Maximum performance level (100% vesting)	Actual performance	Percentage vesting
Adjusted basic EPS in 2024	50%	3 years ending 31 December 2024	46.9 pence	52.8 pence or more	21.1 pence	0%
TSR (versus FTSE Small Cap ex investment trusts)	50%		Median (50th percentile)	Upper quartile (75th percentile)	34th percentile	0%
					Total	**0%**

The table below sets out details of the LTIP awards granted in 2022, as performance was below threshold for both measures, the award will lapse in full.

Executive Director	Date of grant	Date of vesting	Number of shares under award	Vesting	Number of shares vesting	Number of shares lapsing	Total vesting
Adam Castleton	29 March 2022	29 March 2025	106,283	0%	0	106,283	£0
David Stewart			157,435	0%	0	157,435	£0

Share awards granted during 2024 (audited information)

Details of LTIP (nil cost option) awards granted in 2024 are as follows:

Executive Director	Date of grant	Date of vesting	Share price at grant date[1]	Number of shares under award	Face value of award as % of salary	Face value of award at grant date
Adam Castleton	30 April 2024	30 April 2027	293.7 pence	141,726	125%	£416,202
David Stewart				209,822	125%	£616,177

The LTIP awards are subject to a two-year post-vesting holding period that continues post-cessation of employment.

The performance measures applicable to the 2024 LTIP grant are as follows:

Performance measure	Percentage of award subject to condition	Performance period	Threshold performance level (25% vesting)	Maximum performance level (100% vesting)
Adjusted basic EPS	50%	3 years ending 31 December 2026	26.5 pence	32.5 pence
TSR (performance against FTSE Small Cap excluding investment trusts)	50%		Median (50th percentile)	Upper quartile (75th percentile)

Payments to past Directors (audited information)

No payments have been made to past Directors during the year.

Payments for loss of office (audited information)

No payments for loss of office were made to past Directors during the year.

Our Group CEO, David Stewart, will be a good leaver on his retirement from the Board. He will be entitled to retain his 2023 and 2024 LTIP awards, which will vest at the normal time subject to performance and with pro-rating to the date he leaves the business and be subject to post vesting holding requirements. The post-cessation shareholding policy will apply to shares held on the date of cessation for a two year period. He will not be eligible to receive an LTIP or annual bonus for 2025.

Note:

1. The share price at grant was an average of the closing price three days prior to grant date

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Outstanding share awards

Options granted to Executive Directors to acquire shares as follows:

					Number of shares					
Director	Award type	Date of grant	Share price on grant	Exercise price	As at 1 January 2024	Awards granted during year	Awards lapsed during year	Awards exercised during year	**As at 31 December 2024**	Exercise period
Adam Castleton Group Chief Financial Officer	LTIP	5 May 2021	408.50p	Nil	94,094	–	73,017	21,077	**–**	5 May 2024 to 5 May 2031
	LTIP	29 March 2022	369.00p	Nil	106,283	–	–	–	**106,283**	29 March 2025 to 28 March 2032
	LTIP	7 November 2023	246.00p	Nil	131,402	–	–	–	**131,402**	7 November 2026 to 6 November 2033
	SAYE	10 November 2023	248.00p	199.00p	9,321	–	–	–	**9,321**	1 December 2026 to 31 May 2026
	LTIP	30 April 2024	293.70p	Nil	–	141,726	–	–	**141,726**	30 April 2027 to 29 April 2034
David Stewart Group Chief Executive Officer	LTIP	5 May 2021	408.50p	Nil	139,458	–	108,220	31,238	**–**	5 May 2024 to 5 May 2031
	SAYE	28 May 2021	468.00p	327.00p	3,302	–	3,302	–	**–**	1 July 2024 to 31 December 2024
	LTIP	29 March 2022	369.00p	Nil	157,435	–	–	–	**157,435**	29 March 2025 to 28 March 2032
	LTIP	7 November 2023	246.00p	Nil	194,613	–	–	–	**194,613**	7 November 2026 to 6 November 2033
	SAYE	10 November 2023	248.00p	199.00p	3,728	–	–	–	**3,728**	1 December 2026 to 31 May 2026
	LTIP	30 April 2024	293.7p	Nil	–	209,822	–	–	**209,822**	30 April 2027 to 29 April 2034

Notes to outstanding share awards:

1. All of the above are scheme interests. Details of LTIP awards granted in 2024 are set out elsewhere in this section of the Report, while details of previous outstanding awards are presented in the previous year's Directors' Remuneration Report and are included in note 15 to the Financial Statements.
2. The aggregate gains made by Adam Castleton and David Stewart on the exercise of awards during the year was £62,599 and £92,777 respectively.

Directors' interests in shares (audited information)

The interests of the Directors who served on the Board during the year, including their connected persons, are set out in the table below.

The Group CEO and Group CFO are required under the Policy to purchase and hold shares equivalent to 33% and 25% respectively of any bonus earned, net of tax for a period of two years, and to retain all LTIP vested shares (net of tax) until the shareholding requirement is met. The Executive Directors' shareholdings reflect the limited vesting of LTIP awards and annual bonus payments prior to 2024. It is however recognised that the 2024 bonus paid out at 78% and 79% respectively, and the Group CEO committed to invest all of his FY2024 bonus, net of tax, into shares whilst the Group CFO will invest 25% of his bonus, net of tax, into shares in line with Policy.

The Committee will keep shareholding levels under review. The Policy supports the continued building of shareholdings through the requirement to purchase shares with a proportion of bonus and through the retention of all vested LTIP awards.

	Shareholdings[1] (number of shares)		Share Awards (number of shares)		Total (number of shares)	Shareholding guideline	Executive Director shareholding[2]
Director	**31 December 2024**	31 December 2023	Unvested and subject to performance targets	Vested but unexercised 31 December 2024	**31 December 2024**	(% of basic salary)	(% of basic salary)
Adrian Collins[3]	**–**	–	–	–	**–**	–	N/A
David Barral[4]	**219,259**	219,259	–	–	**219,259**	–	N/A
Adam Castleton	**142,266**	130,111	388,732	–	**142,266**	150%	129.9%
David Stewart	**95,666**	78,329	565,598	–	**95,666**	200%	59.0%
Gaby Appleton	–	–	–	–	**–**	–	N/A
Simon Embley[5]	**6,835,624**	6,835,624	–	–	**6,835,624**	–	N/A
Darrell Evans	**–**	–	–	–	**–**	–	N/A
Sonya Ghobrial	**–**	–	–	–	**–**	–	N/A
James Mack	**–**	–	–	–	**–**	–	N/A
Michael Stoop[6]	**–**	–	–	–	**–**	–	N/A

All of the share interests detailed above are beneficial to the Directors. Apart from the interests disclosed above, no Directors held interests at any time in the year in the share capital of any other Group company.

Between 31 December 2024 and the date of this report, Adam Castleton purchased 190 shares and David Stewart purchased 191 shares as participants of our SIP/BAYE scheme in January, February and March 2025 which are not reflected in the table above. These shares were purchased by the Trust at the prevailing market rate.

In addition, Adam Castleton also purchased 8,725 shares in January 2025, which are not reflected in the table above. Taking both purchases into account, Adam's shareholding is currently 138%.

Other services were provided to the Company through Fincorp Limited, a consultancy company closely associated with Adrian Collins. No other Director has, or has had, any direct or indirect interest in any transaction, contract or arrangement (excluding service agreements), which is or was unusual in its nature or conditions, or significant to the Group's business, during the current or immediately preceding financial year.

Notes:

1 The shareholdings of Adam Castleton and David Stewart include matching shares, dividend shares and free share awards received under the SIP subject to a retention period. The total shares held by Adam Castleton and David Stewart from awards under the SIP is 8,122 and 2,831 respectively

2 Based on shares owned and vested but unexercised awards, net of tax, as at 31 December 2024. Shareholding guideline calculations are based on the share price at year end of 304 pence and the Executive Director's basic salary at 31 December 2024

3 Adrian Collins was appointed on 30 April 2024

4 David Barral stood down on 26 February 2024. The shareholding in the table is shown at the date of stepping down

5 Simon Embley stood down on 1 May 2024. The shareholding in the table is shown at the date of stepping down

6 Michael Stoop was appointed on 24 June 2024

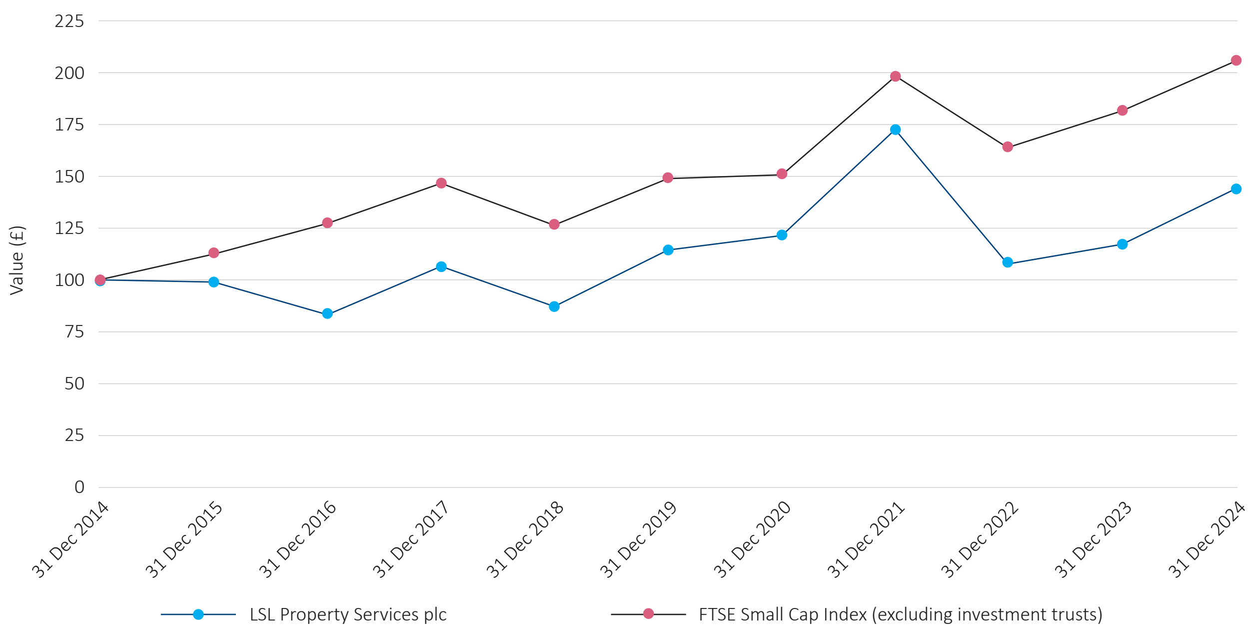
Directors' Remuneration Report continued

Annual Report on Remuneration continued

Performance graph and table

The following graph shows the value, up to 31 December 2024, of £100 invested in the Company compared with the value of £100 invested in the FTSE Small Cap (excluding investment trusts) Index on 31 December 2014. The FTSE Small Cap Index has been chosen because the Company is a constituent of the Index.

Total Shareholder return



Source: Refinitiv

Group CEO's total remuneration

The total remuneration figures for the Group CEO during each of the last ten financial years are shown in the table below. The total remuneration figure includes the annual bonus based on that year's performance and share awards based on three-year performance periods ending in or just after the relevant year.

	Ian Crabb to 30 April 2020						David Stewart from 1 May 2020				
	2015	2016	2017	2018	2019	2020	2020	2021	2022	2023	**2024**
Total remuneration	£852,869	£499,000	£835,120	£774,629	£760,679	£161,214	£310,932	£859,207	£717,063	£571,685	**£893,953**
Annual bonus	93.3%	16%	97%	79.8%	61.7%	0%	0%	84.7%	0%	0%	**78.0%**
LTIP vesting	66.8%	0%	0%	0%	0%	N/A	N/A	N/A	44.1%	22.4%	**0%**

Percentage change in Directors' remuneration

The table below shows the annual percentage change in salary/fees, benefits and bonus for each of the Directors in 2024, compared to the average for our wider workforce over the last five financial years.

	2024 vs 2023			2023 vs 2022			2022 vs 2021			2021 vs 2020		
	% change in salary / fees	**% change in taxable benefits (excluding pension)**	**% change in bonus (includes commission)**	% change in salary / fees	% change in taxable benefits (excluding pension)	% change in bonus (includes commission)	% change in salary / fees	% change in taxable benefits (excluding pension)	% change in bonus (includes commission)	% change in salary / fees	% change in taxable benefits (excluding pension)	% change in bonus (includes commission)
Chair												
Adrian Collins[1]	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Barral[2]	**(35.9)**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Executive Directors												
Adam Castleton	**2.3**	**0.0**	**100.0**	3.0	0.5	N/A	2.0	0.8	(100.0)	1.5	(0.8)	N/A
David Stewart	**2.2**	**0.0**	**100.0**	3.0	0.5	N/A	2.0	0.8	(100.0)	N/A	N/A	N/A
Non Executive Directors												
Gaby Appleton[3]	**(7.0)**	**N/A**	**N/A**	3.1	N/A	N/A	13.6	N/A	N/A	14.5	N/A	N/A
Darrell Evans[4]	**30.6**	**N/A**	**N/A**	2.9	N/A	N/A	11.3	N/A	N/A	16.7	N/A	N/A
Sonya Ghobrial	**2.2**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Mack[5]	**14.3**	**N/A**	**N/A**	3.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Stoop[1]	**N/A**	**N/A**	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All employees	**3.0**	**(21.5)**	**0.0**									
Median of our workforce[6]				55.0	447.0	(92.0)	5.0	186.2	19.0	1.9	(71.8)	(7.0)

For notes of changes in previous years, please refer to previous Annual Reports and Accounts.

Notes:

1 Adrian Collins and Michael Stoop were appointed to the Board during 2024 and therefore a change from the prior year has not been provided

2 The decrease in fees reflects David Barral leaving the Board on 26 February 2024

3 The decrease in fees reflects Gaby Appleton stepping down as SID on 4 March 2024

4 The increase in fees reflects Darrell Evans' role as Interim Chair during the year for which he received an increased fee

5 The increase in fees reflects James Mack's taking on the role of SID in on 5 March 2024 for which he received an increased fee

6 The median full-time equivalent pay of all employees in the LSL Group and still in employment as at 31 December has been provided as an appropriate comparator. This excludes employees who joined the business during December but received their first pay in January 2025

Directors’ Remuneration Report continued

Annual Report on Remuneration continued

Group CEO to employee pay ratio

The table below discloses the ratio between the Group CEO’s remuneration and our wider workforce since 2018.

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2018	Option A	40.5 : 1	27.9 : 1	16.2 : 1
2019	Option A	38.1 : 1	26.1 : 1	14.9 : 1
2020	Option A	23.4 : 1	15.8 : 1	9.1 : 1
2021	Option A	40.3 : 1	26.5 : 1	15.4 : 1
2022	Option A	29.3 : 1	20.0 : 1	11.6 : 1
2023	Option A	22.5 : 1	13.4 : 1	9.1 : 1
2024	**Option A**	**33.2 : 1**	**20.8 : 1**	**13.9 : 1**

The 2024 employee data used to calculate the ratios is set out in the table below:

	25th percentile	Median	75th percentile
Total pay and benefits of employees	£26,955	£42,922	£64,085
Basic salary of employees	£23,935	£38,334	£53,700

Notes on percentage change in Group CEO to employee pay ratio

We have chosen option A (which compares our full-time equivalent total remuneration for all UK employees against the Group CEO) as the most appropriate methodology to report the ratios, in line with the recommendation from the Government’s Department for Business and Trade, and a number of Shareholder representative and proxy voting bodies.

The ratio above includes all UK-based employees who were employed in any part of the Group as at 31 December 2024. The employee remuneration data includes the full-time equivalent data in respect of basic pay, bonus, commission, taxable benefits, share-based remuneration and pension benefits, so as to provide a comparable figure to the Group CEO single figure total remuneration. This year we have amended our methodology to include bonuses paid in 2025 in relation to 2024 performance which aligns with the Group CEO single figure methodology. Commission payments paid to employees in 2024 are included and continue to be calculated in the same way as previous years. The full-time equivalent data for each employee was grossed up based on the full-time equivalent hours for each role.

The Committee notes the increase in the ratio from 2023 as a result of a bonus pay out this year, which has increased the CEO's total compensation for the year.

As at 31 December 2024, we employed around 1,800 people in a wide variety of roles. The reward policies and practices for employees follow those set for the Executive Directors. The Committee also has responsibility for setting the remuneration of the Executive Committee and reviews and monitors the Group’s wider remuneration policies and practices. On this basis, the Committee is satisfied the median pay ratio is consistent with the pay, reward and progression polices of the companies UK-based employees.

Relative importance of spend on pay

The following table shows our actual spend on pay for all employees, relative to dividends paid and profit earned:

	2024 (£m)	2023 (£m)	Change (%)
Staff costs[1]	**105.2**	99.1	6.2
Dividends	**11.8**	11.7	0.6
Profit after tax[2]	**17.4**	8.0	117.1
Adjusted profit after tax[2]	**21.7**	7.8	177.7

Statement of Shareholders’ voting

The Annual Statement and Report on Remuneration for 2023 (included in the Annual Report and Accounts 2023) were presented to Shareholders at the 2024 AGM on 20 June 2024. The Directors’ Remuneration Policy was presented to Shareholders at the 2023 AGM on 25 May 2023. The voting outcomes were as follows:

	Annual Statement and Annual Report on Remuneration	**Directors’ Remuneration Policy**
Votes cast in favour	99.96%	99.99%
Votes cast against	0.04%	0.01%
Total votes withheld	11,299	1,286

Darrell Evans
Chair of the Remuneration Committee

25 March 2025

Notes:

1 See note 15 to the Financial Statements for calculation of staff costs.

2 The percentage change in profit after tax and adjusted profit after tax has been shown as this is considered an important financial KPI used to monitor our performance. See note 12 to the Financial Statements for the calculation.

Report of the Directors

LSL Property Services plc is a public limited company incorporated in England and Wales under the Companies Act 2006 with registered number 5114014.

The Directors present their report, together with the consolidated Financial Statements for the year ended 31 December 2024. For the purpose of the FRC's Disclosure Guidance and Transparency Rule (DTR) 4.1.8R, the Strategic Report on pages 4 to 59 is also the Management Report for the year ended 31 December 2024.

The Report of the Directors comprises the Corporate Governance Report (on pages 64 to 71), the Report of the Directors (on pages 99 to 103) and the Shareholder Information section (on pages 174 and 175). Related information can also be found in the Audit & Risk Committee Report, the Nominations Committee Report, the Directors' Remuneration Report and our Sustainability Report.

The Companies Act 2006 requires us to prepare a Strategic Report – this appears on pages 4 to 59 of this Annual Report and Accounts. As permitted by Section 414C(11) of the Companies Act 2006, some matters required to be included in the Report of the Directors have instead been included in the Strategic Report and are incorporated by reference in this Report of the Directors. The Strategic Report provides information on the Group's operations and business model.

The following information required to be included in a directors' report is provided in other appropriate sections of the Annual Report and Accounts and is incorporated in this Report of the Directors by reference in this table.

Information	Page(s)
Principal activities during the year	10 to 25
Review of business performance	10 to 25
Likely future developments affecting the Company	13
Statement of directors' responsibilities regarding financial statements	103
Employee engagement initiatives	28
Section 172 statement and engagement with Shareholders, suppliers, customers and other stakeholders	26 to 33
Greenhouse gas (GHG) emissions & energy efficiency (SECR framework)	58
Post-balance sheet events	157
Financial instruments	122 and 154 to 157
Employment of disabled persons	46

Articles of Association

The Company's Articles of Association (the Articles) set out the internal regulations of the Company and cover such matters as the rights of Shareholders, the appointment and removal of Directors, and the conduct of the Board and general meetings.

The Articles can only be amended by special resolution, with a majority of 75% or greater of votes in favour from those voting in person or by proxy at a general meeting of the Shareholders.

Directors

The Directors of the Company who were in office at the date of signing the Financial Statements are listed on pages 60 and 61, together with details of their date of appointment, skills, experience and current external appointments.

David Barral stood down from the Board on 26 February 2024. Simon Embley stood down on 1 May 2024.

Appointment and replacement of Directors

The Articles give the Directors the power to appoint and replace Directors. Appointments must be recommended by the Nominations Committee for approval by the Board.

The Articles require Directors to retire at the AGM following their appointment and also at the AGM held in the third calendar year after election or last re-election. However, to comply with the 2018 UK Corporate Governance Code, all the Directors submit themselves for election or re-election at each AGM. In 2025 the only Director who will not do so is David Stewart who will retire with effect from 30 April 2025.

Directors' interests and conflicts

The Directors have a statutory duty to avoid conflicts of interest. The Board has established a procedure to deal with any potential or actual conflicts of interest and to ensure that all such interests are disclosed and, where appropriate, authorised by the Board (with any limits or conditions imposed as applicable) in accordance with the Articles and the Companies Act 2006. Directors are advised of the procedure for managing conflicts as part of their induction.

A register of conflicts of interest, which is maintained by the Group Company Secretary, records all disclosed conflicts or potential conflicts, with all approvals recorded in the minutes of the meeting at which the conflict was approved.

The management of potential conflicts has been operating in accordance with the procedure throughout the year in review and subsequently. During the year, the only Director who was materially interested in any contract that is or was significant to the Group was Simon Embley who had a direct interest in Pivotal Growth (our joint venture with Pollen Street Capital) and an indirect shareholding in Southern Home Move Ltd, a Group subsidiary. As disclosed on page 70, a consultancy contract is in place between the Company and Fincorp Limited, with which Adrian Collins is closely associated. This contract is not deemed to be significant.

Details of the Directors other directorships are included in their biographies on pages 60 and 61. Information on the Directors' interests in the shares of the Company are shown on page 95. Options granted to Directors under the Company's Long Term Incentive Plan are shown on page 94. More information regarding employee share option schemes is provided in note 15 to the Financial Statements on pages 136 to 138.

Report of the Directors continued

Compensation for loss of office

There are no agreements in place between the Company and any Director or employee for loss of office in the event of a takeover.

Directors' indemnity and insurance

The Directors have the benefit of an indemnity in relation to certain losses and liabilities which they may incur in connection with their position in the Company or any associated company, which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. This provision was in force during the financial year and when the Report of the Directors was approved.

The Company maintains appropriate liability insurance for its Directors and Officers, which provides cover for any legal action brought against them.

Share capital

As at 31 December 2024, the Company's issued share capital comprised 105,158,950 ordinary shares (2023: 105,158,950) with a nominal value of 0.2 pence each. 1,458,933 ordinary shares (2023: 1,179,439) were held in Treasury which, if deemed fit, the Company can cancel, sell for cash or transfer for use in an employee share scheme.

Treasury shares do not receive dividends and are not included when calculating the total voting rights in the Company. Therefore, the total number of voting rights in the Company was 103,700,017 at 31 December 2024.

Each issued ordinary share (therefore excluding those held in Treasury) has the same rights attached to it. This includes the right to vote at general meetings (one vote per ordinary share), to appoint a proxy or proxies, to receive dividends and receive communications. Throughout the year and to the date of this report, the ordinary shares were publicly listed on the London Stock Exchange. There are no specific restrictions on the size of shareholding nor on the transfer of shares which are both governed by the Articles and prevailing law. The Directors are not aware of any agreements between the holders of the Company's shares that may result in restrictions on the transfer of shares or on voting rights. No person has special rights of control over the Company's share capital and all shares are fully paid.

As at 31 December 2024, the LSL Property Services plc Employee Share Ownership Trust (ESOT) held 174,248 shares and the Share Incentive Plan (SIP) held 951,904 shares to satisfy options or awards under the Group's discretionary share option schemes. The ESOT Trustees have waived their entitlement to dividends on shares held under the trust, including future payments. Details of shares held by the ESOT and SIP are provided in note 28 to the Financial Statements.

As at 31 December 2024, the LSL Property Services plc Employee Share Incentive Plan held 0.91% (2023: 0.94%) of the Group's issued share capital in trust. Shares held in the trust have dividend and voting rights in accordance with the rules of the scheme. The Trustees exercise the voting rights for shares held in the trust on behalf of the participants.

Allotment and repurchase of shares

The powers of the Directors, including in relation to the issue or buyback of the Company's shares, are set out in the Companies Act 2006 and the Articles.

At the Company's AGM on 20 June 2024, Shareholders approved an authority for the Company to allot ordinary shares up to a maximum nominal amount of £69,247. It has not used this authority. The Company intends to renew this authority at its 2025 AGM.

At the Company's AGM on 20 June 2024, Shareholders approved that the Company could make market purchases of its own shares up to a maximum of 10,387,051 shares (being 10% of the issued share capital less Treasury shares at that time). Purchases must be at a price not less than the nominal value of each share (being 0.2 pence each) and more than 5% of the average mid-market price for the preceding five business days. The Company intends to renew this authority at its 2025 AGM.

On 30 April 2024 the Company launched a share buyback programme in order to return capital to Shareholders. Under this programme our broker, Numis Securities Limited, was appointed to manage a non-discretionary share buyback programme to repurchase ordinary shares on the Company's behalf, up to a maximum consideration of £7 million for a period ending no later than 30 April 2025. The Company has subsequently extended this programme until the date of the 2025 AGM.

During the year ended 31 December 2024 the Company purchased 282,494 ordinary shares to hold in Treasury, with a nominal value of £564.98 at an average price of £3.00 (and £847,665.32 in aggregate). Since 31 December 2024 a further 144,828 shares have been purchased and placed into Treasury, with a nominal value of £289.66 at an average price of £2.80 (and £405,588.37 in aggregate). Therefore, as at the latest practicable date (20 March 2025), the Company held 1,603,761 shares in Treasury, representing 1.55% of the issued share capital of the Company and our total voting rights were 103,555,189.

Change of control provisions

Certain subsidiaries within the Group are party to agreements that may take effect, alter, or terminate upon a change of control following a takeover bid. A significant proportion of the Group's income from surveying, valuation, and asset management services is derived from specific contracts, the termination of which, in the event of a change of control of the relevant subsidiary, could materially impact those income streams.

The Group is also party to various banking agreements that include provisions for termination upon a change of control of the Group. Under these agreements, all outstanding amounts would become immediately due and payable in such circumstances.

AGM

The AGM provides an opportunity for Directors to engage with Shareholders, answer their questions and meet them informally. Details of the date of, and arrangements for, our 2025 AGM will be posted on our website (lslps.co.uk) and will be contained within the Notice of Meeting. We will make an announcement to the market when the Notice of Meeting (which will include a detailed explanation of each item to be considered), is available. This will be at least 20 working days prior to the meeting date.

Substantial shareholdings

The Company has been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules of the following direct or indirect holdings of voting rights, including shares and other financial instruments, in the Company's shares:

Name	As at 31 December 2024 Number of voting rights	As at 31 December 2024 % of total voting rights	As at 20 March 2025 Number of voting rights	As at 20 March 2025 % of total voting rights
FMR LLC	**10,369,990**	**9.99**	10,369,990	10.00
Kinney Asset Management LLC	**9,298,489**	**8.94**	9,298,489	8.94
Liontrust Asset Management plc	**5,485,475**	**5.28**	5,485,475	5.28
FIL Limited	**5,359,534**	**5.16**	5,359,534	5.16
Harris L.P	**5,220,081**	**5.02**	5,220,081	5.02
Brandes Investment Partners L.P	**5,218,057**	**5.02**	5,218,057	5.02
SFM UK Management LLP	**5,082,389**	**4.89**	5,082,389	4.89
Setanta Asset Management Limited	**4,093,595**	**3.94**	3,104,228	2.99
Utah State Retirement Systems	**3,356,555**	**3.23**	3,356,555	3.23
Franklin Templeton Institutional LLC	**3,211,900**	**3.09**	3,211,900	3.09
Individual Shareholders				
Simon Embley	**6,835,624**	**6.59**	6,835,624	6.59
David Newnes	**3,479,910**	**3.35**	3,479,910	3.35

Dividends

The Board proposes a final dividend for 2024 of 7.4 pence per share (2023: 7.4 pence per share) which, subject to shareholder approval, will be payable on 27 June 2025 to Shareholders on the register on 9 May 2025. The shares will go ex-dividend on 8 May 2025. The proposed final dividend, together with the interim dividend of 4.0 pence per share (2023: 4.0 pence per share), results in a total dividend for 2024 of 11.4 pence per share (2023: 11.4 pence per share). Further information on dividends is shown in note 13 of the Financial Statements and is incorporated into this report by reference.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial and Divisional Reviews section on pages 14 to 25 of the Strategic Report. The financial position of the Group, its cash flows, liquidity position and policy for treasury and risk management, are set out in the Financial Review section of the Strategic Report on pages 14 to 16. Details of the Group's borrowing facilities are set out in note 31. The Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk are also set out in note 31. A description of the Group's principal risks and uncertainties and arrangements to manage these risks can be found in the Risk Management section of the Strategic Report on pages 34 to 38.

Having considered this information, made enquiries of management and reviewed a variety of other data, the Directors have a reasonable expectation that the Group and the Company have adequate resources to remain in operation to 30 June 2026. The Board has therefore continued to adopt the going concern basis in preparing this Report and the Financial Statements. In making this assessment, the following were noted by the Board:

- Working capital requirements are met through cashflows and cash resources (£32.4m).
- £60 million undrawn revolving credit facility committed to 2030.
- Positive position against financial covenants, stress tested under a number of scenarios.
- Group revenue would need to reduce by c.25% to utilise all available cash balances and make us unable to meet our financial covenants. This scenario is deemed to be remote.
- Cost mitigations and cash conservation actions, such as pausing dividends and planned investments, can be applied as mitigants.

In reaching its conclusion on the going concern assessment, the Board considered the findings of the work performed to support the Group's long-term viability statement (pages 39 and 40). This included assessing forecasts of severe but plausible downside scenarios related to our principal risks, notably the extent to which a severe downturn in the UK lending and housing markets, close to levels seen during the financial crisis in 2008, would affect the Group's base forecasts.

More information on the scenarios and testing are included in note 2 to the Financial Statements.

Branch Offices

We do not have any overseas branches.

Report of the Directors continued

Political donations

At the Company's AGM held on 20 June 2024, the Company and its subsidiaries received authority from Shareholders under the Companies Act 2006 to make donations to political parties of up to £100,000 in total each year. No political donations were made during 2024 (2023: nil).

Independent auditor

As disclosed in the Audit & Risk Committee Report, an audit tender exercise was undertaken and the Board is recommending that Grant Thornton UK LLP be appointed as the Group's auditor for the year ending 31 December 2025. Therefore, in accordance with section 489 of the Companies Act 2006, resolutions seeking authority for the appointment of Grant Thornton UK LLP as auditor of the Company and for the Audit & Risk Committee to be authorised to determine the auditor's remuneration will be proposed at the 2025 AGM.

EY will continue as the Group auditor until the AGM and will therefore complete the Group audit for the year ended 31 December 2024. It is our expectation that, after the completion of the audit of the Group's 2024 financial statements, EY will resign as auditor of the Group and will not stand for reappointment at our 2025 AGM, creating a casual vacancy. In accordance with the Companies Act 2006, Grant Thornton UK LLP will be appointed by the Directors to fill the casual vacancy to audit the financial statements of the Group for the period ending 31 December 2025 and subsequent financial periods. We expect Grant Thornton's appointment to be subsequently ratified at the 2025 AGM.

The Report of the Directors was approved by and signed on behalf of the Board of Directors.

Debbie Fish
Group Company Secretary
25 March 2025

Disclosure table pursuant to UK Listing Rule 6.6.1R

Listing Rule	Information to be included	Disclosure
6.6.1(1)	Interest capitalised by the Group	None
6.6.1(2)	Unaudited financial information (LR 9.2.18R)	On 30 January 2025, the Group issued a Full Year Trading Update, which contained the following unaudited financial information in relation to profit for 2024 "Group Underlying Operating Profit is significantly ahead of prior year and slightly ahead of the Board's prior expectations, with each of our three Divisions reporting an increase in Underlying Operating Profit."
6.6.1(3)	Long-term incentive scheme information involving Board Directors (LR9.4.3R)	Directors' Remuneration Report - page 94
6.6.1(4)	Waiver of emoluments by a Director	None
6.6.1(5)	Waiver of future emoluments by a Director	None
6.6.1(6)	Non pre-emptive issues of equity for cash	None
6.6.1(7)	Non pre-emptive issues of equity for cash in relation to major subsidiary undertakings	None
6.6.1(8)	Listed company is a subsidiary of another company	Not applicable
6.6.1(9)	Contracts of significance involving a Director of a controlling shareholder	None
6.6.1(10)	Contracts for the provision of services by a controlling shareholder	None
6.6.1(11)	Shareholder waiver of dividends	Report of the Directors - page 100
6.6.1(12)	Shareholder waiver of future dividends	Report of the Directors - page 100
6.6.1(13)	Agreement with controlling shareholder	None

All data is as at 31 December 2024 unless specified otherwise

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and 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 prepared the Group Financial Statements in accordance with UK-adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006.

The Directors have chosen to prepare the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under Company law, 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 of the profit or loss of the Group for that period.

In preparing the Parent Company 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 and/or Group will not continue in business.

In preparing the Group Financial Statements, International Accounting Standard 1 requires that the Directors:

- Properly select and apply accounting policies.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- Make an assessment of the Group's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' declaration in relation to relevant audit information

Each of the Directors whose names and functions are set out on pages 60 and 61 confirm that to the best of their knowledge:

- There is no relevant audit information of which the Company's auditor is unaware.
- Each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Directors' responsibility statement

Each of the Directors whose names and functions are set out on pages 60 and 61 confirm that to the best of their knowledge:

- The Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole.
- The Management Report, comprising the Strategic Report and the relevant parts of the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy.

This statement was approved by and signed on behalf of the Board of Directors.

Debbie Fish
Group Company Secretary

25 March 2025

Independent Auditor's Report

to the Members of LSL Property Services Plc

Opinion

In our opinion:

- LSL Property Services plc's group financial statements and parent company financial statements (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 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of LSL Property Services plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Group Income Statement for the year ended 31 December 2024	Balance Sheet as at 31 December 2024
Group Statement of Comprehensive Income for the year ended 31 December 2024	Statement of Changes in Equity for the year ended 31 December 2024
Group Balance Sheet as at 31 December 2024	Related notes 1 to 16 to the financial statements including material accounting policy information.
Group Statement of Cash Flows for the year ended 31 December 2024	
Group Statement of Changes in Equity for the year ended 31 December 2024	
Related notes 1 to 35 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework"(United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the directors' going concern assessment process to determine whether it was appropriate in the context of our own risk assessment on going concern;
- Assessing the appropriateness of the duration of the going concern assessment period to 30 June 2026 and considered the existence of any significant events or conditions beyond this period based on our procedures over the group's cash flow forecasts and from knowledge arising from other areas of the audit;
- Understanding the basis on which the directors' going concern assessment was prepared, which included understanding the terms of the group's undrawn revolving credit facility; the nature of the facility, facility amount, repayment terms, covenants and attached conditions. We verified via an independent confirmation that the facility is committed for the entire going concern period and understood the conditions (including financial conditions) which must exist in order for the facility to be drawn down upon;
- Verifying the mathematical accuracy of the directors' going concern model and covenant calculations for the period to 30 June 2026;
- Challenging the appropriateness of the key assumptions in the directors' forecasts with reference to industry and economic forecasts and through consideration of historical forecasting accuracy;
- Assessing the plausibility of both the directors' downside scenario analysis and reverse stress testing by considering key market and macro-economic forecast data across multiple sources and searching for contradictory evidence in relation to the appropriateness of key assumptions. In addition, we considered whether there could be any material impact of climate change in the going concern period;
- Performing our independent assessment. This included independent reverse stress testing in order to identify and understand the likelihood of factors which would lead to the group utilising all available liquidity or breaching the financial covenants attached to the group's revolving credit facility during the going concern period;
- Considering the quantum and timing of mitigating factors available to the directors, the extent to which these are included in the directors' forecasts and challenged the extent to which these are within the directors' control; and
- Reviewing the disclosures made relating to going concern included in the Annual Report & Accounts in order to assess the appropriateness of the disclosures and conformity with reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2026.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of eight components and audit procedures on specific balances for a further three components. We also performed specified audit procedures over certain accounts on one component. We performed central procedures on financial statement line items as detailed in the "Tailoring the scope" section below.
Key audit matters	• Inappropriate recognition of revenue around the year end date (including valuation of the commission refund liability); and • The recoverable amount of investments held by the parent company .
Materiality	• Overall Group materiality of £1.3m which represents 5% of profit before tax and certain non-recurring items.

Independent Auditor's Report continued

to the Members of LSL Property Services Plc

An overview of the scope of the parent company and group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the group's system of internal control at the entity level, the existence of centralised processes, and any relevant internal audit results.

We determined that centralised audit procedures would be performed on cash, goodwill, UK corporation tax and equity balances.

We then identified two components of the group as individually relevant due to materiality or financial size of the component relative to the Group. These components were the parent company and the Surveying & Valuation component.

We then identified nine additional components as individually relevant to the Group. These components were selected due to their level of contribution to certain accounts in the Group financial statements over which we have identified risks of material misstatement. These components were within the Estate Agency Franchise and the Financial Services segments.

For individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements. We selected one component of the group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 12 components selected, we designed and performed audit procedures on the entire financial information of eight components ("full scope components"). For three components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the remaining component, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction. The Group audit team, led by Mark Woodward, carried out procedures at six components including components within the Surveying & Valuation segment, Estate Agency Franchise segment and parent company. The component team carried out procedures over five components within the Financial Services segment.

The Group audit team continued to follow a programme of planned interactions that has been designed to ensure that the Senior Statutory Auditor meets with the component audit team regularly. These interactions involved meetings with local management and discussions with the component team on the audit approach and any issues arising from their work. The Group audit team interacted regularly with the component teams during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. Where relevant, the section on key audit matters details the level of involvement we had with component auditors to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact LSL Property Services plc. Given the business is in a non-carbon intensive industry, management does not consider there to be a material impact from climate change. The group has determined that the most significant future impacts from climate change on its operations will be from physical risks, such as severe weather events impacting office-based locations, as well as transition risks such as policy and regulation changes. However, with a predominantly leased property footprint, group management concludes there is little risk of significant business disruption and no significant financial impact from climate change in the medium term. These are explained on pages 49 to 59 in the required Task Force on Climate Related Financial Disclosures and on pages 35 to 38 in the principal risks and uncertainties. They have also explained their climate commitments on pages 49 to 59. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the group's business and any consequential material impact on its financial statements.

The group has explained in Note 2 to the group financial statements its articulation of how climate change has been reflected in the financial statements. The group did not identify any climate risk that would materially impact the carrying values of the group's assets or have any other material impact on other areas of the financial statements. The group has explained how the impact of climate change aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. These disclosures also explain where governmental and societal responses to climate change risks are still developing, and where the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted international accounting standards. There are no significant judgements or estimates relating to climate change in the notes to the financial statements due to the group's assessment that there is no significant financial impact from climate change on the group given the nature of its operations.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments. As part of this evaluation, and in conjunction with our Climate specialists, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

In the current year, we have added one key audit matter that was not reported as key audit matters in our 2023 report. This relates to the recoverable amount of investments held by the Parent Company (this key audit matter relates to the Parent Company only).

Independent Auditor's Report continued

to the Members of LSL Property Services Plc

<table>
<tr><th>Risk</th><th>Our response to the risk</th></tr>
<tr><td>
Inappropriate recognition of revenue around the year end (including valuation of the commission refund liabilities) (Group only)

Refer to the Audit & Risk Committee Report (page 77); Accounting policies (page 118); Note 3 (page 126) and note 23 (page 149) of the Consolidated Financial Statements.

The group has reported revenue from continuing operations of £173.2m (2023: £144.4m).

The group has recognised a commission refund liability of £3.4m (2023: £2.9m).

The risk was one of the most significant assessed risks of material misstatement due to the potential for bias or error in the timing of transactions.

There is also judgement in the value of commission income that will be clawed back.

We identified the following specific risks of fraud and error in respect of improper revenue recognition and management override given the nature of the group’s services:

• Inappropriate cut-off of revenue around the year end date; and
• Inappropriate measurement of the reduction to revenue recorded for expected clawback of commissions on lapsed insurance policies.
</td><td>
At each full and specific scope audit component with material revenue streams, we:

• Performed walkthroughs of each significant stream of revenue and confirmed the existence of key controls around the recognition of revenue and measurement of the commission refund liability;
• Performed cut-off testing for a period before and after the year end date. These procedures have been performed with reference to underlying contracts and evidence of management’s assessment of the point of revenue recognition. This included assessment of the appropriateness of the cut-off model applied by management in the Financial Services segment;
• Performed transactional testing through to underlying contracts and data analysis procedures to assess the recognition of revenue around the year end, as relevant to the respective component. Where items did not follow the expected transaction flow, we investigated outliers and corroborated to third party evidence where appropriate;
• Performed targeted journal entry testing with a focus on entries posted to revenue accounts.

For the commission refund liability, we:

• Considered the appropriateness of the model and its compliance with relevant accounting standards;
• Verified the appropriateness of the insurance policy lapse rate applied in the commission refund liability model, and where relevant, tested a sample of historical lapses to third-party evidence; and
• Tested the underlying calculations for arithmetical accuracy and consistency across the group.
</td></tr>
<tr><td colspan="2">
Key observations communicated to the Audit Committee

We have not identified any material misstatements in the revenue recognised in the year.
</td></tr>
<tr><td colspan="2">
We performed full scope audit procedures over this risk in ten components which covered 94% of Group revenue and 97% of the commission refund liability. The primary audit team issued Group audit instructions to the component teams which included specific substantive procedures to address the risk of material misstatement in relation to revenue recognition and the valuation of commission refund liabilities.

The primary audit team reviewed the component team’s key revenue, commission refund liability and journal entry audit workpapers which were executed in line with the Group audit instructions.
</td></tr>
</table>

Risk	Our response to the risk
The recoverable amount of investments held by the parent company (Parent only) *Refer to the Audit & Risk Committee Report (page 77); Accounting policies (page 118); and Note 3 of the Parent Company Financial Statements (page 167).* The carrying value of the parent company's investments in subsidiaries at 31 December 2024 is £122.4m (2023: £113.5m). We do not consider the recoverability of investments in subsidiaries to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to their materiality in the context of the parent company accounts, this is considered to be an area which had significant effect on our overall audit strategy and allocation of resources in planning and completing our audit of LSL Property Services plc. For certain investments, indicators of impairment exist. The indicators arise due to the performance of the underlying business, or their financial position, of the investee. Accounting standards require the recoverable amount to be determined at the higher of fair value less cost of disposal and value in use (VIU). The most significant judgements applied in determining the VIU of investments in which there are indicators of impairment is the projection of cashflows from the group's budgets, which is based on assumptions around future financial performance and is inherently uncertain. Significant assumptions in the forecast future financial performance include sales growth rates, operating margins and the discount rate applied to future cashflows.	In respect of each individually material investment with impairment indicators, we: • Performed walkthrough procedures in respect of management's process and understood the key inputs and significant assumptions in the assessment. Our walkthrough included the identification of key risk-responsive controls and evaluating their design effectiveness; • Assessed the appropriateness of the methodology used and tested the arithmetical accuracy of the assessment and tied back key inputs in the model to source data; • Independently assessed which investments exhibited indicators of impairment; • Compared the carrying amount of the investments with management's value in use calculation, being an estimate of the minimum recoverable amount; • Challenged and evaluated the appropriateness of the assumptions used in the forecasts and comparing the forecasts to other areas of our audit for consistency; • Considered the reasonableness of the forecasts by considering the historical accuracy of the previous forecasts as well as third-party industry forecasts; • Assessed the appropriateness of other inputs, such as discount rate, through engaging specialists to provide views on an appropriate discount rate range; and • Evaluated the appropriateness of the parent company's disclosures in respect of the investment in subsidiaries in the context of management's assessment.
Key observations communicated to the Audit & Risk Committee Whilst this is an area of estimation uncertainty, we have concluded that the carrying value of the parent company's investments in subsidiaries is reasonably stated and disclosed appropriately.	
The primary team performed audit procedures over 100% of the parent company's investments in subsidiaries balance.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £1.3 million (2023: £0.7 million), which is 5% of adjusted profit before tax from continuing activities (2023: 0.5% of group revenue from continuing activities). We have adjusted profit before tax to account for certain non-recurring items which include movements in the contingent consideration assets, financial services acquisition costs, financial services appointed representative costs and financial services post-acquisition support costs.

We believe that adjusted profit before tax from continuing activities provides us with the most relevant performance measure to the stakeholders of the group because it excludes the distorting effect of large, unusual adjustments. The increase in basis for materiality is driven by the improvement in the financial performance of the Group.

We determined materiality for the Parent Company to be £0.7 million (2023: £0.8 million), which is 1% (2023: 1%) of equity. For our testing of parent company balances that are consolidated in the group financial statements, an allocation of group performance materiality was used.

Independent Auditor's Report continued

to the Members of LSL Property Services Plc

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely £0.6m (2023: £0.3m). We have set performance materiality at this percentage to reflect our prior audit experience of the Group.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.1m to £0.5m (2023: £0.1m to £0.2m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.06m (2023: £0.03m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 103 and pages 172 to 175, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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 or the directors' 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 and the part of the Directors' Remuneration Report to be audited 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.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 101;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 39;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 101;
- Directors' statement on fair, balanced and understandable set out on page 103;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 103;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 80; and
- The section describing the work of the audit committee set out on page 79.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 103, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting frameworks (UK adopted international accounting standards, FRS 101, Companies Act, 2006 and the UK Corporate Governance Code, 2018) and the relevant tax compliance regulations.
- We understood how LSL Property Services plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit & Risk Committee, also, where necessary, reports provided to other Committees of the Board, and attendance at all meetings of the Audit & Risk Committee.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from various components of the group to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition detailed above and the testing of manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.

Independent Auditor's Report continued

to the Members of LSL Property Services Plc

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the group; enquiries of legal counsel, management and internal audit; and testing as described above. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards, UK legislation and the UK Corporate Governance Code 2018.
- The Group is authorised to provide certain financial services by the Financial Conduct Authority. As such, the Senior Statutory Auditor considered the experience and expertise of the Group audit engagement team and the component audit teams to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

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

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the company on 7 July 2004 to audit the financial statements for the year ending 31 December 2004 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 21 years, covering the years ending 31 December 2004 to 31 December 2024. LSL Property Services plc listed on the London Stock Exchange in 2006.
- The audit opinion is consistent with the additional report to the Audit & Risk Committee.

Use of our report

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

Mark Woodward (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

25 March 2025

Group Income Statement

for the year ended 31 December 2024

	Note	**2024 £'000**	2023 £'000
Continuing operations:			
Revenue	3	**173,175**	144,418
Operating expenses:			
Employee costs	15	**(105,200)**	(99,090)
Depreciation on property, plant and equipment and right-of-use assets	18	**(3,160)**	(3,362)
Other operating costs		**(37,609)**	(31,046)
Other gains/(losses)	3	**532**	(211)
Share of post-tax loss from joint venture	20	**(6)**	(390)
Share-based payments (charge)/credit	15	**(920)**	164
Amortisation of intangible assets	17	**(2,988)**	(2,258)
Exceptional gains	9	**1,745**	9,320
Exceptional costs	9	**(4,109)**	(13,767)
Contingent consideration payable	24	**426**	(31)
Group operating profit	4	**21,886**	3,747
Finance income	7	**2,868**	2,817
Finance cost	8	**(1,741)**	(1,701)
Net finance income		**1,127**	1,116
Profit before tax		**23,013**	4,863
Taxation (charge)/credit	16	**(5,247)**	3,170
Profit for the period from continuing operations		**17,766**	8,033
Discontinued operations:			
Loss for period from discontinued operations	6	**(377)**	(46,093)
Profit/(Loss) for the period		**17,389**	(38,060)
Attributable to:			
Owners of the parent		**17,363**	(38,001)
Non-controlling interest		**26**	(59)
		17,389	(38,060)
Earnings per share from continuing operations (expressed as pence per share):			
Basic	12	**17.3**	7.9
Diluted	12	**17.1**	7.8
Earnings/(Loss) per share from total operations (expressed in pence per share):			
Basic	12	**16.9**	(36.9)
Diluted	12	**16.8**	(36.6)

Group Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit/(Loss) for the year		**17,389**	(38,060)
Items that will not to be reclassified to profit and loss in subsequent periods:			
Revaluation of financial assets not recycled through the income statement		**–**	(116)
Tax on revaluation		**–**	(1)
Total other comprehensive loss for the year, net of tax		**–**	(117)
Total comprehensive profit/(loss) for the year, net of tax		**17,389**	(38,177)
Attributable to:			
Owners of the parent		**17,363**	(38,118)
Non-controlling interest		**26**	(59)

The notes on pages 118 to 162 form part of these Financial Statements.

Group Balance Sheet

as at 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Goodwill	17	**16,855**	16,855
Other intangible assets	17	**29,861**	21,461
Property, plant and equipment and right-of-use assets	18	**6,401**	6,917
Financial assets	19	**762**	5,407
Deferred tax asset	16	**–**	166
Investment in sublease	19	**447**	1,756
Investment in joint venture	20	**11,585**	9,359
Contract assets		**–**	329
Loans to franchisees and appointed representatives	19	**979**	1,655
Total non-current assets		**66,890**	63,905
Current assets			
Trade and other receivables	21	**24,811**	23,206
Financial assets	19	**5,772**	54
Loans to joint venture	19	**7,607**	–
Contract assets		**–**	40
Investment in sublease	19	**385**	1,582
Current tax assets	16	**846**	2,183
Loans to franchisees and appointed representatives	19	**867**	444
Cash and cash equivalents	22	**60,663**	58,110
Total current assets		**100,951**	85,619
Total assets		**167,841**	149,524
Current liabilities			
Financial liabilities	24	**(5,597)**	(3,320)
Trade and other payables	23	**(36,778)**	(30,485)
Provisions for liabilities	25	**(6,316)**	(5,903)
Bank overdrafts	22	**(28,264)**	(23,139)
Total current liabilities		**(76,955)**	(62,847)
Non-current liabilities			
Financial liabilities	24	**(3,491)**	(5,085)
Deferred tax liability	16	**(1,642)**	–
Provisions for liabilities	25	**(3,869)**	(5,647)
Total non-current liabilities		**(9,002)**	(10,732)
Total liabilities		**(85,957)**	(73,579)
Net assets		**81,884**	75,945
Equity			
Share capital	27	**210**	210
Share premium account	28	**5,629**	5,629
Share-based payment reserve	28	**2,634**	3,564
Shares held by employee benefit trust and share incentive plan	2,28	**(1,510)**	(2,871)
Treasury shares	28	**(4,831)**	(3,983)
Fair value reserve	28	**(385)**	(385)
Retained earnings		**80,417**	74,087
Total equity attributable to owners of the parent		**82,164**	76,251
Non-controlling interest		**(280)**	(306)
Total equity		**81,884**	75,945

The notes on pages 118 to 162 form part of these Financial Statements.

The Financial Statements were approved by and signed on behalf of the Board by:

David Stewart
Group Chief Executive Officer

25 March 2025

Adam Castleton
Group Chief Financial Officer and Chief Executive Officer Designate

25 March 2025

Group Statement of Cash Flows

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit before tax from continuing operations		**23,013**	4,863
Loss before tax from discontinued operations		**(518)**	(45,425)
Profit/(loss) before tax		**22,495**	(40,562)
Adjustments for:			
Exceptional costs	9	**4,187**	57,650
Exceptional gains	9	**(1,745)**	(9,320)
Contingent consideration payable	24	**(426)**	31
Depreciation of tangible assets	18	**3,160**	4,512
Amortisation of intangible assets	17	**2,988**	2,660
Share-based payments	15	**920**	(109)
Loss on disposal of property, plant and equipment and right-of-use assets		**(31)**	(2)
Loss from joint venture	20	**6**	390
Recognition of investments at fair value through the income statement	19	**(482)**	279
Decrease in contract assets		**369**	410
Finance income	7	**(2,868)**	(2,817)
Finance costs	8	**1,741**	1,811
Operating cash flows before movements in working capital		**30,314**	14,933
Movements in working capital			
(Increase)/decrease in trade and other receivables		**(1,356)**	909
Increase/(decrease) in trade and other payables		**5,552**	(13,130)
(Decrease)/increase in provisions		**(1,493)**	1,203
		2,703	(11,018)
Cash generated from operations		**33,017**	3,915
Interest paid (leases)	26	**(455)**	(580)
Interest received (leases)	26	**96**	140
Income taxes paid		**(1,799)**	–
Exceptional costs paid		**(3,066)**	(10,391)
Net cash generated/(expended) from operating activities		**27,793**	(6,916)
Cash flows used in investing activities			
Interest received	7	**1,752**	1,599
Disposal of businesses, net of cash disposed		**–**	26,538
Payment of contingent consideration	24	**(65)**	(2,280)
Receipt of contingent consideration		**155**	–
Investment in joint venture	20	**(2,232)**	(4,681)
Proceeds from sale of financial assets	19	**119**	206
Franchisees and appointed representatives loans granted	19	**(1,659)**	(2,914)
Franchisees and appointed representatives loan repayments	19	**1,702**	1,275
Receipt of lease income	26	**1,046**	1,134
Purchase of property, plant and equipment and intangible assets	17,18	**(3,031)**	(2,856)
Loans to joint venture	19	**(7,607)**	–
Purchase of relationship asset	17	**(5,695)**	–
Cash acquired on purchase of relationship asset		**503**	–
Net cash (expended)/generated on investing activities		**(15,012)**	18,021
Cash flows used in financing activities			
Repurchase of treasury shares		**(848)**	–
Proceeds from exercise of share options		**173**	–
Payment of lease liabilities	14	**(2,895)**	(4,529)
Dividends paid	13	**(11,783)**	(11,714)
Net cash expended in financing activities		**(15,353)**	(16,243)
Net decrease in cash and cash equivalents		**(2,572)**	(5,138)
Cash and cash equivalents at the beginning of the year	22	**34,971**	40,109
Cash and cash equivalents at the end of the year	22	**32,399**	34,971

The notes on pages 118 to 162 form part of these Financial Statements.

Group Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Shares held by EBT and SIP £'000	Treasury shares £'000	Fair value reserve £'000	Retained earnings £'000	Equity attributable to owners of the parent £'000	Non-controlling interest £'000	Total equity £'000
At 1 January 2024	**210**	**5,629**	**3,564**	**(2,871)**	**(3,983)**	**(385)**	**74,087**	**76,251**	**(306)**	**75,945**
Profit for the year	–	–	–	–	–	–	17,363	17,363	26	**17,389**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**17,363**	**17,363**	**26**	**17,389**
Shares repurchased into treasury	–	–	–	–	(848)	–	–	**(848)**	**–**	**(848)**
Exercise of options	–	–	(943)	1,361	–	–	(245)	**173**	**–**	**173**
Vested share options lapsed during the year	–	–	(995)	–	–	–	995	**–**	**–**	**–**
Dividend paid	–	–	–	–	–	–	(11,783)	**(11,783)**	–	**(11,783)**
Share-based payments	–	–	920	–	–	–	–	**920**	**–**	**920**
Tax on share-based payments	–	–	88	–	–	–	–	**88**	**–**	**88**
At 31 December 2024	**210**	**5,629**	**2,634**	**(1,510)**	**(4,831)**	**(385)**	**80,417**	**82,164**	**(280)**	**81,884**

During the period, 383,216 share options were exercised relating to LSL's various share option schemes resulting in the shares being sold by the Employee Benefit Trust. LSL received £0.2m on exercise of these options.

for the year ended 31 December 2023

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Shares held by EBT and SIP £'000	Treasury shares £'000	Fair value reserve £'000	Retained earnings £'000	Equity attributable to owners of the parent £'000	Non-controlling interest £'000	Total equity £'000
At 1 January 2023	**210**	**5,629**	**5,331**	**(5,457)**	**(3,983)**	**(20,239)**	**144,133**	**125,624**	**428**	**126,052**
Loss for the year	–	–	–	–	–	–	(38,001)	**(38,001)**	(59)	**(38,060)**
Revaluation of financial assets	–	–	–	–	–	(116)	–	**(116)**	**–**	**(116)**
Tax on revaluations	–	–	–	–	–	(1)	–	**(1)**	**–**	**(1)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(117)**	**(38,001)**	**(38,118)**	**(59)**	**(38,177)**
Acquisition of non-controlling interests	–	–	–	–	–	–	675	**675**	**(675)**	**–**
Exercise of options	–	–	(1,106)	2,586	–	–	(1,480)	**–**	**–**	**–**
Vested share options lapsed during the year	–	–	(445)	–	–	–	445	**–**	**–**	**–**
Dividend paid	–	–	–	–	–	–	(11,714)	**(11,714)**	–	**(11,714)**
Fair value reclassification following disposals	–	–	–	–	–	19,971	(19,971)	**–**	–	**–**
Share-based payments	–	–	(109)	–	–	–	–	**(109)**	**–**	**(109)**
Tax on share-based payments	–	–	(107)	–	–	–	–	**(107)**	**–**	**(107)**
At 31 December 2023	**210**	**5,629**	**3,564**	**(2,871)**	**(3,983)**	**(385)**	**74,087**	**76,251**	**(306)**	**75,945**

During the period, 567,665 share options were exercised relating to LSL's various share option schemes resulting in the shares being sold by the Employee Benefit Trust. LSL received £nil on exercise of these options.

Notes to the Group Financial Statements

for the year ended 31 December 2024

1. General information

The Group Financial Statements of LSL and its subsidiaries for the year ended 31 December 2024 were authorised for issue by the Board of Directors on 25 March 2025. LSL is a company which is listed on the London Stock Exchange, incorporated and domiciled in England and Wales and the Group operates Financial Services, Surveying & Valuation and Estate Agency Franchising businesses.

2. Accounting policies, judgements and estimates

2.1 Basis of preparation

The accounting policies which follow set out material information about the accounting policies which apply in preparing the Financial Statements for the year ended 31 December 2024. The policies have been applied consistently to all years presented. The Group's Financial Statements are presented in pound sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

These Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards. The Group Financial Statements have been prepared on a going concern basis under the historical cost convention and on a historical cost basis, except for certain debt and equity financial assets that have been measured at fair value.

In preparing the Financial Statements management has considered the impact of climate change, which is described in detail in our TCFD and CFD Statement. The Group has assessed climate-related risks, covering both physical risks and transition risks. In the short (0-3 years) to medium term (4-9 years). Climate-related matters have a relatively low impact on LSL's strategy and business model, and therefore there is a high degree of resilience. However, there are number of risks that may result in increased costs and have an impact on operations that, whilst unlikely to have a significant impact, are factored into our business and financial planning. Over the long term (beyond 10 years), there could be physical risks, such as severe weather, flooding events, increase in temperature and rising sea levels, as well as transition risks such as policy and regulation changes. The risk to the Group's own premises as a result of climate change is considered low, the majority of our property portfolio is leased, and we would not expect significant climate-related costs during the remainder of our current lease terms. The impact of climate change in the medium to long term is likely to be localised and have varying degrees of impact on the areas where we work and our revenue profile. This could have an impact on the carrying value of goodwill and investments.

2.2 Basis of consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 December 2024. The financial year represents the year from 1 January 2024 to 31 December 2024.

Subsidiaries

Subsidiaries are consolidated from the date that control commences until the date control ceases. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Interest in joint venture

The Group's share of the results of joint venture is included in the Group Income Statement using the equity method of accounting. Investment in joint ventures are carried in the Group Balance Sheet at cost plus post-acquisition changes in the Group's share of the net assets of the entity, less any impairment in value. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

The Financial Statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.3 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Financial and Divisional Reviews section (page 14) of the Strategic Report. The financial position of the Group, its cash flows, liquidity position and policy for treasury and risk management are described in the Financial Review section of the Strategic Report (page 14). Details of the Group's borrowing facilities are set out in note 31. The Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments, and its exposures to credit risk and liquidity risk are also set out in note 31. A description of the Group's principal risks and uncertainties and arrangements to manage these risks can be found in the Risk Management section of the Strategic Report on page 34.

The UK Corporate Governance Code requires the Board to assess and report on the prospects of the Group and whether the business is a going concern. In considering this requirement, the Directors have taken into account the Group's forecast cash flows, liquidity, borrowing facilities and related covenant requirements and the expected operational activities of the Group.

The Group expects to continue to meet its day-to-day working capital requirements through cashflows generated by its trading activities and available cash resources (31 December 2024: £32.4m). The Group's banking facility, a £60.0m committed revolving credit facility has a maturity date of January 2030. The Group has not currently utilised the facility leaving £60.0m of available undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The facility agreement contains financial covenants, including minimum net debt to EBITDA ratio, which mean that, under downside scenarios, the full facility would not be available in the going concern period. In January 2025, LSL amended and restated the previous RCF facility that had a maturity date of May 2026. The renewed facility now matures in January 2030 with the same limit of £60.0m on materially the same basis, including covenants.

The Directors have continued to run a variety of scenario models throughout the year to help the ongoing assessment of risks and opportunities covering the period to 30 June 2026 ("the going concern period"). In the scenarios, the Directors considered both current trading and external industry data. In developing a base case forecast the Directors have assumed inflation and interest rates of 2.4% and 4.25%, respectively, by the end of 2025 and 2.0% and 3.5%, respectively, for 2026.

The Directors have performed a reverse stress test to determine the events and circumstances which would need to arise in order to threaten the Group's ability to continue as a going concern. Such scenarios would require a significant reduction in market transaction volumes below the low point experienced during the Global Financial Crisis and in turn reduce Group revenue by c.25% compared to current performance. Under such a scenario, all available cash balances would be utilised and the facility would be unavailable due to financial covenants. If severe downside scenarios arose, there are cost mitigations that could be applied, as well as cash conservation action such as pausing dividend payments and planned investments. The Directors have concluded that the likelihood of such a severe scenario arising is remote and have concluded that there are no plausible threats to the Group's ability to continue through the going concern period. Therefore, the financial information has been prepared under the going concern basis of preparation.

In reaching its conclusion on the going concern assessment, the Board considered the findings of the work performed to support the Group's long-term viability statement. As noted in the Viability Statement, on page 39, this included assessing forecasts of severe but plausible downside scenarios related to our principal risks, notably the extent to which a severe downturn in the UK lending and housing markets, close to levels seen during the financial crisis in 2008, would affect the Group's base forecasts.

Having due regard to the scenarios above and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to remain in operation to 30 June 2026. The Board have therefore continued to adopt the going concern basis in preparing this Report.

2.4 Revenue recognition

Revenue is recognised under IFRS 15. The standard is based on a single model that distinguishes between promises to a customer that are satisfied at a point in time and those that are satisfied over time. Revenue is recognised when performance obligations are fulfilled.

Financial Services Division

Revenue is earned on mortgage procuration fees and insurance commissions from brokering of protection and general insurance policies. Revenue from mortgage procuration fees is recognised by reference to the completion date of the mortgage/remortgage on the housing transaction and revenue from insurance commissions is recognised by reference to the date that the policy goes on risk. The commission refund liability associated with insurance commissions is recognised as a reduction in revenue which is calculated with reference to historical refunds which have occurred, commission refund liabilities are recorded within trade and other payables.

The Group acts as both a principal and agent depending on its arrangements with the lenders and broker firms. In scenarios where the Group determines that it has control of the service before it is provided to a client, the Group recognises revenue as the gross amount of consideration expected to be received following satisfaction of the performance obligation. In scenarios where the Group concludes that it does not control the service before it is provided to a client, the Group recognises revenue on a net basis, being gross consideration less any fee or commission due to a counterparty.

Estate Agency Franchising Division

In 2023, the Group transitioned to a fully franchised business model for its principal estate agent businesses and the revenue from the formerly owned operations has been presented as discontinued, see note 2.7 for further details. The accounting policies for both franchise and residential services which includes lettings, new build residential sales and conveyancing services, are set out below.

Franchise services:

Revenue represents the value of commissions, charges for services and fixed fees due to the Group under franchise agreements. The Group earns a percentage of all sales and lettings income generated by the franchisees. Revenue in respect of commissions due on house sales is recognised at the point of the relevant property sale where the contracts are exchanged, in which the franchisee acts as estate agent. Revenue in respect of commissions due on lettings, property management and ancillary products is recognised at the point at which the underlying performance obligation has been delivered by the franchisee. Revenue for services provided by the Group to franchisees is recognised at a point in time when the service has been performed, reflecting the completion of the Group's performance obligation. The franchise agreements include fixed fees which are charged per branch on a monthly basis for the term of the franchise agreement and are recognised over time.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

Residential services:

New build residential sales:

Revenue earned by the Group's new build residential sales business is recognised by reference to the legal exchange date of the housing transaction.

Conveyancing services:

Where the Group provides conveyancing packaging services, the revenue is recognised by reference to the legal exchange date of the housing transaction.

Surveying & Valuation Division

Surveying & Valuation:

Revenue from the supply of surveying and valuation services is recognised upon the completion of the professional survey or valuation by the surveyor, and therefore at a point in time.

Asset management:

Revenue earned from the repossessions asset management business is recognised by reference to the legal exchange date of the housing transaction.

Interest income from client monies balances

Revenue is recognised at a point in time as interest accrues (using the effective interest method – that is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

2.5 Segment reporting

An operating segment is a distinguishable segment of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are reviewed regularly by the Board. The Board reviews the Group's operations and financial position as Financial Services, Surveying & Valuation and Estate Agency Franchising, and therefore considers that it has three operating segments. During 2023, the Group made the strategic decision to convert the entire owned estate agency branch network into franchises, in doing so the Estate Agency Franchising operating segment became mainly a provider of franchise services.

Within the Estate Agency Franchising operating segment, the only remaining owned operations relate to the Group's new build residential sales and conveyancing packaging businesses which are LSL Land & New Homes Ltd and Homefast Property Services Limited, representing less than 10% of the Group's total revenue.

The Group's asset management business was transferred from Estate Agency Franchising to Surveying & Valuation following changes in management responsibilities from 1 January 2024. Management deemed the Group's asset management operations, including the class of customer for its services, are more closely aligned to the Surveying & Valuation Division after the Estate Agency Division's transformation into a franchise model. Internally, the Chief Operating Decision Maker ("CODM") has began monitoring the performance of the asset management businesses as part of the Surveying & Valuation segment from 1 January 2024. As a result, the Group's operating segment disclosure in note 4 for the year ended 31 December 2023 has been restated to reflect this change.

The information presented to the Directors directly reflects the Group Underlying Operating Profit as defined in the alternate performance measures (APM) in note 5 to these Financial Statements and they review the performance of the Group by reference to the results of the operating segments against budget.

2.6 Alternative Performance Measures (APMs)

In reporting financial information, the Group presents a number of APMs that are designed to assist with the understanding of underlying Group performance. The Group believes that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business. APMs are also used to help enhance comparability of information between reporting periods. The Group does not consider APMs to be a substitute for or superior to IFRS measures and the Group's APMs are defined, explained and reconciled to the nearest statutory measure in notes 5, 12 and 34.

2.7 Discontinued operations

The Group has classified its previously owned network of estate agency branches as a discontinued operation for the reporting periods ending 31 December 2023 and 31 December 2024. The Group operated a network of both owned and franchised branches prior to disposing of its entire owned network in 2023. The owned network was determined to be a separate major line of business because it made up the majority of the branch network. Its revenue, costs and risk profile was significantly different to that of franchise and its cash flows could be clearly distinguished.

Discontinued operations are presented in the Group Income Statement as a single line, which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell on disposal of the assets or disposal groups constituting discontinued operations.

2.8 Exceptional items

Exceptional items are those which are material by size and are both non-recurring and unusual in nature. These items are presented within their relevant income statement category but highlighted separately on the face of the income statement. Items that management considers fall into this category are also disclosed within the notes to the Financial Statements. See notes 6 and 9.

Due to the nature and expected infrequency of these items, separate presentation helps provide a better indication of the Group's underlying business performance. This allows shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance.

2.9 Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to the situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects either accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting period and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to offset current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment. Income tax is charged or credited directly to other comprehensive income (OCI) or equity, if it relates to items that are charged or credited in the current or prior periods to OCI or equity respectively. Otherwise, income tax is recognised in the income statement.

2.10 Share-based payment transactions

The equity share option programme allows Group employees to acquire LSL shares. The fair value of the options granted is recognised as an employee expense with a corresponding increase in equity in the case of equity-settled schemes. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of employee share option plans, which are all equity-settled, is calculated at the grant date using the Black Scholes model. The resulting cost is charged to the Group Income Statement over the vesting period. The value of the charge is adjusted to reflect expected and actual levels of vesting.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-market vested condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Further details are given in note 12.

2.11 Business combinations and goodwill

The Group accounts for business combinations using the acquisition method of accounting when control is transferred to the Group. On acquisition, the assets, liabilities, and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the net assets acquired is recognised as goodwill.

Deferred and contingent consideration payable, resulting from business combinations is valued at fair value at the acquisition date, and is subsequently reassessed at each reporting date. The determination of the fair value for deferred and contingent consideration payable is based on discounted cash flows and is included within financial liabilities on the balance sheet.

After the initial recognition, goodwill is measured at cost less accumulated impairment losses, for the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (CGU) that are expected to benefit from the combination. Where goodwill has been allocated to a CGU and part of the operations within that unit are disposed of, the goodwill associated with the disposed operation is included in the carrying amount when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

2.12 Intangible assets

Intangible assets such as brand names, franchise agreements, customer relationships, appointed representative relationships, and in-house software are measured at cost less accumulated amortisation and impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the profit or loss in the period in which the expenditure is incurred.

Intangible assets acquired in a business combination are deemed to have a cost to the Group of the asset's fair value at the acquisition date. The fair value of an intangible asset reflects market expectations about the profitability that the future economic benefits embodied in the asset will flow up to the Group.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

The useful lives of intangible assets are assessed as either finite or indefinite.

Brand names are not amortised as the Directors are of the opinion that they each have an indefinite useful life based on the expectation that there is no foreseeable limit to the period over which each of the assets are expected to generate net cash inflows to the businesses. The Directors are confident that trademark registration renewals will be filed at the appropriate time and sufficient investment will be made in terms of marketing and communication to maintain the value inherent in the brands, without incurring significant cost. All brands recognised have been in existence for a number of years and are not considered to be at risk of obsolescence from technical, technological nor commercial change. Whilst operating in competitive markets they have demonstrated that they can continue to operate in the face of such competition and that there is expected to remain an underlying market demand for the services offered. The lives of these brands are not dependent on the useful lives of other assets of the entity.

Franchise agreements entered into by the Group (as franchisor) as part of contractual arrangements concerning the disposal of previously owned branches are recognised as intangible assets. Franchise intangible assets are initially recognised at fair value and subsequently amortised on a straight-line basis over their useful economic lives, being the term of the agreement. The franchise intangible assets are being written off over a remaining life of 15 years as based on the agreements, this is the most likely minimum term. The life of the relationship is assessed annually.

All other intangible assets are amortised on a straight-line basis over their useful economic lives of two years for customer contacts, twelve years for appointed representative relationships and between three and five years for in-house software.

2.13 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment is depreciated on a straight-line basis to its residual value over its anticipated useful economic life:

Office equipment, fixtures and fittings	– over three to seven years
Computer equipment	– over three to four years
Motor vehicles	– over three to four years
Leasehold improvements	– over the shorter of the lease term or ten years
Freehold and long leasehold property	– over fifty years or the lease term whichever is shorter

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. These assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets not at fair value through the income statement, directly attributable transaction costs. Financial assets are derecognised when the Group no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired. The subsequent measurement of financial assets depends on their classification.

The Group's accounting policy for each category of financial instruments is as follows:

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS 9 Financial Instruments and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Group income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets designated at fair value through the income statement

Gains and losses arising from the changes in the fair value of equity investments are recorded in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and on demand deposits and fixed-term deposits with original maturities of three months or less with the Group's relationship banks. Bank overdrafts which are repayable on demand are included in cash and cash equivalents only when there is a legal right to offset and an intention to settle net, otherwise these amounts are classified separately as liabilities on the balance sheet. For the purposes of the statement of cash flow, bank overdrafts are a component of cash and cash equivalents as they are repayable on demand and form an integral part of the Group's cash management.

Trade receivables

Trade receivables do not carry any interest and are stated at their original invoiced value as reduced by appropriate allowances for estimated irrecoverable amounts. The expected credit loss model under IFRS 9 is applied to trade and other receivables. The chosen method of recognising the expected credit loss across the Group is the simplified approach allowing a provision matrix to be used, which is based on the expected life of trade receivables and historic default rates, default being defined as when impaired debts are assessed as uncollectable. The carrying amount of the receivables is reduced through use of an allowance account and impaired debts are derecognised when they are assessed as uncollectable.

Trade payables

Trade payables are stated on the balance sheet at their original invoice value.

2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). An assets or CGU's recoverable amount is the higher of its fair value less costs to sell (FVLCTS) and value-in-use (VIU). Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing an asset's VIU, 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. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and brand, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount.

2.16 Loans to franchisees and appointed representatives

The Group issues loans to its franchisees and appointed representatives, the Group's objective is to hold these loans to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their issue and are subsequently carried at amortised cost, less provision for impairment.

Loans to appointed representatives are made in the normal course of business and on standard terms, the duration is typically three years and the loans are offered on an interest-free basis. The Group calculates the difference between the par value and fair value on recognition using a market rate of interest and charges this amount to finance costs in the Group Income Statement, the residual loan amount is recorded as a financial asset at amortised cost.

Impairment provisions against loans to franchisees and appointed representatives are recognised based on an expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of these financial assets and is calculated by considering the cash shortfalls that would be incurred and probability of these cash shortfalls using the Group's model. Where a significant increase in credit risk is identified, lifetime expected credit losses are recognised; alternatively, if there has not been a significant increase in credit risk, a 12-month expected credit loss is recognised. Such provisions are recorded in a separate allowance account with the loss being recognised within operating expenses in the Group Income Statement. On confirmation that a loan will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2.17 Loans to joint venture

The Group issued loan notes to its joint venture in 2024. The Group's objective is to hold these loans to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their issue and are subsequently carried at amortised cost, less provision for impairment. The loan notes are redeemable in June 2025.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

2.18 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.19 Leases

Leases are defined as a contract which gives the right to use an asset for a period of time in exchange for consideration. As a lessee, the Group recognises three classes of leases on this basis:

- Property leases
- Motor vehicle leases
- Other leases

Property leases and motor vehicle leases have been recognised on the Group Balance Sheet, in financial liabilities, by recognising the future cash flows of the lease obligation, discounted using the incremental borrowing rate of the Group, adjusted for factors such as swap rates available and the credit risk of the entity entering into the lease.

Corresponding right-of-use assets have been recognised on the Group Balance Sheet under property, plant and equipment and have been measured as being equal to the discounted lease liability plus any lease payments made at or before the inception of the lease and initial direct costs, less any lease incentives received. Cash flows from these leases have been recognised by including the principal portion of the lease payments in cash flows from financing activities and the interest portion of the lease payment recognised through operating activities.

Other leases are leases for low value items or leases whose contract term is less than 12 months. The practical expedient not to recognise right-of-use assets and lease liabilities for these leases has been utilised by the Group. A charge for these leases has been recognised through the income statement as an operating expense. The cash flows relating to low value and short-term leases have been recognised in net cash flows from operating activities. No leases where the Group is a lessee, or a lessor contain variable lease payments.

In scenarios where the Group is an intermediate lessor, the sublease is classified as a finance lease if substantially all of the risk and rewards incidental to the ownership of the leased asset have transferred to the sublessee, otherwise the sublease is classified as an operating lease. The Group accounts for finance subleases by derecognising the existing right-of-use asset at the effective date of the sublease and recognising a receivable for the Group's net investment in the sublease, with any resultant gain/(loss) recognised in the income statement. The net investment in the leases equals remaining fixed payments, discounted at the interest rate implicit in the lease. After initial recognition, the Group recognises finance income over the remaining lease using the amortised cost method. The net investment in sublease is subsequently reviewed for impairment under IFRS 9 (further details are given in note 26 to these Financial Statements).

Rental income including the effect of lease incentives from sublet properties and vehicles are recognised over time on a straight-line basis, throughout the lease term for operating leases or by recognising in the balance sheet a lease receivable equal to the investment in the lease for finance leases. Subleases are assessed as finance leases or operating leases in reference to the right-of-use asset the lease generates.

2.20 Shares held by employee benefit trust (EBT) and share incentive plan (SIP)

The Group has an employee share scheme (ESOT) for the granting of LSL shares to Executive Directors and selected senior employees; and an employee share incentive plan. Shares in LSL held by the ESOT and the trusts are treated as treasury shares and presented in the balance sheet as a deduction from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. The finance costs and administration costs relating to the ESOT and the trusts are charged to the income statement. Dividends earned on shares held in the ESOT and the trusts have been waived. The ESOT and trust shares are ignored for the purposes of calculating the Group's earnings per share (EPS).

2.21 Treasury shares

Where the Group repurchases shares from existing shareholders, they are held as treasury shares and are presented as a deduction from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Treasury shares are ignored for the purposes of calculating the Group's EPS and adjusted EPS.

2.22 Dividends

Equity dividends are recognised when they become legally payable. In the case of interim dividends to shareholders, this is when paid. In the case of final dividends, this is when approved by shareholders at each AGM.

2.23 Pensions

The Group operates a defined contribution pension scheme for employees of all Group companies. The assets of the scheme are invested and managed independently of the finances of the Group. The pension cost charge represents contributions payable in the year.

2.24 Critical accounting judgements and estimates

The preparation of the Group's Financial Statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the year. These estimates and judgements are based on Management's best knowledge of the amount, event or actions and actual results ultimately may differ from those estimates. Group Management believe that the estimates and assumptions listed below have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities.

Carrying value of goodwill and intangible assets (estimate)

The Group carries out impairment reviews of intangible assets when there is an indication that the carrying value may not be recoverable and tests the carrying value of goodwill and indefinite life intangibles at least annually, each of the Group's three segments hold goodwill or indefinite life intangible assets and therefore an annual impairment review is required.

The Group's goodwill of £16.9m includes Surveying & Valuation (£9.6m), Estate Agency Franchising (£0.3m) and Financial Services (£7.0m). At 31 December 2024, the Group held £29.9m of intangible assets on the balance sheet (2023: £21.4m), of which £6.9m are indefinite life intangible assets relating to brand (2023: £6.9m), the remaining balance of £23.0m is split between relationship asset £8.5m (2023: £nil), franchise intangibles £10.9m (2023: £11.7m) and software £3.6m (2023: £2.8m).

In 2023, the Estate Agency segment disposed of £38.1m of goodwill associated with the owned network, and a franchise asset of £11.7m was recognised in the new franchise operation (Estate Agency Franchising), the value of brand was transferred from Estate Agency to Estate Agency Franchising. Surveying & Valuation and Financial Services have always previously had high levels of headroom and have therefore typically not been sensitive.

The impairment tests are carried out by CGU and reflect the latest Group budgets and forecasts approved by the Board. The budgets and forecasts are based on various assumptions relating to the Group's business including assumptions relating to market outlook, observable trends, and profitability. A pre-tax discount rate has been used to discount the CGU cash flows:

- Financial Services Division – 16.3%
- Surveying & Valuation Division – 17.3%
- Estate Agency Franchising Division – 15.9%

A terminal value is also applied using a long-term growth rate of 2.0%. A sensitivity analysis has been performed allowing for possible changes to the assumptions in the impairment model, see note 17 for details.

Commission refund liability (estimate)

Certain subsidiaries sell life assurance products which are cancellable without a notice period, and if cancelled within a set period require that a portion of the commission earned must be repaid. This also includes commission refund liabilities for sales by leaver firms which would ordinarily have been recoverable from them when they had previously been part of the Network. The commission refund liability is recognised as a reduction in revenue which is calculated with reference to historic refunds which have occurred. Details of the assumptions applied to commission refund liability and the impact of changes in average lapse rates are shown in note 23.

Professional Indemnity (PI) claims (estimate)

A provision is made for PI claims and potential claims that arise during the normal course of business in the Financial Services Division and in relation to valuations performed by the Surveying & Valuation Division. This includes an estimate for the settlement of claims already received as well as claims incurred but not yet reported (IBNR). Details of the assumptions applied to PI claims areas are disclosed in note 25 to these Financial Statements. A sensitivity analysis which illustrates the impact of different assumptions on the required PI costs provision is also included in note 25.

2.25 New standards and interpretations not applied

IFRS 18 "'Presentation and Disclosure in Financial Statements" was issued by the International Accounting Standards Board (IASB) on 09 April 2024. Subjected to UK endorsement, the new standard is effective for the Group's accounting periods beginning on or after 1 January 2027.

New requirements under IFRS 18 are expected to have an impact on the Group Financial Statements, key changes include:

- Mandatory subtotals and categories of income and expense in the income statement, as well as new requirements for the disclosure of operating expenses.
- Disclosures about management-defined performance measures in the financial statements.
- Enhanced requirements for the aggregation and location of information presented in the primary financial statements and disclosed in the notes as well as guidance on providing informative labels.

Management are continuing to assess the impact of the accounting changes that will arise under IFRS 18.

There have been no other new relevant standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2024. Amendments to existing standards do not have a material impact on the Financial Statements.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

3. Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Year ended 31 December 2024

	Financial Services £'000	Surveying & Valuation £'000	Residential sales exchange £'000	Lettings £'000	Estate Agency Franchising income £,000	Asset management £'000	Other £'000	Total £'000
Timing of revenue recognition								
Services transferred at a point in time	48,395	92,547	4,027	367	20,081	5,275	997	171,689
Services transferred over time	–	–	–	–	1,486	–	–	1,486
Total revenue from contracts with customers	**48,395**	**92,547**	**4,027**	**367**	**21,567**	**5,275**	**997**	**173,175**

During the year 19% (2023: 14%) of the Group's revenue was generated from a single large customer within the Surveying & Valuation Division. The revenue recorded within continuing operations in relation to this customer during the year was £33.1m (2023: £19.9m).

Year ended 31 December 2023

	Financial Services £'000	Surveying & Valuation £'000	Residential sales exchange £'000	Lettings £'000	Estate Agency Franchising income £,000	Asset management £'000	Other £'000	Total £'000
Timing of revenue recognition								
Services transferred at a point in time	51,692	67,834	4,115	950	13,529	3,907	1,156	143,183
Services transferred over time	–	–	–	170	952	113	–	1,235
Total revenue from contracts with customers	**51,692**	**67,834**	**4,115**	**1,120**	**14,481**	**4,020**	**1,156**	**144,418**

	2024 £'000	2023 £'000
Revenue from services	**173,175**	144,418
Operating revenue	**173,175**	144,418
Gain/(loss) on fair value (Note 19)	**482**	(279)
Other gains	**50**	68
Other operating income/(loss)	**532**	(211)
Total revenue and operating income	**173,707**	144,207

4. Segment analysis

For the year ended 31 December 2024 LSL has reported three operating segments: Financial Services, Surveying & Valuation, and Estate Agency Franchising.

The Estate Agency segment previously included the Group's owned network, pre-existing franchise network, residential sales exchange, conveyancing services, lettings and asset management businesses. The Estate Agency segment was replaced by Estate Agency Franchising on 4 May 2023 which includes the Group's franchise operations, residential sales exchange, and conveyancing services.

From 1 January 2024, the Group's asset management business was transferred from Estate Agency Franchising to Surveying & Valuation following changes in management responsibilities, see note 2.5 for further detail.

Operating segments

The Chief Operating Decision Maker ("CODM") monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table on the next page, is measured differently from operating profit or loss in the Group Financial Statements. Registered office costs, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Reportable segments

The following table presents revenue and profit information regarding the Group's reportable segments for the financial year ended 31 December 2024 and financial year ended 31 December 2023 respectively.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

Year ended 31 December 2024

	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central[1] £'000	Total £'000
Income statement information					
Revenue from external customers	**48,395**	**97,822**	**26,958**	**–**	**173,175**
Segmental result:					
– Group Underlying Operating profit/(loss)	8,653	22,501	7,626	(11,048)	**27,732**
– Operating profit/(loss)	**4,670**	**22,083**	**6,468**	**(11,335)**	**21,886**
Finance income					**2,868**
Finance costs					**(1,741)**
Profit before tax					**23,013**
Loss before tax from discontinued operations					**(518)**
Profit before tax					**22,495**
Taxation					**(5,106)**
Profit for the year					**17,389**
Balance sheet information					
Segment assets – intangible	17,521	12,771	16,424	–	**46,716**
Segment assets – other	33,977	15,486	4,699	66,963	**121,125**
Total segment assets	51,498	28,257	21,123	66,963	**167,841**
Total segment liabilities	(23,697)	(18,450)	(12,749)	(31,061)	**(85,957)**
Net assets	27,801	9,807	8,374	35,902	**81,884**
Other segment items					
Capital expenditure including intangible assets	1,259	1,439	333	–	**3,031**
Depreciation	(540)	(1,925)	(695)	–	**(3,160)**
Amortisation of intangible assets	(1,806)	(230)	(916)	(36)	**(2,988)**
Exceptional gains	1,705	40	–	–	**1,745**
Exceptional costs	(4,109)	–	–	–	**(4,109)**
Share of results in joint venture	(6)	–	–	–	**(6)**
PI Costs provision	(440)	(1,899)	–	–	**(2,339)**
Dilapidation provision	–	–	(5,110)	–	**(5,110)**
Restructuring provision	–	–	(918)	–	**(918)**
Appointed representative provision	(1,247)	–	–	–	**(1,247)**
Other provision	–	–	–	(571)	**(571)**
Share-based payment	(199)	(228)	(242)	(251)	**(920)**
Employee Costs	(25,919)	(59,346)	(10,479)	(9,456)	**(105,200)**

1 Formerly named "Unallocated"

Central net assets comprise intangible assets and plant and equipment £0.7m, other assets £5.6m, cash £60.7m, accruals and other payables £1.2m, deferred tax liabilities £1.6m, overdraft of £28.3m. Central result comprises costs relating to the Parent Company.

Year ended 31 December 2023 (restated)

	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central[1] £'000	Total £'000
Income statement information					
Gross income from external customers from continuing operations	53,284	71,854	20,872	–	**146,010**
Introducer's fee	(1,592)	–	–	–	**(1,592)**
Revenue from continuing operations	**51,692**	**71,854**	**20,872**	**–**	**144,418**
Revenue from external customers from discontinued operations	–	–	30,750	–	**30,750**
Introducer's fee	–	–	1,592	–	**1,592**
Total revenue from continuing and discontinued operations	**51,692**	**71,854**	**53,214**	**–**	**176,760**
Segmental result:					
– Group Underlying Operating profit/(loss) from continuing operations	7,022	6,730	4,305	(7,738)	**10,319**
– Operating profit/(loss)	**5,049**	**3,396**	**2,968**	**(7,666)**	**3,747**
Finance income					**2,817**
Finance costs					**(1,701)**
Profit before tax					**4,863**
Loss before tax from discontinued operations					**(45,425)**
Loss before tax					**(40,562)**
Taxation					**2,502**
Loss for the year					**(38,060)**
Balance sheet information					
Segment assets – intangible	8,893	11,962	17,425	36	**38,316**
Segment assets – other	23,439	14,175	10,418	63,176	**111,208**
Total segment assets	32,332	26,137	27,843	63,212	**149,524**
Total segment liabilities	(14,476)	(15,383)	(17,855)	(25,865)	**(73,579)**
Net assets	**17,856**	**10,754**	**9,988**	**37,347**	**75,945**
Other segment items					
Capital expenditure including intangible assets	(2,065)	(623)	(168)	–	**(2,856)**
Depreciation	(590)	(1,796)	(976)	–	**(3,362)**
Amortisation of intangible assets	(1,733)	(46)	(443)	(36)	**(2,258)**
Exceptional gains	8,981	339	–	–	**9,320**
Exceptional costs	(9,275)	(3,661)	(831)	–	**(13,767)**
Share of results in joint venture	(390)	–	–	–	**(390)**
PI Costs provision	(905)	(2,313)	–	–	**(3,218)**
Dilapidation provision	–	–	(5,691)	–	**(5,691)**
Restructuring provision	–	–	(2,069)	–	**(2,069)**
Other provision	–	–	(571)	–	**(571)**
Onerous leases provision	–	–	(1)	–	**(1)**
Share-based payment	54	(37)	8	139	**164**
Employee Costs	(28,132)	(51,910)	(9,971)	(9,077)	**(99,090)**

1 Formerly named "Unallocated"

Central net assets comprise intangible assets and plant and equipment £1.0m, other assets £4.2m, cash £58.0m, accruals and other payables £2.8m, overdraft of £23.1m. Central result comprises costs relating to the Parent Company.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

5. Group and Divisional Underlying Operating Profit

Group and Divisional Underlying Operating Profit are alternative performance measures (APMs) used by the Directors and Group Management to monitor performance of operating segments against budget. It is calculated as profit/(loss) before tax adjusted for the items set out below. The Group's APMs are defined, explained, and reconciled to their closest statutory measures in note 34.

Year ended 31 December 2024

	Financial Services £'000	Surveying & Valuation £'000	Estate Agency £'000	Central[1] £'000	IFRS reported total from continued operations £'000
Profit/(loss) before tax	6,759	22,805	5,990	(12,541)	23,013
Net finance (cost)/income	(2,089)	(722)	478	1,206	**(1,127)**
Operating profit/(loss) per income statement	**4,670**	**22,083**	**6,468**	**(11,335)**	**21,886**
Operating margin	9.6%	22.6%	24.0%	–	**12.6%**
Adjustments:					
Share-based payments	199	228	242	251	**920**
Amortisation of intangible assets	1,806	230	916	36	**2,988**
Exceptional gains	(1,705)	(40)	–	–	**(1,745)**
Exceptional costs	4,109	–	–	–	**4,109**
Contingent consideration	(426)	–	–	–	**(426)**
Underlying operating profit/(loss)	**8,653**	**22,501**	**7,626**	**(11,048)**	**27,732**
Underlying operating margin	**17.9%**	**23.0%**	**28.3%**	**–**	**16.0%**

1 Formerly named "Unallocated"

Year ended 31 December 2023 (restated)

	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central[1] £'000	IFRS reported total from continuing operations £'000	Discontinued operations £'000	Total including discontinued operations £'000
Profit/(loss) before tax	5,848	3,960	3,733	(8,678)	4,863	(45,425)	(40,562)
Net finance income/(cost)	(799)	(564)	(765)	1,012	**(1,116)**	110	**(1,006)**
Operating (loss)/profit per income statement	**5,049**	**3,396**	**2,968**	**(7,666)**	**3,747**	**(45,315)**	**(41,568)**
Operating margin	**9.8%**	**4.7%**	**14.2%**	**–**	**2.6%**	**(140.1%)**	**(23.5%)**
Adjustments:							
Share-based payments	(54)	(34)	63	(139)	**(164)**	55	**(109)**
Amortisation of intangible assets	1,733	46	443	36	**2,258**	402	**2,660**
Exceptional gains	(8,981)	(339)	–	–	**(9,320)**	–	**(9,320)**
Exceptional costs	9,275	3,661	831	–	**13,767**	43,883	**57,650**
Contingent consideration payable	–	–	–	31	**31**	–	**31**
Underlying operating profit/(loss)	**7,022**	**6,730**	**4,305**	**(7,738)**	**10,319**	**(975)**	**9,344**
Underlying operating margin	**13.6%**	**9.4%**	**20.6%**	**–**	**7.1%**	**(3.0%)**	**5.3%**

1 Formerly named "Unallocated"

6. Discontinued operations

In 2023, the Group franchised its entire owned Estate Agency Network of 183 branches, with the operations of the previously owned network disposed to a combination of new and existing franchisees between 3 May and 31 May 2023. The operations of the branches were sold to the franchisees through either asset or share sales. The operations of the owned branch network were classified as a discontinued operation and presented as such in the Group Financial Statements for the year ended 31 December 2024 and 31 December 2023.

During 2024 the Group recognised post tax loss from discontinued operations of £0.4m (2023: loss of £46.1m) due to follow on administrative costs from the restructuring, and increase in dilapidation and restructuring provisions recognised as part of the original asset and share sales, as per note 25.

Financial performance and cash flow information

	2024 £'000	2023 £'000
Revenue	**–**	32,342
Operating Expenses:		
Employee and subcontractor costs	**–**	(20,660)
Depreciation on property, plant and equipment	**–**	(1,150)
Other operating costs	**(440)**	(11,509)
Gain on sale of property, plant and equipment	**–**	2
Share-based payments	**–**	(55)
Amortisation of intangible assets	**–**	(402)
Exceptional gains	–	–
Exceptional costs	**(78)**	(9,049)
Group operating loss	**(518)**	(10,481)
Finance costs	**–**	(110)
Net finance costs	**–**	(110)
Loss before tax	**(518)**	(10,591)
Taxation credit/(charge)	**141**	(668)
Loss for the year	**(377)**	(11,259)
Loss on sale of discontinued operation	**–**	(34,834)
Loss after tax for the period from discontinued operation	**(377)**	(46,093)

The net cash flows incurred by discontinued operations are, as follows:

	2024 £'000	2023 £'000
Operating	**(1,622)**	(3,524)
Investing	**–**	(671)
Financing	**–**	(935)
Net cash outflow	**(1,622)**	(5,130)

Exceptional costs

	2024 £'000	**2023 £'000**
Estate Agency restructuring costs	**–**	(9,049)
Increase in dilapidation and restructuring provisions	**(78)**	–
	(78)	(9,049)

Increase in dilapidation and restructuring provisions

During the year, the Group recognised exceptional costs from discontinued operations of £0.1m (2023: £9.0m exceptional cost) due to increases in dilapidation and restructuring provisions recognised as part of the original asset and share sales, as per note 25 of the Group Financial Statements.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

7. Finance income

	2024 £'000	2023 £'000
Finance income on subleased assets	**96**	140
Unwinding of discount on contingent consideration receivable	**738**	986
Interest from loans to franchisees and appointed representatives	**225**	148
Bank interest	**1,752**	1,536
Other interest receivable	**57**	7
	2,868	2,817

8. Finance costs

	2024 £'000	2023 £'000
Commitment and non-utilisation fees on RCF	**632**	728
Unwinding of discount on lease liabilities	**455**	499
Unwinding of discount on contingent consideration payable	**132**	3
Unwinding of discount on dilapidations provision	**192**	119
Finance cost on loans to franchisees and appointed representatives	**321**	332
Other interest payable	**9**	20
	1,741	1,701

9. Exceptional items

Exceptional items are those which are material by size and are both non-recurring and unusual in nature, see note 2.8 for the Group's accounting policy for exceptional items.

	2024 £'000	2023 £'000
Exceptional costs:		
Financial Services appointed representative costs	**1,880**	–
Financial Services post-acquisition support costs	**543**	–
Reduction in contingent consideration receivable	**1,542**	4,093
Financial Services acquisition costs	**144**	2,164
Surveying & Valuation restructuring costs	**–**	3,661
Loss on sale of disposal groups	**–**	1,697
Intangible assets write down	**–**	2,152
	4,109	13,767
Exceptional gains:		
Surveying & Valuation restructuring gains	**40**	–
Increase in contingent consideration receivable	**1,705**	–
Gain on sale of disposal groups	**–**	8,981
Exceptional gain in relation to historic PI costs	**–**	339
	1,745	9,320

Exceptional costs

Financial Services appointed representative costs

During the year, the Group's PRIMIS Network served notice to one of its protection only appointed representative (AR) firms, made up of two trading entities. The Group is responsible for the future reimbursements of commissions received from product providers in the event that policies are cancelled during an indemnity period, which is a maximum of 4 years. The Group has agreements in place with its AR firms and certain advisers to recover their contractual liability in respect of these amounts.

Given the trading position of these AR firm following the notice, the PRIMIS Board has determined that not all future commission reimbursements are likely to be recovered. Consequently, a specific provision of £1.2m has been recognised in the Group's balance sheet to reflect this potential exposure. The Group's exposure will reduce significantly over time as active policies move beyond the indemnity period and due to the substantial decline in trading activity during the final months of the AR firms' operations. The remaining exceptional costs in this category relates to bad debt write off and consultancy costs.

Financial Services post-acquisition support costs

On 2 February 2024, the Group acquired the entire issued share capital of TenetLime Limited ("TenetLime"), a subsidiary of Tenet Group Limited ("Tenet Group"). As part of the purchase agreement, Tenet Group agreed to provide a number of services to LSL after the transaction. Subsequent to the purchase, LSL was notified that Tenet Group Limited entered administration on 5 June 2024, see note 24 for further detail. Additional costs to the Group as a consequence of the administration of £0.5m are recognised as exceptional costs.

Reduction in contingent consideration receivable

The reduction in contingent consideration receivable relates to contingent consideration assets recognised on the disposal of Group First and EFS. The charge included in exceptionals is the result of a downward revision of future forecasts at the reporting date in comparison to original recognition. The Group has included movements in the deferred consideration for these disposals in exceptional items, because the original gain/loss on disposal was taken to exceptional items. The Group recognises finance income on the unwinding of the receivables in finance income in the income statement.

Financial Services acquisition costs

Financial Services restructuring costs relate to corporate activity, including costs related to the acquisition of TenetLime Limited of £0.1m (refer to note 24).

Exceptional gains

Increase in contingent consideration receivable

The increase in contingent consideration receivable relates to contingent consideration assets recognised on the disposal of RSC. The gain included in exceptionals is the result of a upward revision of future forecasts at the reporting date in comparison to original recognition. The Group has included movements in the deferred consideration for these disposals in exceptional items, because the original gain/loss on disposal was taken to exceptional items. The Group recognises finance income on the unwinding of the receivables in finance income in the income statement.

10. Profit before tax

Profit before tax is stated after charging:

	2024 £'000	2023 £'000
Auditor's remuneration (Note 11)	**1,525**	1,533
Short-term leases	**1,796**	1,960
Low value leases	**196**	334
Depreciation – owned assets	**1,179**	1,482
Depreciation – right-of-use assets	**1,981**	1,880

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

11. Auditor's remuneration

The remuneration of the auditors is further analysed as follows:

	2024 £'000	2023 £'000
Audit of the Financial Statements	**584**	490
Audit of subsidiaries	**701**	588
Total audit	**1,285**	1,078
Audit-related assurance services (including interim results review)	**240**	455
	1,525	1,533

12. Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As the Group reported a profit from continuing operations in 2024 (2023: profit from continuing operations), the effect of dilutive share options has been included in the calculation of diluted earnings per share for continuing operations, discontinued operations and the overall result:

Total EPS:

	2024			2023		
	Profit after tax £'000	Weighted average number of shares	Per share amount pence	Loss after tax £'000	Weighted average number of shares	Per share amount pence
Basic EPS	**17,363**	**102,645,789**	**16.9**	(38,001)	103,066,026	(36.9)
Effect of dilutive share options	–	**957,578**	–	–	817,786	–
Diluted EPS	**17,363**	**103,603,367**	**16.8**	(38,001)	103,883,812	(36.6)

EPS from continuing operations:

	2024			2023		
	Profit after tax £'000	Weighted average number of shares	Per share amount pence	Profit after tax £'000	Weighted average number of shares	Per share amount pence
Basic EPS	**17,740**	**102,645,789**	**17.3**	8,092	103,066,026	7.9
Effect of dilutive share options	–	**957,578**	–	–	817,786	–
Diluted EPS	**17,740**	**103,603,367**	**17.1**	8,092	103,883,812	7.8

EPS from discontinued operations:

	2024			2023		
	Loss after tax £'000	Weighted average number of shares	Per share amount pence	Loss after tax £'000	Weighted average number of shares	Per share amount pence
Basic EPS	**(377)**	**102,645,789**	**(0.4)**	(46,093)	103,066,026	(44.7)
Effect of dilutive share options	–	**957,578**	–	–	817,786	–
Diluted EPS	**(377)**	**103,603,367**	**(0.4)**	(46,093)	103,883,812	(44.4)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these Financial Statements.

Adjusted basic and diluted EPS

The Directors (who were members of the Board at 31 December 2024) consider that the adjusted earnings shown below give a consistent indication of the Group's underlying performance:

	2024 £'000	2023 £'000
Group Underlying Operating Profit (See note 5 for the reconciliation from Group Operating Profit)	**27,732**	9,344
(Profit)/loss attributable to non-controlling interest	**(26)**	59
Finance income (excluding exceptional and contingent consideration items, fair value adjustment to loans receivables and discounting on lease liabilities)	**1,169**	795
Normalised taxation (tax rate 25.0%, 2023:23.5%)[1]	**(7,219)**	(2,396)
Adjusted profit after tax attributable to owners of the parent	**21,656**	7,802

1 The headline UK rate of corporation tax for the period is 25.0% (2023: 23.5%).

Adjusted basic and diluted EPS

	2024			2023		
	Profit after tax £'000	Weighted average number of shares	Per share amount pence	Profit after tax £'000	Weighted average number of shares	per share amount pence
Adjusted basic EPS	**21,656**	**102,645,789**	**21.1**	7,802	103,066,026	7.6
Effect of dilutive share options	–	**957,578**	–	–	817,786	–
Adjusted diluted EPS	**21,656**	**103,603,367**	**20.9**	7,802	103,883,812	7.5

This represents adjusted profit after tax attributable to equity holders of the parent. Tax has been adjusted to exclude the prior year tax adjustments, and the tax impact of exceptional items, amortisation, and share-based payments. The effective tax rate used is 25.0% (31 December 2023: 23.5%).

13. Dividends paid and proposed

	2024 £'000	2023 £'000
Declared and paid during the year:		
2024 Interim: 4.0 pence per share (2023 Interim: 4.0 pence)	**4,069**	4,098
Dividends on shares proposed (not recognised as a liability as at 31 December):		
Equity dividends on shares:		
Final Dividend: 7.4 pence per share (2023: 7.4 pence)	**7,596**	7,714

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

14. Cash flow from financing activities

Set out below are the movements in the Group's lease liabilities and long-term debt during the year.

	At 1 January 2024 £'000	Cash flow £'000	Additions £'000	Disposals £'000	At 31 December 2024 £'000
Lease liabilities	**8,340**	(2,895)	1,855	(1,518)	**5,782**
	8,340	(2,895)	1,855	(1,518)	**5,782**

	At 1 January 2023 £'000	Cash flow £'000	Additions £'000	Disposals £'000	At 31 December 2023 £'000
Lease liabilities	10,915	(4,529)	4,350	(2,396)	8,340
	10,915	(4,529)	4,350	(2,396)	8,340

	2024 £'000	2023 £'000
Non-current liabilities	**3,491**	5,085
Current liabilities	**2,291**	3,255
	5,782	8,340

Lease liability movements comprise new leases entered into during the year, cancellation of leases and movements between current and non-current liabilities, this also includes interest paid during the year of £0.5m (2023: £0.6m). The Group holds no other long-term debt at 31 December 2024.

15. Directors and employees

Remuneration of Directors

	2024 £'000	2023 £'000
Directors' remuneration (short-term benefits)[1]	1,504	1,367
Contributions to money purchase pensions schemes (post-employment benefits)	1	2
Aggregate gains on exercise of share based payment awards	155	479
	1,660	1,848

[1]Directors' remuneration (short term benefits) excludes the value of share awards (including the value of matching shares, dividend shares and free share awards) that vested in the year amounting to £nil (2023: £0.2m). Included within this amount are accrued bonuses of £0.6m (2023: £nil).

The number of Directors who were members of Group money purchase pension schemes during the year totalled 2 (2023: 2).

Remuneration of Key Management Personnel

	2024 £'000	2023 £'000
Key management personnel remuneration (short-term benefits)[1]	**3,618**	2,641
Contributions to money purchase pensions schemes (post-employment benefits)	**57**	63
Termination benefits	**178**	142
Share-based payments charge on current incentive schemes	**59**	377
	3,912	3,223

1 Included within this amount are accrued bonuses of £1.4m (2023:£0.1m).

Remuneration of Key Management Personnel represents the charge to the income statement in respect of the remuneration of the Group Board and Group Executive Committee members.

Employee numbers and costs

The Group employs staff in divisional offices and head office. Aggregate payroll costs of these employees, including Directors were:

	2024 £'000	2023 £'000
Wages and salaries	**87,914**	83,401
Social security costs	**12,437**	10,862
Pension costs	**4,406**	4,536
Subcontractor costs	**443**	291
Total employee costs	**105,200**	99,090
Share-based payment charge/(credit) (see below)	**920**	(164)

The average monthly FTE staff numbers (including Directors) during the year were:

	2024	2023
Financial Services	**413**	490
Surveying & Valuation	**900**	879
Estate Agency Franchising	**307**	1,006
	1,620	2,375

Share-based payments

The Group operates the following equity-settled share-based remuneration schemes:

Long-term incentive plan (LTIP)

The Group operates a LTIP (an equity-settled share-based remuneration scheme) for certain employees. Under the LTIP, the options vest if the individual remains an employee of the Group after a three-year period, unless the individual has left under certain 'good leaver' terms in which case the options may vest earlier and providing the performance conditions are met.

Vesting conditions:

For all LTIP options granted between 2021 and 2024, 50% of the options vest based on the total shareholder return (TSR) of LSL as compared to a comparator group of FTSE Small Cap, excluding investment trusts, over the three-year performance period (for LTIP 2024 this is 1 January 2024 to 31 December 2026):

- if the Group is in the top 25% percentile, all of these options will vest;
- if the Group is at the median, 25% will vest;
- straight-line vesting between median and top 25% percentile; and
- below the median, no options vest.

The remaining 50% of the options are based on LSL's Adjusted Basic EPS performance in the financial year which they become exercisable:

		LTIP 2024 EPS (pence)	LTIP 2023 EPS (pence)	LTIP 2022 EPS (pence)	LTIP 2021 EPS (pence)
100% vest	(more than or equal to)	**32.5**	24.0	52.8	31.5
25% vest	(equal to)	**26.5**	16.0	46.9	25.6
Straight-line vesting	(between)	**26.5-32.5**	16.0 – 24.0	46.9 – 52.8	25.6 – 31.5
No options vest	(less than)	**26.5**	16.0	46.9	25.6

Company stock option plan (CSOP)

The Group operates a CSOP (an equity-settled share-based remuneration scheme) for certain employees. Under the CSOP the options vest if the individual remains an employee of the Group after a three-year period, unless the individual has left under certain 'good leaver' terms in which case the options may vest earlier.

Notes to the Group Financial Statements continued

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SAYE (save-as-you-earn) scheme

The Group has offered options under the SAYE scheme in each of 2011 to 2014, 2016 to 2019, 2021, 2023 and 2024 years. All these offers were open to all qualifying employees and provide for an exercise price equal to the daily average market price on the date of grant. The options will vest if the employee remains in service for the full duration of the option scheme (three years). There are no cash settlement alternatives.

All employee share award

The Group launched its second free share award under its SIP Plan in 2022. The award was £500 worth of shares per full-time employee and a pro-rated award for all part-time employees. This award offer was made to LSL employees who had joined the Group on or before 28 February 2022 and remain employed and not serving notice at the date the shares are awarded in April 2022. The awards will normally become available for employees once they have been held in the SIP for three years or more.

The Group's first free share scheme awarded £500 worth of shares per full-time employee and a pro-rated award for all part-time employees who had joined the Group on or before 31 March 2020 and were still employed and not serving notice at the time the grant was made on 1 October 2020. The awards will normally become available for employees once they have been held in the SIP plan for three years or more.

Movements during the year

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

	2024		2023	
	Weighted average exercise price	**Number**	Weighted average exercise price	Number
Outstanding at 1 January	**0.87**	**4,065,279**	0.71	4,808,256
Granted during the year	**0.77**	**1,283,552**	0.98	1,639,999
Exercised during the year[1]	**0.37**	**(383,216)**	0.00	(567,665)
Lapsed during the year	**1.04**	**(961,847)**	0.81	(1,815,311)
Outstanding at 31 December	**0.85**	**4,003,768**	0.87	4,065,279

1 The weighted average share price at the date of exercise of these options was £2.73 in 2024 (2023: £2.35)

- There were no cancellations or modifications to the awards in 2024 or 2023.
- The weighted average remaining contractual life for the share options outstanding as at 31 December 2024 was 0.74 years (2023: 1.46 years).
- The weighted average fair value of options granted during the year was £2.39 (2023: £1.76).
- The range of exercise prices for options outstanding at the end of the year was £nil to £3.64 (2023: £nil to £3.64).
- 492,891 share options were exercisable as at 31 December 2024.

The following tables list the inputs to the models used for the new plans for the years ended 31 December 2024 and 2023, respectively:

	LTIP 2024	**SAYE 2024**	LTIP 2023	SAYE 2023
Option pricing model used	**Black Scholes**	**Black Scholes**	Black Scholes	Black Scholes
Weighted average share price at grant date (£)	**2.98**	**2.82**	2.44	2.50
Exercise price (£)	**–**	**2.46**	–	1.99
Expected life of options (years)	**3**	**3**	3	3
Expected volatility (%)	**100**	**100**	100	100
Expected dividend yield (%)	**3.69**	**1.06**	3.96	6.03
Risk free interest rate (%)	**4.54**	**4.36**	3.99	3.83

The volatility assumption, measured at the standard deviation of expected share price returns, is based on statistical analysis of historical share price. The dividend yield assumption is based on the fact that the shares awarded are not eligible to receive dividends until the end of the vesting period.

The total cost recognised for equity-settled transactions is as follows:

	2024 £'000	2023 £'000
Share-based payment charge/(credit) during the year	**920**	(164)

A charge of £0.9m (2023: credit of £0.2m) relates to employees of the Company.

16. Taxation

(a) Taxation charge

The major components of income tax charge in the Group Income Statement are:

	2024 £'000	2023 £'000
UK corporation tax – current year	**3,417**	–
– adjustment in respect of prior years	**(208)**	153
	3,209	153
Deferred tax:		
Origination and reversal of temporary differences	**2,446**	246
Rate differential	**–**	16
Adjustment in respect of prior year	**(549)**	(416)
Deferred tax balances written back on disposal of subsidiaries	**–**	(2,501)
Total deferred tax charge/(credit)	**1,897**	(2,655)
Total tax charge/(credit) in the income statement	**5,106**	(2,502)

Continuing and discontinued operations:

	2024 £'000	2023 £'000
Total tax charge/(credit) from continuing operations	**5,247**	(3,170)
Total tax (credit)/charge from discontinued operations	**(141)**	668
	5,106	(2,502)

Corporation tax is recognised at the headline UK corporation tax rate of 25.0% (2023: 23.5%).

The opening and closing deferred tax balances in the Financial Statements were measured at 25%. This is in accordance with rates included in the Finance Act 2021 which was enacted on 10 June 2021 and came into effect from 1 April 2023.

The effective rate of tax for the year was 22.7% (2023: 6.2%). The effective tax rate for 2024 is lower than the headline UK tax rate of 25.0% largely as a result of the calculated adjustments arising in respect of prior periods.

Income tax credited directly to the share-based payment reserve is £0.1m (2023: debit of £0.1m).

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for the year ended 31 December 2024

(b) Factors affecting tax charge for the year

The tax assessed in the profit and loss account is lower than (2023: higher than) the standard UK corporation tax (CT) rate, because of the following factors:

	2024 £'000	2023 £'000
Profit before tax from continuing operations	**23,013**	4,863
Loss before tax from discontinued operations	**(518)**	(45,425)
Profit/(loss) before tax	**22,495**	(40,562)
Tax calculated at UK standard CT rate of 25% (2023: 23.5%)	**5,624**	(9,532)
Non-deductible expenditure from joint venture	**1**	91
Other disallowable expenses	**592**	9,934
Net non-taxable gains on disposal of investments	**–**	(834)
Impact of movement in contingent consideration credited to the income statement	**119**	817
Share-based payment relief	**(60)**	(229)
Movement in deferred tax previously not recognised on tax losses	**(413)**	(1)
Impact of rate change on deferred tax	**–**	16
Prior period adjustments – current tax	**(208)**	153
Prior period adjustment – deferred tax	**(549)**	(416)
Deferred tax balances written back on disposal of subsidiary undertakings	**–**	(2,501)
Total taxation charge/(credit)	**5,106**	(2,502)
Total tax charge/(credit) from continuing operations	**5,247**	(3,170)
Total tax (credit)/charge from discontinued operations	**(141)**	668
Total taxation charge/(credit)	**5,106**	(2,502)

Other disallowable expenses of £0.6m (2023: £9.9m) includes the tax impact of exceptional costs of £0.1m (2023: £9.7m), which are not taxable/deductible for tax purposes. This item also includes other permanent items which are not eligible for tax relief.

There is a credit to the income statement of £0.2m in relation to a corporation tax prior year adjustment. This balance refines the estimate previously reported and its main contributing component is the submission of an overpayment relief claim upon finalising the restatements reflected in two Group subsidiaries' standalone statutory accounts.

There is a credit to the income statement in relation to a deferred tax prior year adjustment of £0.5m. This predominately relates to the refinement of the qualifying tax base of the Group's intangible fixed assets and losses available to carry forward in the Group.

(c) Factors that may affect future tax charges (unrecognised)

	2024 £'000	2023 £'000
Unrecognised deferred tax asset relating to:		
Losses	**2,108**	3,020
	2,108	3,020

No deferred tax asset is recognised in respect of trading losses of £6.7m (2023: £9.5m). The losses may be recoverable in the future, and this is dependent on subsidiary companies generating taxable profits sufficient to allow the utilisation of these amounts. These deferred tax assets cannot be offset against profits elsewhere in the Group as they relate to losses brought forward which can only be offset against taxable profits arising from the same trade in which the losses arose. There is no time limit for utilisation of these tax losses.

No deferred tax asset is recognised in respect of capital losses of £1.8m (2023: £2.6m) as there are no capital profits forecast against which these losses can be utilised. There is no time limit for utilisation of these tax losses.

(d) Deferred tax

An analysis of the balance sheet movements in deferred tax is as follows:

	2024 £'000	2023 £'000
Net deferred tax liability at 1 January	**(166)**	2,392
Research and development tax credits	**–**	(14)
Deferred tax liability recognised directly in other comprehensive income	**(88)**	108
Deferred tax charge/(credit) in income statement for the year from continuing operations	**1,896**	(5,898)
Deferred tax charge in income statement for the year from discontinued operations	**–**	3,246
Net deferred tax liability/(asset) at 31 December	**1,642**	(166)

Net deferred tax (asset)/liability analysed as:

	2024 £'000	2023 £'000
Accelerated capital allowances	**(1,433)**	(1,583)
Deferred tax liability on separately identifiable intangible assets on business combinations	**4,410**	5,200
Deferred tax on financial assets	**184**	93
Deferred tax on share options	**(616)**	(487)
Other short-term temporary differences	**(221)**	(166)
Total losses recognised	**(682)**	(3,223)
	1,642	(166)

At 31 December 2024, the Group has unused trading tax losses of £2.7m available for offset against future profits. See note 16c for commentary on those balances for which no deferred tax asset is recognised.

At the end of either year there was no unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's subsidiaries.

Deferred tax (charge)/credit in income statement relates to the following:

	2024 £'000	2023 £'000
Intangible assets recognised on business combinations	**790**	(2)
Accelerated capital allowance	**(149)**	267
Deferred tax on share options	**40**	(119)
Other temporary differences	**(30)**	(213)
Trading losses recognised	**(2,548)**	2,722
Total deferred tax (charged)/credited in income statement	**(1,897)**	2,655

	2024 £'000	2023 £'000
Deferred tax (charge)/credit in income statement for the year from continuing operations	**(1,897)**	5,901
Deferred tax charge in income statement for the year from discontinued operations	**–**	(3,246)
Total deferred tax (charged)/credited in income statement	**(1,897)**	2,655

Notes to the Group Financial Statements continued

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17. Intangible assets

Goodwill and brand

	Goodwill £'000	Brand £'000	Total £'000
Cost			
At 31 December 2022	54,997	6,911	**61,908**
Disposed	(38,142)	–	**(38,142)**
At 31 December 2023	16,855	6,911	**23,766**
At 31 December 2024	**16,855**	**6,911**	**23,766**
Net book value			
At 31 December 2024	**16,855**	**6,911**	**23,766**
At 31 December 2023	16,855	6,911	23,766

Following the reorganisation of internal reporting structure, including the implementation of a new governance framework within the Financial Services Division, entities within the PRIMIS Network: First Complete Limited, Advance Mortgage Funding Limited, Personal Touch Financial Services Limited, and TenetLime Limited; have been aggregated into a single cash-generating unit (CGU) from 2024. This aligns with how Management monitors the Financial Services Network's performance and reflects the Group's internal resource allocation.

The carrying amount of goodwill and brand by CGU is summarised below:

	Goodwill 2024 £'000	**Brand 2024 £'000**	Goodwill 2023 £'000	Brand 2023 £'000
CGUs				
PRIMIS Network	**6,950**	**180**	6,950	180
Financial Services segment total	**6,950**	**180**	6,950	180
e.surv	**9,569**	**1,305**	9,569	1,305
Templeton LPA	**336**	**–**	336	–
Surveying & Valuation segment total	**9,905**	**1,305**	9,905	1,305
Your Move and Reeds Rains	**–**	**3,751**	–	3,751
LSLi	**–**	**1,675**	–	1,675
Estate Agency Franchising segment total	**–**	**5,426**	–	5,426
Total	**16,855**	**6,911**	16,855	6,911

Impairment of goodwill and other intangibles with indefinite useful lives

The Group tests goodwill and the indefinite life intangible assets annually for impairment, or more frequently if there are indicators of impairment. Goodwill and brands acquired through business combinations have been allocated for impairment testing purposes to statutory companies or groups of statutory companies which are managed as individual CGUs as disclosed in the table above.

Recoverable amount of CGUs

The recoverable amounts of the Financial Services, Surveying & Valuation and Estate Agency Franchising companies have been determined based on a value-in-use (VIU) calculation using cash flow projections based on financial budgets and forecasts approved by the Board and in the three-year plan.

The calculation of value-in-use for each of the Financial Services, Surveying & Valuation and Estate Agency companies is most sensitive to the following assumptions:

- Discount rates
- Performance in the market

Discount rates

The pre-tax discount rate applied to cash flow projections used in the VIU models is as follows:

	2024	2023
Financial Services	**16.3%**	15.6%
Surveying & Valuation	**17.3%**	15.6%
Estate Agency Franchising	**15.9%**	15.7%

Cash flows beyond the three-year plan are extrapolated using a 2.0% growth rate (2023: 2.0%).

Performance in the market

Reflects how management believes the CGU will perform over the three-year period and is used to calculate the value-in-use of the CGUs.

CGU specific operating assumptions are applicable to the forecasted cash flows for the years 2025 to 2027 and relate to revenue forecasts and underlying profit margins in each of the operating CGUs. The value ascribed to each assumption will vary between CGUs as the forecasts are built up from the underlying business units within each CGU group. These assumptions are based upon a combination of past experience of observable trends and expectations of future changes in the market.

Sensitivity to changes in assumptions

Sensitivity analysis has been performed to assess whether changes to key assumptions would lead to impairments across the Group. Management deemed that there are no reasonably possible changes in key assumptions that would cause any of the Group's CGUs carrying amounts to exceed its recoverable amounts.

Other intangible assets

	Customer contracts £'000	Lettings contracts £'000	Franchise agreements £'000	Software £'000	Relationship Asset £'000	Total £'000
Cost						
At 1 January 2023	625	21,770	2,059	21,200	–	**45,654**
Additions	–	–	10,707	2,137	–	**12,844**
Disposals	–	(21,770)	–	–	–	**(21,770)**
Impairment	–	–	–	(3,940)	–	**(3,940)**
At 31 December 2023	**625**	**–**	**12,766**	**19,397**	**–**	**32,788**
Additions	–	–	–	2,093	9,295	**11,388**
At 31 December 2024	**625**	**–**	**12,766**	**21,490**	**9,295**	**44,176**
Amortisation and impairment						
At 1 January 2023	599	20,200	526	16,542	–	**37,867**
Amortisation	26	291	494	1,849	–	**2,660**
Disposals	–	(20,491)	–	(10)	–	**(20,501)**
Impairment	–	–	–	(1,788)	–	**(1,788)**
At 31 December 2023	**625**	**–**	**1,020**	**16,593**	**–**	**18,238**
Amortisation	–	–	879	1,335	774	**2,988**
At 31 December 2024	**625**	**–**	**1,899**	**17,928**	**774**	**21,226**
Net book value						
At 31 December 2024	**–**	**–**	**10,867**	**3,562**	**8,521**	**22,950**
At 31 December 2023	–	–	11,746	2,804	–	14,550

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Relationship Asset

On 2 February 2024, the Group acquired the entire issued share capital of TenetLime Limited (TenetLime), a subsidiary of Tenet Group Limited (Tenet Group).

The Group's purchase of TenetLime expanded its existing Financial Services Network by increasing the number of appointed representatives (ARs) using LSL's PRIMIS Network. The Group acquired contracts with 153 AR firms through the acquisition of TenetLime and immediately transferred those firms onto the PRIMIS Network.

Management performed a concentration test (IFRS 3) to determine whether substantially all the fair value of the gross assets acquired was concentrated in a single identifiable asset. The test indicated that substantially all the value acquired was attributable to TenetLime's contractual relationships with the AR firms. Based on the assessment performed, management concluded that the Group did not acquire a business as part of the transaction and therefore the acquisition is not a business combination.

However, the Group did acquire an intangible asset, being the acquired contracts with each of the respective AR firms which have been assigned a value based on the transaction price excluding the cash acquired. The cost paid for the relationship intangible asset represents initial consideration of £5.7m and contingent consideration of £3.6m.

The contingent consideration is calculated by reference to each AR firm's turnover in 2022 and AR firm retention at 2 February 2025. The Group has assumed an AR firm attrition rate of 7.6% which has been calculated using actual attrition rates experienced in the PRIMIS Network over a five-year period. The contingent consideration has been discounted at a rate of 4.3%, in line with the Group's cost of debt. The AR relationship asset has a useful life of 12 years, which is also based on PRIMIS Network attrition and amortisation of £0.8m has been recognised in the year.

18. Property, plant and equipment and right-of-use assets

	Land and buildings £'000	Leasehold improvements £'000	Motor vehicles £'000	Fixtures, fittings and computer equipment £'000	**Total £'000**
Cost					
At 1 January 2023	21,914	1,446	7,444	15,920	**46,724**
Additions	1,614	100	2,710	620	**5,044**
Disposals	(4,861)	(580)	(2,190)	(5,758)	**(13,389)**
Transfer to investment in sublease	(9,649)	–	(738)	–	**(10,387)**
At 31 December 2023	9,018	966	7,226	10,782	**27,992**
Additions	424	–	1,431	939	**2,794**
Disposals	(5,935)	–	(2,445)	(271)	**(8,651)**
At 31 December 2024	**3,507**	**966**	**6,212**	**11,450**	**22,135**
Depreciation and impairment					
At 1 January 2023	14,857	1,094	4,473	10,730	**31,154**
Charge for the year	1,356	57	1,425	1,674	**4,512**
Disposals	(3,021)	(185)	(1,728)	(3,576)	**(8,510)**
Transfer to investment in sublease	(5,858)	–	(223)	–	**(6,081)**
At 31 December 2023	7,334	966	3,947	8,828	**21,075**
Charge for the year	539	–	1,442	1,179	**3,160**
Disposals	(5,902)	–	(2,378)	(221)	**(8,501)**
At 31 December 2024	**1,971**	**966**	**3,011**	**9,786**	**15,734**
Net book value					
At 31 December 2024	**1,536**	**–**	**3,201**	**1,664**	**6,401**
At 31 December 2023	1,684	–	3,279	1,954	6,917
Property, plant and equipment	–	–	–	1,664	1,664
Right-of-use assets	1,536	–	3,201	–	4,737

19. Financial assets

	2024 £'000	2023 £'000
(a) Financial assets at fair value through other comprehensive income (FVOCI)		
Unquoted shares at fair value	**–**	–
(b) Financial assets at fair value through income statement (FVPL)		
Unquoted shares at fair value (Openwork units and Twenty7Tec)	**762**	399
Contingent consideration receivable	**5,772**	5,062
(c) Financial assets at amortised cost		
Investment in sublease	**832**	3,338
Loan to joint venture	**7,607**	–
Loans to franchisees and appointed representatives	**1,846**	2,099
	16,819	10,898
Non-current assets	**2,188**	8,818
Current assets	**14,631**	2,080
	16,819	10,898

(a) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) include unlisted equity instruments which are carried at fair value and measured using level 3 valuation techniques. During 2023, the Group revalued its investment in Global Property Ventures to £nil and there has been no further change. The Group also holds an equity instrument in NBC Property Master Limited which is carried at £nil value.

(b) Financial assets at fair value through income statement

Financial assets through profit or loss (FVPL) include unquoted units in Twenty7Tec Group Limited and Openwork Partnership LLP, and contingent consideration receivable which are carried at fair value and measured using level 2 valuation technique. During the period, the following gains/(losses) were recognised in the income statement:

	2024 £'000	2023 £'000
Fair value gains/(losses) on equity investments at FVPL recognised in other operating costs	**482**	(279)
Fair value gains/(losses) on contingent consideration recognised as exceptional	**163**	(4,093)
Finance income recognised on contingent consideration receivable	**738**	986

Openwork Units

During the period the fair value of units held in The Openwork Partnership LLP was unchanged (31 December 2023: £0.4m). Our valuation is based on the actual strike price in the most trading window, adjusted for volume of units traded during the window.

Twenty7Tec

The Group holds an equity instrument in Twenty7Tec Group Limited which was historically valued at £nil. In 2024 the value of the Group's shareholding was increased to £0.4m, this is based on a recent external valuation of the business and is therefore indicative of a fair value.

Contingent Consideration Receivable

Contingent consideration of £5.7m relates to EFS, Group First and RSC which were sold in H1 2023. The consideration receivable will be 7x the combined EBITDA in calendar year 2024 subject to final working capital adjustments, and is due in H1 2025. The fair value of the contingent consideration receivable as at 31 December 2024 has been calculated for each of the three disposals noted above based on the actual performance in calendar year 2024, adjusted for working capital using information that was available to the Group at the balance sheet date. The consideration receivable in H1 2025 is subject to final working capital adjustments under the share purchase agreement which may result in a change to the final consideration received in H1 2025.

The remaining £0.1m of contingent consideration relates to amounts due from disposed lettings books, amounts are receivable in November 2025.

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(c) Financial assets measured at amortised cost

Financial assets measured at amortised cost include investment in subleases and loans to franchisees and appointed representatives.

Investment in subleases

The Group recognises an investment in sublease in scenarios where it is an intermediate lessor, and the sublease is classified as finance lease. On recognition, the investment in sublease is valued as the remaining fixed payments due from the sublessor, discounted at the discount rate implicit in the headlease. The Group recognises finance income over the remaining life of the leases. An expected credit loss has been provided against the investment in sublease of £0.1m (2023: £0.1m), applying a 12-month expected credit loss model.

Loans to franchisees and appointed representatives

The loans to franchisees and appointed representatives balance includes loans to franchisees in the Estate Agency Franchising segment and loans to appointed representatives in Financial Services.

The franchisee loans reflect drawdowns on agreed facilities which have availability over a range of periods from 31 December 2024 to 31 December 2025, are repayable in full within 24 months from the respective period end and bear fixed rate interest at 8.5%. The Group has issued franchisee loans of £1.1m during the period, received principal repayments of £0.4m and recognised finance income of £0.1m. An expected credit loss has been provided against the facility of £0.1m applying a 12-month expected credit loss model.

The Group issues loans to appointed representatives in the normal course of business and on standard terms, the duration is typically three years and the loans are offered on an interest-free basis. The Group has issued loans to appointed representatives of £0.4m during the year, which were subsequently written down by £0.1m, and received principal repayments of £1.3m. An expected credit loss has been provided against the remaining facility of £0.1m, applying a 12-month expected credit loss model.

Loans notes receivables

In December 2024, the Group provided funding of £7.6m to its joint venture Mottram TopCo Limited in the form of 10% unsecured loan notes. The loan notes are redeemable in H1 2025 and no repayments were made in 2024.

20. Investment in joint venture

	2024 £'000	2023 £'000
Opening balance	**9,359**	5,068
Equity investment in Pivotal Growth	**2,232**	4,681
Equity accounted profit/(loss)	**107**	(549)
Adjustment for non-controlling interests	**(113)**	159
Closing balance	**11,585**	9,359

Pivotal Growth

The Group is party to one joint venture, Mottram TopCo Limited. As at the 31 December 2024, the Group holds a 46.5% (2023: 47.8%) shareholding in Mottram TopCo Limited and has joint control by virtue of its holding of 50% of the voting shares in Mottram TopCo Limited and through rights granted to it under a joint venture agreement.

Mottram TopCo Limited holds a 100% shareholding in Mottram MidCo Limited which in turn holds a 85.1% shareholding in Pivotal Growth Limited (Pivotal) (2023: 89.6%). Mottram TopCo and Mottram MidCo are both holding companies. Pivotal invests in direct-to-consumer (D2C) financial services advice (mortgage and protection) brokerages to help them build long-term sustainable value. Pivotal's principal place of business is the United Kingdom.

As at 31 December 2024, the Group did not have any commitments or contingent liabilities relating to Pivotal.

A further £2.2m equity investment was made by the Group during the year (2023: £4.7m). In December 2024, the Group also provided £7.6m funding by means of loan notes, which are repayable in June 2025 (refer to note 19 for further details).

The summarised financial information of Pivotal, which is accounted for using the equity method, is presented below:

	2024 £'000	2023 £'000
Mottram TopCo balance sheet[1]:		
Non-current assets	**55,002**	28,981
Current assets (excluding cash and cash equivalents)	**4,757**	2,273
Cash and cash equivalents	**7,641**	8,896
Current liabilities	**(26,513)**	(7,874)
Non-current liabilities	**(10,647)**	(12,574)
Net assets	**30,240**	19,702
Less: Net assets attributable to non-controlling interests	**84**	241
Net assets attributable to Pivotal	**30,324**	19,943
LSL share of Pivotal's net assets	**11,585**	9,359

1 Mottram TopCo Limited prepares its financial statements in accordance with FRS102. In accordance with IAS 28, LSL's share of the joint venture's assets is adjusted to reflect LSL's accounting policies. The adjustments primarily relate to the changes in accounting policy regarding goodwill and share-based payments.

	2024 £'000	2023 £'000
Pivotal results:		
Revenue	**60,290**	37,308
Operating expenses	**(60,024)**	(37,886)
Operating profit/(loss)	**266**	(578)
Finance income	**16**	34
Profit/(loss) before tax	**282**	(544)
Taxation	**(52)**	(606)
Profit/(loss) after tax	**230**	(1,150)
LSL share of total profit/(loss) after tax	**107**	(549)
Adjustment for non-controlling interests	**(113)**	159
LSL share of post-tax loss from joint venture	**(6)**	(390)

The above Pivotal results for the period ended 31 December 2024 includes the following:

	2024 £'000	2023 £'000
Depreciation	**(297)**	(170)
Amortisation	**(434)**	(51)

There was no other comprehensive income recognised in Pivotal during the year.

21. Trade and other receivables

	2024 £'000	2023 £'000
Current		
Trade receivables	**5,087**	5,611
Prepayments	**6,413**	6,377
Accrued income	**11,193**	9,656
Other debtors	**2,118**	1,562
	24,811	23,206

The accrued income balance is expected to be settled within three months of the year-end date. The accrued income balance as at 1 January 2023 of £8.0m was settled in 2023.

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Trade receivables are non-interest-bearing and are generally on 4 to 30 day terms depending on the services to which they relate. As at 31 December 2024, trade receivables with a nominal value of £4.5m (2023: £3.6m) were impaired and provided for. Set out below is the movement in the allowance for expected credit losses of trade receivables:

	2024 £'000	2023 £'000
At 1 January	**3,622**	2,988
Provision for expected credit losses	**2,061**	1,588
Amounts written off	**(1,146)**	(954)
At 31 December	**4,537**	3,622

The chosen method of recognising the expected credit loss across the Group is the simplified approach allowing a provision matrix to be used, which is based on the expected life of trade receivables, historic default rates and forward-looking information.

As at 31 December, an analysis of gross trade receivables by credit risk rating grades is as follows:

	Total £'000	Neither past due nor impaired £'000	<30 days £'000	30-60 days £'000	60 – 90 days £'000	90 – 120 days £'000	>120 days £'000
2024	**20,817**	**10,220**	**3,588**	**706**	**414**	**223**	**5,666**
2023	18,889	7,215	5,568	863	362	515	4,366

The expected credit loss rate applied by ageing bracket has been disclosed below:

	Neither past due nor impaired	<30 days	30-60 days	60 – 90 days	90 – 120 days	>120 days
2024	**0.02%**	**13.11%**	**17.51%**	**34.21%**	**37.14%**	**69.75%**
2023	0.24%	6.29%	14.03%	28.60%	33.81%	64.71%

During 2024 the expected credit loss rate applied to >120 days ageing bracket has increased due to a higher expectation of credit risk. This has been driven by increased bad debt write offs in the year.

22. Cash and cash equivalents

Bank overdrafts reflect the aggregate overdrawn balances of Group companies (even if those companies have other positive cash balances). The overdrafts are held with the Group's relationship banks.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2024 £'000	2023 £'000
Cash and cash equivalents	**60,663**	58,110
Bank overdrafts	**(28,264)**	(23,139)
Cash and cash equivalents	**32,399**	34,971

23. Trade and other payables

	2024 £'000	2023 £'000
Current		
Trade payables	**9,790**	6,423
Other taxes and social security payable	**6,119**	4,755
Other payables	**2,950**	6,683
Accruals	**14,505**	9,769
Commission refund liability	**3,414**	2,855
	36,778	30,485

Commission refund liability

Certain subsidiaries earn commissions on the sale of life assurance and general insurance products with terms from one to four years which are cancellable without a notice period, and if cancelled within a set period, require that a portion of the commission earned must be repaid. The subsidiaries do not hold insurance risk on the life assurance and general insurance products sold.

The commission refund liability is recognised as a reduction in revenue. The liability represents management's best estimate of commissions that will be clawed back for insurance products sold that may be cancelled in future periods and is calculated based on historic cancellation experience. If average lapse rates across all products sold were to increase by 1.0%, the total liability would increase by £0.3m.

24. Financial liabilities

	2024 £'000	2023 £'000
Current		
IFRS 16 lessee financial liabilities	**2,291**	3,255
Contingent consideration	**3,306**	65
	5,597	3,320
Non-current		
IFRS 16 lessee financial liabilities	**3,491**	5,085
	3,491	5,085

Bank loans – RCF and overdraft

In accordance with the terms at 31 December 2024, the utilisation of the RCF may vary each month as long as this does not exceed the maximum £60.0m facility (2023: £60.0m). The Group's overdraft is also secured on the same facility, and the combined overdraft and RCF cannot exceed £60.0m (2023: £60.0m).

In January 2025, LSL amended and restated the RCF facility, the renewed facility now runs to January 2030 with the same limit of £60.0m.

The Group's revolving credit facility (RCF) was undrawn as at the year end (2023: undrawn). Any amounts drawn under the RCF are secured via cross guarantees issued from the following businesses: LSL Property Services plc, Your-Move.co.uk Limited, Reeds Rains Limited, e.surv Limited, Lending Solutions Holdings Limited, First Complete Limited, New Daffodil Limited, St Trinity Limited, LSL Corporate Client Services Limited, Advance Mortgage Funding Limited, Personal Touch Financial Services Limited, Personal Touch Administration Services Limited, LSLi Limited and Vitalhandy Enterprises Limited.

Fees payable on the RCF amounted to £0.6m during the year (2023: £0.7m) including amortisation of arrangement fees and non-utilisation fees.

Notes to the Group Financial Statements continued

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Contingent consideration

	2024 £'000	2023 £'000
TenetLime	**3,306**	–
DLPS	**–**	65
	3,306	65
Current contingent consideration	**3,306**	65
Total contingent consideration	**3,306**	65
Opening balance	**65**	2,311
Acquisition	**3,600**	–
Cash paid	**(65)**	(2,280)
Amounts recorded through income statement	**(294)**	34
Closing balance	**3,306**	65

TenetLime Limited

On 2 February 2024, the Group acquired the entire issued share capital of TenetLime Limited ("TenetLime"), a subsidiary of Tenet Group Limited ("Tenet Group"). The value of the company was concentrated in the contracts with the appointed representative firms. Consequently, the transaction has been accounted for as an asset acquisition. A relationship intangible asset of £9.3m has been recognised, please refer to note 17. The cost paid for the relationship intangible asset represents initial consideration of £5.7m and contingent consideration of £3.6m. The contingent consideration is based on the retention rate of firms within LSL's PRIMIS network 12 months after the transaction completed.

As part of the purchase agreement, Tenet Group agreed to provide a number of services to LSL after the transaction. Subsequent to the purchase, LSL was notified that Tenet Group Limited entered administration on 5 June 2024. As at the 31 December 2024, there are no additional liabilities recognised as a result of the administration, though £0.5m of exceptional costs were incurred during the year (see note 9). Management have assessed the potential future costs that may arise for LSL due to Tenet Group Limited's administration and is currently in discussions with the administrators regarding these costs. As at the reporting date, the Group had no legal or constructive obligation for any future costs that may arise. Additionally, discussions are ongoing with the administrators to offset these amounts against the contingent consideration payable, which was originally due in H1 2025 but has been delayed due to an extension of the administration process to 4 June 2026.

25. Provisions for liabilities

	2024						
	PI claim provisions £'000	Onerous leases £'000	Dilapidation provision £'000	Restructuring provision £'000	Appointed representative provision £'000	Other £'000	Total £'000
Balance at 1 January	3,218	1	5,691	2,069	–	571	**11,550**
Provided in financial year	209	–	460	432	1,247	–	**2,348**
Amount utilised	(950)	–	(391)	(917)	–	–	**(2,258)**
Amount released	(138)	(1)	(842)	(666)	–	–	**(1,647)**
Unwinding of discount	–	–	192	–	–	–	**192**
Balance at 31 December	**2,339**	**–**	**5,110**	**918**	**1,247**	**571**	**10,185**
Current liabilities	**1,122**	**–**	**2,458**	**918**	**1,247**	**571**	**6,316**
Non-current liabilities	**1,217**	**–**	**2,652**	**–**	**–**	**–**	**3,869**
	2,339	**–**	**5,110**	**918**	**1,247**	**571**	**10,185**

PI claims provision

PI claim provisions of £2.3m relate to the Surveying & Valuation division (£1.9m) and Financial Services division (£0.4m).

PI claim provision – Surveying & Valuation

The PI claim provision is to cover the costs of claims that arise during the normal course of business. The PI claim provision includes both valuation and defect claims and provides for claims already received from clients and claims yet to be received. The provision is management's best estimate of the likely outcome of such claims, taking account of the incidence of such claims and the size of the loss that may be borne by the claimant, after taking account of actions that can be taken to mitigate losses.

The PI claim provision will be utilised as individual claims are settled, and the settlement amount may vary from the amount provided depending on the outcome of each claim. The timing of payment for all claims remains uncertain. Based on past experience, a significant proportion of the provision has historically been settled after more than 12 months. As a result, a substantial portion of the provision has been classified as non-current. As of 31 December 2024, the total provision for PI claim was £1.9m. The Directors have considered the sensitivity analysis on the key risks and uncertainties discussed above.

Valuation claims:

- *Cost per claim*

A substantial element of the PI claim provision relates to specific claims where disputes are ongoing. These specific claims have been separately assessed and specific provisions have been made. The average cost per claim has been used to calculate the claims incurred but not yet reported (IBNR). Should the costs to settle and resolve these specific claims and future claims increase by 10%, an additional £0.1m would be required.

- *Rate of claim*

The IBNR assumes that the rate of claim for the high-risk lending period reduces over time. Should the rate of reduction be lower than anticipated and the duration extended, further costs may arise. An increase of 30% in notifications more than that assumed in the IBNR calculations would increase the required provision by £0.3m. Claims are settled, on average, 4.1 years after initial notification.

Defect claims:

The Group also provides for defect claims, whereby it is found that a property has a defect which was not identified when the survey was performed. The value provided for each received claim is the expected value of that claim. To assess the value of future claims incurred but not yet received (IBNR), analysis is performed on the number of surveys that lead to future claims and the average cost per claim.

PI claim provision – Financial Services

The PI claim provision is to cover the costs of claims that arise during the normal course of business. The PI provision provides for both claims which have been received from customers and claims yet to be received (IBNR). The Group calculates a provision for claims expected to be received based on the historical rate of claims, average cost per claim and the time which elapses between the advice being provided and the claim being raised. In addition, an asset is recognised for the estimated recoveries from professional indemnity insurance. The provision is presented gross of amounts due from insurers which form part of other debtors included in note 21.

As at 31 December 2024, the total provision for Financial Services PI was £0.4m (2023: £0.9m), including a provision for received claims of £0.2m (2023: £0.7m) and IBNR of £0.2m (2023: £0.2m). The Group has recognised an asset of £0.3m (2023: £0.6m) against received claims in other debtors at 31 December 2024.

Dilapidation provision

The Group recognises its obligation to make good its leased properties when it becomes probable that there will be an economic outflow and a reliable estimate can be made, this is typically where notice has been served to the landlord and there is an agreed exit date.

During 2023, the Group has entered into a number of 'right to occupy' agreements with its estate agency franchisees. The right to occupy agreements relate to leases held by the Group that are due to be novated to the franchisees. They set out the Group's obligations to the franchisees, regarding the making good of existing modifications to the leased properties incurred during the Group's tenancy, which will be payable to the franchisees at the point of novation. The calculation of the Group's dilapidation settlement provision is based on an average cost rate per square foot, for damages already incurred during the Group's occupancy. The average cost rate per square foot applied in 2024 was £18.50 (2023: £19.34).

The provision is discounted using a risk-free discount rate based on expected date of novation of the lease. The discount rate applied in 2024 was 4.2% (2023: 3.8%).

If the average rates applied were to increase by 10% this would result in an increase in the overall provision of £0.5m, if they were to decrease by 10% this would result in a reduction of the same amount. If the discount rate was to increase by 1.0% this would result in a decrease in the provision of £0.1m, if the discount rate was to decrease by 1.0% this would result in an increase in the provision of the same amount. Management has concluded the provision to be the best estimate of the expenditure required to settle present obligations at the end of the reporting period.

Appointed representative provision

During the year, the Group's PRIMIS Network served notice to one of its protection only appointed representative (AR) firms. The Group is responsible for the future reimbursements of commissions received from product providers in the event that policies are cancelled during an indemnity period. Consequently, a specific provision of £1.2m has been recognised in the Group's statement of financial position to reflect this potential exposure. The Group's gross maximum exposure will continue to reduce over time as active policies move beyond the indemnity period and due to the substantial decline in trading activity during the final months of the AR firms' operations.

Restructuring provision

The restructuring provision recognised relates to costs associated with the disposal of the owned branch network (£0.6m), including committed branch works (£0.6m) and legal costs for the novation of leases to franchisees (£0.3m).

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Other – Claims indemnity provision and contingency

Included in the sale agreement of LMS was a claims indemnity of £2.0m, for which the Group has provided £0.6m for certain claims, which it considers to be the most likely outcome, the Group disposed of LMS in 2021. Further cases exist and are considered possible, not probable, therefore no further provision has been made for these cases in the Financial Statements. Should these claims succeed the estimated further costs would be £1.4m.

26. Leases

Group as a lessee

At the year ended 31 December 2024, the Group has the following in regards to leases in the Group Balance Sheet.

	2024			2023		
Right-of-use assets	Property £'000	Motor vehicles £'000	Total £'000	Property £'000	Motor vehicles £'000	Total £'000
1 January	**1,684**	**3,279**	**4,963**	6,813	2,971	9,784
Additions	**424**	**1,431**	**1,855**	1,615	2,710	4,325
Disposals	**(33)**	**(67)**	**(100)**	(1,597)	(462)	(2,059)
Depreciation	**(539)**	**(1,442)**	**(1,981)**	(1,356)	(1,425)	(2,781)
Transfer to investment in sublease	**–**	**–**	**–**	(3,791)	(515)	(4,306)
31 December	**1,536**	**3,201**	**4,737**	1,684	3,279	4,963

These are included in the carrying amounts of property, plant and equipment on the face of the Group Balance Sheet and have been included in note 18.

Lease liabilities	2024 £'000	2023 £'000
1 January	**8,340**	10,915
Additions	**1,855**	4,350
Interest expense	**455**	580
Disposals	**(1,518)**	(2,396)
Repayment of lease liabilities	**(3,350)**	(5,109)
31 December	**5,782**	8,340

The Group added £1.9m (2023: £4.4m) of new lease liabilities in the year. The weighted average discount rate applied across the Group for these additions was 10.6% (2023: 7.40%)

Maturity of these lease liabilities undiscounted is analysed as follows:

	£'000 Property	£'000 Vehicles	£'000 Total
Current lease liabilities	1,043	1,646	2,689
Non-current lease liabilities	1,655	2,131	3,786
31 December 2024	**2,698**	**3,777**	**6,475**

These are included in non-current and current financial liabilities on the face of the Group Balance Sheet and have been included in note 24. Maturity analysis of the future cash flows of lease liabilities has been included in note 31.

Group as a lessor

Following the transition of the Group's entire owned estate agency network to franchises in 2023, the Group has become an intermediate lessor on premises it leased whilst owning the Estate Agency Network, that are now operated by franchisees. In such situations, the Group has maintained the head lease with the original lessor and has entered a sublease with the franchisee until the head lease transfers or expires.

The Group, in its capacity as lessor, has determined that the subleases with franchisees are finance leases and on the commencement date of the sublease, the Group has derecognised the right-of-use assets previously associated with these leases and recognised a net investment in the sublease on its balance sheet. The Group in 2024 has received £1.0m (2023: £1.1m) of repayments from the franchisees in relation to the subleases, with finance income of £0.1m (2023: £0.1m) being recognised.

These leases have a term of up to five years. Although the risks associated with rights that the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks. For example, including clauses to enable periodic upward revision of the rental charge in line with the head lease.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

	2024 £000	2023 £000
Less than 1 year	**527**	1,540
1-2 years	**306**	965
2-3 years	**82**	570
3-4 years	**41**	239
4-5 years	**9**	102
More than 5 years	**–**	74
	965	3,490
Unearned finance income	**(133)**	(152)
Net investment in sublease	**832**	3,338

The following shows how lease income and expenses have been included in the income statement and cash flow statement, broken down between amounts charged to operating profit and amounts charged to finance costs:

	2024 £'000	2023 £'000
Depreciation of right-of-use assets		
Property	**(539)**	(1,356)
Vehicles	**(1,442)**	(1,425)
Short-term and low value lease expense (Note 10)	**(1,992)**	(2,294)
Sublease income	**1,992**	2,294
Charge to operating profit	**(1,981)**	(2,781)
Interest expense related to lease liabilities	**(455)**	(580)
Interest income related to investment in sublease	**96**	140
Charge to profit before taxation	**(359)**	(440)
Cash outflow relating to operating activities	**(359)**	(440)
Cash inflow relating to investing activities	**1,046**	1,134
Cash outflow relating to financing activities	**(2,895)**	(4,529)
Total net cash outflow relating to leases	**(2,208)**	(3,835)

At 31 December 2024, the Group had not entered into any leases to which it was committed but had not yet commenced.

27. Share capital

	2024		2023	
	Shares	£'000	Shares	£'000
Authorised:				
Ordinary shares of 0.2 pence each	**500,000,000**	**1,000**	500,000,000	1,000
Issued and fully paid:				
At 1 January	**105,158,950**	**210**	105,158,950	210
At 31 December	**105,158,950**	**210**	105,158,950	210

Each issued, called-up and fully paid ordinary share of 0.2p is a voting share in the capital of the Company, is entitled to participate in the profits of the Company.

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28. Reserves

Share premium

The amount subscribed for share capital in excess of nominal value less any costs attributable to the issue of new shares.

Share-based payment reserve

The share-based payment reserve is used to record the value of equity-settled share-based payment provided to the employees, as part of their remuneration. Note 15 gives further details of these plans.

Shares held by employee benefit trust (EBT) and share incentive plan (SIP)

Shares held by the EBT represent the cost of LSL shares purchased in the market and held by the EBT and the SIP to satisfy future exercise of options under the Group's employee share options schemes.

At 31 December 2024, the Trust held 174,248 (2023: 517,949) LSL shares at an average cost of £3.86 (2023: £3.86), and the SIP held 951,904 (2023: 991,419) LSL shares at an average cost of £0.88 (2023: £0.88). The market value of the LSL shares at 31 December 2024 was £3.4m (2023: £3.9m). The nominal value of each share is 0.2 pence.

Treasury shares

Treasury shares represent the cost of LSL shares purchased in the market as a result of a share buy-back scheme in 2022 and another announced in April 2024. The 2024 buyback was extended to the date of 2025 AGM. At 31 December 2024, LSL had repurchased 1,458,933 (2023: 1,179,439) LSL shares at an average cost of £3.31 (2023: £3.38). The market value of the LSL shares at 31 December 2024 was £4.4m (2023: £3.0m). The nominal value of each share is 0.2 pence.

Fair value reserve

The fair value reserve is used to record the changes in fair value of equity financial assets that the Group has elected to recognise through OCI.

29. Pension costs and commitments

The Group operates defined contribution pension schemes for certain Executive Directors and certain employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The total contributions to the defined contribution schemes in the year were £4.4m (2023: £4.5m). At 31 December 2024, there were outstanding pension contributions of £0.6m (2023: £0.5m) included in trade and other payables.

30. Client monies

As at 31 December 2024, monies held by the Group on behalf of franchisees in separate bank accounts in relation to client monies amounted to £68.4m (2023: £68.4m). Neither this amount, nor the matching liabilities to the clients concerned are included in the Group Balance Sheet.

Client funds are protected by the Financial Services Compensation Scheme (FSCS) under which the Government guarantees amounts up to £85,000. This guarantee applies to each individual client, not the total of deposits held by LSL.

31. Financial instruments – risk management

The Group's principal financial instruments comprise of cash and cash equivalents with access to a further £60m revolving credit facility which is undrawn at the balance sheet date, and in January 2025, it was extended to January 2030. The main purpose of these financial instruments is to raise finance for the Group's operations and support its capital allocation policy. The Group has various financial assets and liabilities such as trade receivables, cash and short term deposits and trade payables, which arise directly from its operations.

The Group is exposed through its operations to the following financial risks:

- interest rate risk;
- liquidity risk; and
- credit risk.

Policy for managing these risks is set by the Board following recommendations from the Group Chief Financial Officer. Certain risks are managed centrally, while others are managed locally following communications from the centre. The policy for each of the above risks is described in more detail below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the use of the Group's RCF. The RCF incurs interest on drawings at a variable rate, based on the Bank of England base rate plus a margin and this policy is managed centrally by the Group treasury function. The subsidiaries are not permitted to borrow from external sources directly without approval from the Group treasury function. The Group does not currently have any derivatives in place for interest rate hedging and continues to monitor the market for any opportunities to do so that would be beneficial to the Group to put in place.

The Group has not drawn down on its RCF during the year to 31 December 2024 and therefore has incurred no interest, the amount shown in finance costs relates to the amortisation of facility fees and non-utilisation fees.

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generation by its operations and capital allocation policy. An Investment Committee is in place to review investment proposals and the performance of previous investments against the original business cases and Group hurdle rate, and to identify any learnings for future capital allocation decisions. The work of the Investment Committee allows the Board to assess the Group's projected near and medium-term capital requirements. This facilitates an appropriate capital structure and capital allocation policy, taking into account economic conditions, the Group's improved resilience to market cycles and organic and inorganic opportunities. In this way the Group aims to maintain a good credit rating to facilitate fundraising. The Group has net current assets in the current year. The requirement to pay creditors is managed through future cash generation and, if required, from the RCF.

The Group manages liquidity risk by maintaining adequate reserves, via ongoing assessment of projected cash flows from operations and actual cash flows. This includes consideration of the maturity of both its financial investments and financial assets (e.g. accounts receivable, and other financial assets). The Group's objective is to maintain a balance between continuity of funding and flexibility for its capital allocation policy.

Cash at bank earns interest at floating rates based on daily bank overnight deposit rates. Short term deposits are made for varying periods of time depending on the immediate cash requirements of the Group and earn varying interest rates. The fair value of net cash and cash equivalents is £32.4m (2023: £35.0m). At 31 December 2024, the Group had available £60.0m of undrawn committed borrowing facilities, of which the Group could have drawn £60.0m under the terms of the facility (2023: the Group had available £60.0m of undrawn committed borrowing facilities, of which the Group could have drawn £33.0m). Our banking facility contains covenants relating to the ratio of Net Debt: adjusted EBITDA (2.75x with a ratio of 3.00x allowable for two consecutive periods), and interest cover (4.00x), which are tested at each June and December.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2024 based on contractual undiscounted payments:

Year ended 31 December 2024

	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	> 5 years £'000	Total £'000
Trade payables	–	9,790	–	–	–	**9,790**
Other payables	–	23,574	–	–	–	**23,574**
Overdraft	28,264	–	–	–	–	**28,264**
Contingent consideration	–	3,306	–	–	–	**3,306**
Lease liabilities	–	573	1,718	3,406	85	**5,782**
	28,264	**37,243**	**1,718**	**3,406**	**85**	**70,716**

Year ended 31 December 2023

	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	> 5 years £'000	Total £'000
Trade payables	–	6,423	–	–	–	**6,423**
Other payables	–	21,207	–	–	–	**21,207**
Overdraft	23,139	–	–	–	–	**23,139**
Contingent consideration	–	65	–	–	–	**65**
Lease liabilities	–	963	2,890	5,385	79	**9,317**
	23,139	**28,658**	**2,890**	**5,385**	**79**	**60,151**

The liquidity risk of each Group entity is managed centrally by the Group Treasury function. The Group's cash requirement is monitored closely. All surplus cash is held centrally to achieve higher interest income. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. The Group has a RCF with a syndicate of major banking corporations to manage longer term borrowing requirements.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains appropriate capital structure to support its business objectives, including any capital adequacy requirements, and maximise shareholder value. The capital structure of the Group consists of cash and cash equivalents and equity attributable to the shareholders comprising issued capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

The Group does not have a current ratio of Net Bank Debt to EBITDA (2023: nil) due to a net cash position of £32.4m (2023: net cash £35.0m) and operating profit before exceptional costs, amortisation and share-based payment charge of £27.7m (2023: £9.3m). The business is cash generative with a low capital expenditure requirement. The Group remains committed to its stated dividend policy of 30% of Group Underlying Operating Profit after interest and tax. The Board has reviewed the policy in line with the risks and capital management decisions facing the Group.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

Credit risk

The Group is exposed to credit risk in respect of revenue transactions. It is Group policy, implemented locally, to obtain appropriate details of new customers before entering into contracts.

Estate Agency Franchising and Financial Services' highest risk exposure is in relation to loans to franchisees and appointed representatives and their ability to service their debt. The Directors have established a credit policy under which each new franchisee and appointed representative are analysed individually for creditworthiness before a loan is offered. The Company's review includes external ratings, when available, and in some cases bank references.

Risk of exposure to non-return of cash on deposit is managed by placing funds with lenders who form part of the Group's agreed banking facility syndicate, which comprises several leading UK banks.

The majority of the Surveying & Valuation customers and those of the asset management business are large financial institutions and as such, the credit risk is not expected to be significant. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

Financial instruments are grouped on a subsidiary basis to apply the expected credit loss model. The chosen method of recognising the expected credit loss across the Group is the simplified approach allowing a provision matrix to be used, which is based on the expected credit life of trade receivables, historic default rates and forward-looking information. Trade receivable balances are written off when the probability of recovery is assessed as being remote.

Fair values of financial assets and financial liabilities

There are no differences between the carrying amounts and fair values of all of the Group's financial instruments that are carried in the Financial Statements.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

2024	**Total £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Assets measured at fair value				
Financial assets	**6,534**	**–**	**762**	**5,772**
Liabilities measured at fair value				
Contingent consideration	**3,306**	**–**	**–**	**3,306**

2023	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Assets measured at fair value				
Financial assets	5,461	–	–	5,461
Liabilities measured at fair value				
Contingent consideration	65	–	–	65

Contingent consideration receivable of £5.7m relates to EFS, Group First and RSC which were sold in 2023, these are valued using level 3 technique in accordance with the fair value hierarchy. The consideration payable will be 7x the combined EBITDA in calendar year 2024, subject to working capital adjustments and is payable in H1 2025. The fair value of the contingent consideration receivable has been calculated for each of the three disposals noted above based on profitability in calendar year 2024. The remaining £0.1m contingent consideration receivable relates to the Group's disposal of lettings books in 2023. Amounts are receivable in November 2025.

The reconciliation of the opening and closing balance for financial assets measured using level 3 technique is as follows:

	£'000
Opening balance as at 1 January 2024	**5,461**
Transferred out of level 3[1]	(399)
Unrealised gains recognised in the income statement	163
Receipts	(155)
Finance income	738
Excepted credit loss recognised	(36)
Closing balance as at 31 December 2024	**5,772**

[1]Transfers out of Level 3 relate to the Group's investment in Twenty7Tec and Openwork units (see Note 19). These investments were transferred from Level 3 to Level 2 during the year due to transactions occurring with quoted prices for the assets within an inactive market. The transfers out of Level 3 took place on the dates of these transactions.

The fair value of financial assets that are not traded in the open market is £0.8m (2023: £0.4m), these are valued using the Level 2 technique in accordance with the fair value hierarchy and management use all relevant and up to date information to arrive at their judgement.

The contingent consideration payable relates to amounts payable in the future on the assets acquired from TenetLime in February 2024. The consideration calculated is based on the retention rate of firms within LSL's PRIMIS network 12 months after the transaction completed. Further details of the contingent consideration payable are disclosed in note 24.

32. Related party transactions

As disclosed in note 20 LSL have one joint venture partner, Mottram Topco Limited.

Transactions with Mottram Topco Limited (Pivotal Growth) and its subsidiaries

	2024 £'000	2023 £'000
Revenue recognised	**3,551**	3,688
Trade receivables at 31 December	**676**	682
Loan notes receivable at 31 December	**7,607**	–

During the year, the Group recognised net recharges of £0.2m (2023: £0.8m) for services provided to Mottram Topco (Pivotal Growth) and its subsidiaries.

There are no transactions with Key Management Personnel other than those disclosed in note 15.

33. Events after the reporting period

In January 2025, the Group amended and restated its banking facility which runs to January 2030 with an unchanged limit of £60m; this replaced the previous RCF which had a maturity date of May 2026.

34. Alternative performance measures

In reporting financial information, the Group presents APMs which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business but does not consider them to be a substitute for or superior to IFRS measures. Definitions and reconciliations of the financial APMs used to IFRS measures, are included below.

The Group reports the following APMs:

a) Group and Divisional Underlying Operating Profit

Underlying Operating Profit represents the profit/(loss) before tax for the period before net finance cost, share-based payments, amortisation of intangible assets, exceptional items and contingent consideration. This is the measure reported to the Directors as it considered to give a consistent indication of both Group and Divisional underlying performance.

The closest equivalent IFRS measure to Underlying Operating Profit is operating profit/(loss). Refer to note 5 for a reconciliation between profit/(loss) before tax and Group and Divisional Underlying Operating Profit.

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

b) Group and Divisional Underlying Operating Margin

Underlying Operating Margin is defined as Underlying Operating Profit divided by revenue. Refer to note 5 for the calculation of both Group and Divisional Underlying Operating Margin. The closest equivalent IFRS measure to Underlying Operating Margin is operating margin, refer to note 5 for a reconciliation between operating margin and Group Underlying Operating Margin.

c) Adjusted basic earnings per share, adjusted diluted earnings per share and adjusted profit after tax

Adjusted basic earnings per share is defined as Group Underlying Operating Profit adjusted for profit/(loss) attributed to non-controlling interests, net finance cost (excluding exceptional and contingent consideration items and discounting on leases) less normalised tax (to arrive at adjusted profit after tax), divided by the weighted average number of shares in issue during the financial period. The effect of potentially dilutive ordinary shares is incorporated into the diluted measure.

The closest equivalent IFRS measures are basic and diluted earnings per share. Refer to note 12 for a reconciliation between earnings/(loss) per share and adjusted earnings per share.

d) Adjusted operating expenditure

Adjusted operating expenditure is defined as the total of employee costs, depreciation on property, plant and equipment and other operating costs and is considered to give a consistent indication of the Group's underlying operating expenditure.

	2024 £'000	2023 £'000
Total operating expenditure	**(151,289)**	(140,671)
Add back:		
Other (losses)/gains	**(532)**	211
Share of post-tax loss from joint venture	**6**	390
Share-based payments	**920**	(164)
Amortisation of intangible assets	**2,988**	2,258
Exceptional gains	**(1,745)**	(9,320)
Exceptional costs	**4,109**	13,767
Contingent consideration	**(426)**	31
Adjusted operating expenditure	**(145,969)**	(133,498)

e) Net cash/debt

Net cash/debt is defined as cash and short-term deposits less current and non-current borrowings, add IFRS 16 financial liabilities, deferred and contingent consideration and where applicable cash held for sale.

	2024 £'000	2023 £'000
Cash and short term deposits	**60,663**	58,110
Less: Interest-bearing loans and borrowings (including loan notes, overdraft, IFRS 16 Leases, contingent and deferred consideration)		
Current	(33,861)	(26,459)
Non-current	(3,491)	(5,085)
	23,311	26,566
Add: IFRS 16 lease financial liabilities	**5,782**	8,340
Add: deferred and contingent consideration	**3,306**	65
Net cash	**32,399**	34,971

f) Adjusted cash flow from operations

Adjusted cash flow from operations is defined as cash generated from operations, less the repayment of lease liabilities, plus the utilisation of PI provisions.

	2024 £'000	2023 £'000
Cash generated from operations	**33,017**	3,915
Payment of principal portion of lease liabilities	**(2,895)**	(4,529)
PI provision utilisation	**950**	406
Adjusted cash flow from operations	**31,072**	(207)

g) Cash flow conversion rate

Cash flow conversion rate is defined as cash generated from operations (pre-PI costs and post-lease liabilities, divided by Group Underlying Operating Profit.

	2024 £'000	2023 £'000
Adjusted cash flow from operations	**31,072**	(207)
Group Underlying Operating Profit	**27,292**	9,344
Cash flow conversion rate	**114%**	(2.2%)

35. Subsidiary companies

As at 31 December 2024, the Group controls directly or indirectly the following issued and fully paid ordinary and preference share capital of its subsidiary undertakings, all of which are incorporated in Great Britain, with the exception of Albany Insurance Company (Guernsey) Limited, which is incorporated in Guernsey, and whose operations are conducted mainly in the UK. The results for all of the subsidiaries have been consolidated within these Financial Statements:

Name of subsidiary company	Registered office address	LSL holding	LSL Shareholder	Proportion of nominal value of shares held	Nature of business
Lending Solutions Holdings Limited	1	Direct	LSL Property Services plc	100%	Holding Company
Lending Solutions Limited	1	Indirect	Lending Solutions Holdings Limited	100%	Non Trading
Financial Services					
Advance Mortgage Funding Limited	1	Direct	LSL Property Services plc	100%	Financial Services
Direct Life and Pensions Services Limited	2	Indirect	Direct Life Quote Holdings Ltd	100%	Financial Services
Direct Life Limited	2	Indirect	Direct Life and Pensions Services Limited	100%	Non Trading
First Complete Limited	1	Indirect	Lending Solutions Holdings Limited	100%	Financial Services and Holding Company
LifeQuote Limited	2	Indirect	Direct Life and Pensions Services Limited	100%	Non Trading
Linear Wealth Management Limited	2	Indirect	Linear Financial Services Holdings Limited	100%	Non Trading
Linear Financial Services Holdings Limited	2	Indirect	First Complete Limited	100%	Holding Company
Linear Mortgage Network Holdings Limited	2	Indirect	First Complete Limited	100%	Holding Company
Linear Mortgage Network Limited	2	Indirect	Linear Mortgage Network Holdings Limited	100%	Financial Services
Mortgage Gym Solutions Ltd.	2	Direct	LSL Property Services plc	100%	Non Trading

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

Name of subsidiary company	Registered office address	LSL holding	LSL Shareholder	Proportion of nominal value of shares held	Nature of business
Personal Touch Administration Services Limited	2	Indirect	Personal Touch Financial Services Limited	100%	Financial Services
Personal Touch Financial Services Limited	2	Direct	LSL Property Services plc	100%	Financial Services and Holding Company
Qualis Wealth Limited	2	Direct	LSL Property Services plc	100%	Non Trading
Reeds Rains Financial Services Limited	2	Indirect	Reeds Rains Limited	100%	Financial Services
TenetLime Limited	2	Direct	LSL Property Services plc	100%	Financial Services
Surveying & Valuation					
Albany Insurance Company (Guernsey) Limited	6	Direct	LSL Property Services plc	100%	Captive Insurer
e.surv Limited	5	Direct	LSL Property Services plc	100%	Chartered Surveyors
Surveying & Valuation – asset management					
LSL Corporate Client Services Limited	1	Direct	LSL Property Services plc	100%	Asset Management
St Trinity Limited	1	Direct	LSL Property Services plc	100%	Non Trading
Templeton LPA Limited	1	Indirect	First Complete Limited	100%	Asset Management
Estate Agency Franchise – Residential Sales and Lettings					
Airport Lettings Stansted Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
Bawtry Lettings and Sales Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Brown North East Lettings Ltd	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Charterhouse Management (UK) Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
David Frost Estate Agents Limited	2	Indirect	Vitalhandy Enterprises Limited	100%	Non Trading
Davis Tate Ltd	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
EA Student Lettings Ltd	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Eastside Property Developments Ltd	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Fourlet (York) Limited	2	Indirect	Reeds Rains Limited	100%	Non Trading
GFEA Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
Guardian Property Lettings Limited	2	Indirect	Reeds Rains Limited	100%	Non Trading
Hawes & Co Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
Headway Property Management Limited	2	Indirect	Reeds Rains Limited	100%	Non Trading
Holloways Residential Ltd	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Home and Student Link Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Homefast Property Services Limited	2	Indirect	Lending Solutions Holdings Limited	77.5%	Conveyancing Packaging
Hydegate Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
ICIEA Limited	2	Indirect	LSLi Limited	100%	Non-Trading
Inter County Lettings Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
IQ Property (Hull) Limited	2	Indirect	Reeds Rains Limited	100%	Non Trading

Name of subsidiary company	Registered office address	LSL holding	LSL Shareholder	Proportion of nominal value of shares held	Nature of business
JNP Estate Agents Limited	2	Indirect	LSLi Limited	100%	Non Trading
JNP Estate Agents (Princes Risborough) Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
JNP (Residential Lettings) Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
JNP (Surveyors) Limited	2	Indirect	LSLi Limited	100%	Non Trading and Holding Company
Kent Property Solutions Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
LSL Land & New Homes Ltd	2	Indirect	your-move.co.uk Limited	100%	Residential Sales
Lauristons Estate Agents Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non-Trading
Lawlors Property Services Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
LetCo Group Limited	2	Indirect	your-move.co.uk Limited	100%	Holding Company
LetCo Limited	2	Indirect	LetCo Group Limited	100%	Non Trading
Lets Move Property Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Longshoot Properties Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
LSLi Limited	1	Direct	LSL Property Services plc	100%	Estate Agency Franchising and Holding Company
New Daffodil Limited	2	Direct	LSL Property Services plc	100%	Non Trading
New Let Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Oakley Lettings Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
Paul Graham Lettings & Management Ltd	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
Philip Green Lettings Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
PHP Lettings Scotland Limited	4	Indirect	your-move.co.uk Limited	100%	Non Trading
Prestons Lettings Ltd	2	Indirect	Reeds Rains Limited	100%	Non Trading
Pygott & Crone Lincoln Lettings Limited	2	Indirect	your-move.co.uk Limited	100%	Non Trading
Reeds Rains Limited	2	Direct	LSL Property Services plc	100%	Estate Agency Franchising and Holding Company
Reeds Rains Cleckheaton Limited	2	Indirect	Reeds Rains Limited	100%	Non Trading
Simply Let Ltd.	4	Indirect	your-move.co.uk Limited	100%	Non Trading
Thomas Morris Limited	1	Indirect	LSLi Limited	100%	Non Trading
Top-Let Limited	2	Indirect	LetCo Group Limited	100%	Non Trading
Vitalhandy Enterprises Limited	2	Indirect	LSLi Limited	100%	Holding Company
Warners Letting Agency Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
Yates Lettings Limited	2	Indirect	JNP (Surveyors) Limited	100%	Non Trading
your-move.co.uk Limited	1	Indirect	Lending Solutions Holdings Limited	100%	Estate Agency Franchising and Holding Company

Notes to the Group Financial Statements continued

for the year ended 31 December 2024

Registered office addresses:

1. Newcastle House, Albany Court, Newcastle upon Tyne, NE4 7YB
2. Howard House, 3 St Mary's Court, Blossom Street, York, YO24 1AH
3. 80 Hammersmith Road, London, W14 8UD
4. 13 Queens Road, Aberdeen, Scotland, AB15 4YL
5. Unit 1, Orion Park, Kettering, Northamptonshire, England, NN15 6PP
6. The Albany, South Esplanade, St Peters Port, Guernsey, GY1 4NF

Audit exemptions under section 479a of the Companies Act

The following sixteen subsidiaries are exempt from audit of individual accounts under section 479a of the Companies Act 2006:

- David Frost Estate Agents Limited (02685937)
- Direct Life Quote Holdings Limited (10283300)
- ICIEA Limited (04842186)
- JNP Estate Agents Limited (03764697)
- Lending Solutions Holdings Limited (05095079)
- Linear Mortgage Network Limited (05198588)
- LSL Corporate Client Services Limited (07299192)
- LSL Land & New Homes Ltd (09018581)
- Mortgage Gym Solutions Ltd. (12460735)
- New Daffodil Limited (02045933)
- Personal Touch Administration Services Limited (03456365)
- Qualis Wealth Limited (11784115)
- Reeds Rains Financial Services Limited (08130339)
- St Trinity Limited (07092652)
- Templeton LPA Limited (06507759)
- Thomas Morris Limited (04377568)

Parent Company Balance Sheet

as at 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Other intangible assets		**–**	36
Property, plant and equipment and right-of-use assets	2	**735**	937
Investment in subsidiaries	3	**122,432**	113,484
Financial assets	4	**–**	1,640
Investment in joint venture	5	**11,585**	9,359
Trade and other receivables	6	**–**	4,408
Contract assets		**–**	329
Deferred tax asset	11	**1,108**	3,659
		135,860	133,852
Current assets			
Trade and other receivables	6	**10,445**	10,537
Financial Assets	4	**432**	–
Cash and cash equivalents	7	**32**	32
Loans to joint venture	4	**7,607**	–
Contract assets		**–**	40
		18,516	10,609
Total assets		**154,376**	144,461
Current liabilities			
Trade and other payables	8	**(56,813)**	(49,157)
Bank overdrafts	7	**(26,607)**	(16,663)
Financial liabilities	9	**(3,380)**	(107)
Provision for liabilities	10	**(571)**	(571)
		(87,371)	(66,498)
Non-current liabilities			
Financial liabilities	9	**-**	(65)
Total liabilities		**(87,371)**	(66,563)
Net assets		**67,005**	77,898
Equity			
Share capital	12	**210**	210
Share premium account	13	**5,629**	5,629
Share-based payment reserve	13	**2,634**	3,564
Shares held by employee benefit trust & share incentive plan	13	**(1,510)**	(2,871)
Treasury shares	13	**(4,831)**	(3,983)
Fair value reserve	13	**(306)**	(306)
Retained earnings		**65,179**	75,655
Total equity		**67,005**	77,898

As permitted by Section 408 (3) of the Companies Act 2006, no profit and loss account of the Company is presented. The profit after tax for the financial year of the Company was £0.6m (2023: £9.8m loss after tax). The notes on pages 166 to 171 form part of these Financial Statements.

The Financial Statements were approved by and signed on behalf of the Board by:

David Stewart
Group Chief Executive Officer
25 March 2025

Adam Castleton
Group Chief Financial Officer and
Group Chief Executive Officer
Designate
25 March 2025

Parent Company Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Shares held by EBT & SIP £'000	Treasury shares £'000	Fair value reserve £'000	Retained earnings £'000	Total £'000
As at 1 January 2024	**210**	**5,629**	**3,564**	**(2,871)**	**(3,983)**	**(306)**	**75,655**	**77,898**
Profit for the year	–	–	–	–	–	–	557	**557**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**557**	**557**
Shares repurchased into treasury	–	–	–	–	(848)	–	–	**(848)**
Exercise of options	–	–	(943)	1,361	–	–	(245)	**173**
Vested share options lapsed during the year	–	–	(995)	–	–	–	995	**–**
Share-based payment transactions	–	–	920	–	–	–	–	**920**
Tax on share-based payments	–	–	88	–	–	–	–	**88**
Dividends paid	–	–	–	–	–	–	(11,783)	**(11,783)**
As at 31 December 2024	**210**	**5,629**	**2,634**	**(1,510)**	**(4,831)**	**(306)**	**65,179**	**67,005**

During the period, 383,216 share options were exercised relating to LSL's various share option schemes resulting in the shares being sold by the Employee Benefit Trust. LSL received £0.2m on exercise of these options.

The notes on pages 166 to 171 form part of these Financial Statements.

Parent Company Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Shares held by EBT & SIP £'000	Treasury shares £'000	Fair value reserve £'000	Retained earnings £'000	Total £'000
As at 1 January 2023	**210**	**5,629**	**5,331**	**(5,457)**	**(3,983)**	**(20,190)**	**118,229**	**99,769**
Other comprehensive income for the year								
Loss for the year	–	–	–	–	–	–	(9,825)	**(9,825)**
Revaluation of financial assets	–	–	–	–	–	(116)	–	**(116)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**(116)**	**(9,825)**	**(9,941)**
Exercise of options	–	–	(1,106)	2,586	–	–	(1,480)	**–**
Vested share options lapsed in the year	–	–	(445)	–	–	–	445	**–**
Share-based payment transactions	–	–	(109)	–	–	–	–	**(109)**
Fair value reclassification following disposals	–	–	–	–	–	20,000	(20,000)	**–**
Tax on share-based payments	–	–	(107)	–	–	–	–	**(107)**
Dividends paid	–	–	–	–	–	–	(11,714)	**(11,714)**
As at 31 December 2023	**210**	**5,629**	**3,564**	**(2,871)**	**(3,983)**	**(306)**	**75,655**	**77,898**

During the period, 567,665 share options were exercised relating to LSL's various share option schemes resulting in the shares being sold by the Employee Benefit Trust. LSL received £nil on exercise of these options.

The notes on pages 166 to 171 form part of these Financial Statements.

Notes to the Parent Company Financial Statements

For the year ended 31 December 2024

1. Significant accounting policies

The accounting policies set out below have been applied in preparing the financial statements for the years ended 31 December 2023 and 2024. The principal accounting policies adopted are the same as those set out in Note 2 to the Group Consolidated Financial Statements except as noted below.

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as issued by the Financial Reporting Council. This represents a change in the accounting framework from UK-adopted International Accounting Standards (IFRS), which were applied in the preparation of the financial statements in prior years.

The decision to adopt FRS 101 has been made to take advantage of the reduced disclosure requirements available under this framework while continuing to apply the recognition and measurement principles of IFRS. The transition from UK-adopted IFRS to FRS 101 has been applied retrospectively. The Directors have assessed that this change has no material impact on the financial position or performance of the Company. No differences in the recognition or measurement of assets, liabilities, income, or expenses have been identified within these financial statements. Consequently, reconciliations of equity and profit and loss are not required and have not been presented.

These financial statements are the Company only financial statements, and the Group continues to prepare consolidated financial statements in accordance with UK-adopted IFRS.

The Company Financial Statements have been prepared on a going concern basis and on a historical cost basis, except for, certain debt and financial assets and liabilities that have been measured at fair value. The Company's Financial Statements are presented in pounds sterling, and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

In preparing the Parent Company Financial Statements, management has considered the impact of climate change, taking into account the relevant disclosures in the Strategic Report. The impact of climate-related risks on the Group Financial Statements have been disclosed in the Group basis of preparation note. The extent to which the Group climate-related risks effect the Parent Company financial statements is focused on how medium (4-9 years) to long term risks (beyond 10 years) may impact our future revenue profile, which could further impact the carrying value of investments. The potential impact of climate-related risks on the Parent Company's impairment assessment is considered sufficiently remote at this point in time and therefore no sensitivity analysis has been performed.

Disclosure exemptions adopted

In preparing these Financial Statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
  - Reconciliations of the carrying amounts of property, plant and equipment, and intangibles assets at the start and the end of the prior period.
- A Statement of Cash Flows.
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements.
- Disclosures in relation to the objectives, policies and process for managing capital.
- Disclosure of the effect of future accounting standards not yet adopted.
- Related party transactions with wholly owned members of the Group.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of LSL Property Services plc. These financial statements do not include certain disclosures in respect of:

- Share based payments – details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined as per paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payment.
- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures.
- Fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

Judgements and estimates

Recoverability of investments and receivables from Group companies (estimate)

The Company assesses whether there are any indicators of impairment of investments or receivables from Group companies at each reporting date. Investments and receivables from Group companies are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Details of impairments of investments recorded during the year are included in note 3 and details of intercompany impairments are included in note 6.

2. Property, plant, and equipment

	Land and buildings £'000	Leasehold improvements £'000	Fixtures, fittings and computer equipment £'000	Total £'000
Cost				
At 1 January 2024	215	74	1,630	1,919
Additions	–	–	313	313
At 31 December 2024	**215**	**74**	**1,943**	**2,232**
Depreciation				
At 1 January 2024	122	67	793	982
Charge for the year	31	7	477	515
At 31 December 2024	**153**	**74**	**1,270**	**1,497**
Net book value				
At 31 December 2024	**62**	**–**	**673**	**735**
At 31 December 2023	93	7	837	937
Owned assets	–	–	673	673
Right-of-use assets	62	–	–	62
	62	**–**	**673**	**735**

3. Investment in subsidiaries

Details of the subsidiaries held directly and indirectly by the Company are shown in note 35 to the Group Financial Statements.

	2024 £'000	2023 £'000
At 1 January	**113,484**	116,666
Additions	**9,270**	–
Adjustments for share-based payment	**41**	23
Disposals	**–**	(533)
Impairment in cost of investments	**(363)**	(2,672)
At 31 December	**122,432**	113,484

Investment in subsidiaries for share-based payments represents the financial effects of awards by the Company of options over its equity shares to employees of subsidiary undertakings. In 2024 there was an increase of £0.04m (2023: increase of £0.02m).

In 2024 the Company acquired TenetLime Limited for £9.3m consideration, details of the acquisition accounting can be found in note 17 to the Group Financial Statements.

The Company performed an impairment indicator assessment as at 31 December 2024 and identified indicators of impairment in its investment in Direct Life and Pensions Services Limited ("DLPS") due to the short-term outlook of the business.

In 2024, the Company recognised an impairment of £0.4m in its investment in DLPS (2023: £2.7m in its investment in Reeds Rains). The charge was calculated based on the recoverable amount of the investment, the recoverable amount is based on the higher of each investments value-in-use (VIU) or fair value less cost to sell (FVCLTS). Where the recoverable amount has been assessed based on a VIU calculation, a discount rate 16.3% (2023: 15.7%) and terminal growth rate of 2.0% (2023: 2.0%) has been applied. The carrying value of Direct Life and Pensions Services Limited at the period end is £nil (2023: £0.4m).

Sensitivity to change in assumptions

Sensitivity analysis has been performed for investments held by the Company at the reporting date to assess the extent to which reasonably possible changes in key assumptions would impact the impairment charge. Management deemed that there are no reasonably possible changes in key assumptions that would cause any of the Company's investments' carrying amounts to exceed its recoverable amounts.

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

4. Financial assets

	2024 £'000	2023 £'000
Financial assets at fair value through income statement (FVPL)		
Contingent consideration receivable	**432**	1,640
	432	1,640
Financial assets at amortised cost		
Loan notes to joint venture	**7,607**	–
	7,607	–

In December 2024, the Company provided funding of £7.6m to its joint venture Mottram TopCo Limited in the form of 10% unsecured loan notes. The loan notes are redeemable in H1 2025 and no repayments were made in 2024.

5. Investment in joint venture

At cost	2024 £'000	2023 £'000
At 1 January	**9,359**	5,068
Equity investment in Pivotal Growth	**2,232**	4,681
Equity accounted loss	**107**	(549)
Adjustment for non-controlling interests	**(113)**	159
At 31 December	**11,585**	9,359

Pivotal Growth

A further £2.2m equity investment in Pivotal was made throughout 2024, please refer to note 20 in the Group Financial Statements for further information.

During the year, the Company recharged £0.4m (2023: £0.8m) for services provided to Pivotal Growth and its subsidiaries.

6. Trade and other receivables

	2024 £'000	2023 £'000
Non-current		
Amounts owed by Group undertakings	**–**	4,408
	–	4,408
Current		
Group relief receivable	**9,154**	8,203
Prepayments	**663**	923
Other taxes and social security	**393**	264
Amounts owed by Group undertakings	**235**	1,147
	10,445	10,537

The expected credit loss relating to non-current intercompany receivables is £6.4m at 31 December 2024 (31 December 2023: £7.6m) and intercompany receivables are presented net of this provision. No allowance for expected credit losses is deemed necessary in respect of current intercompany receivables.

7. Cash and cash equivalents and bank overdrafts

	2024 £'000	2023 £'000
Cash and cash equivalents	**32**	32
Cash and cash equivalents (excluding bank overdrafts)	**32**	32

Cash at bank earns interest at floating rates based on daily bank overnight deposit rates.

	2024 £'000	2023 £'000
Bank overdrafts	**26,607**	16,663

Bank loans – RCF and overdraft

The Company's bank loan totals £nil (2023: £nil) and the Company's overdraft totals £26.6m (2023: £16.7m).

8. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**919**	424
Accruals	**1,915**	2,431
Amounts owed to Group undertakings	**53,979**	46,302
	56,813	49,157

Amounts owed to Group undertakings are repayable on demand.

9. Financial liabilities

	2024 £'000	2023 £'000
Current Contingent consideration liabilities	**3,306**	65
IFRS16 Financial Liabilities	**74**	42
	3,380	107
Non-current		
IFRS 16 financial liabilities	**–**	65
	–	65

10. Provision for liabilities

	Provision £'000
Balance at 1 January	571
Balance at 31 December	**571**
Current liabilities	**571**
Non-current liabilities	**–**
	571

Included in the sale agreement of LMS (a former joint venture of the Company) was a claims indemnity of £2.0m, for which the Company has provided £0.6m, which it considers to be the most likely outcome. Further cases exist and are considered possible, not probable; therefore, no further provision has been made for these cases in the Financial Statements. Should these claims succeed, the estimated further costs would be £1.4m.

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

11. Deferred tax

Deferred tax asset	2024 £,000	2023 £,000
Depreciation charged in advance of capital allowances	**229**	259
Share options	**696**	627
Losses	**183**	2,773
Deferred tax asset at 31 December	**1,108**	3,659

	2024 £,000	2023 £,000
Deferred tax asset at 1 January	**3,659**	1,019
Deferred tax credit in profit and loss account for the year	**(2,666)**	2,747
Deferred tax credit/(charge) to other comprehensive income	**115**	(107)
Deferred tax asset at 31 December	**1,108**	3,659

A deferred tax asset has been recognised on the basis that the Group is anticipated to make sufficient taxable profits in the foreseeable future against which the Company's attributable assets can be utilised. The Group's 3-year plan indicates that the Company's losses will be able to be offset within the Group via group relief. Management is therefore satisfied that these can be utilised in a future period.

12. Called up share capital

	2024		2023	
	Shares	£'000	Shares	£'000
Authorised:				
Ordinary Shares of 0.2 pence each	**500,000,000**	**1,000**	500,000,000	1,000
Issued and fully paid:				
At 1 January	**105,158,950**	**210**	105,158,950	210
Issued in the year	**–**	**–**	–	–
At 31 December	**105,158,950**	**210**	105,158,950	210

13. Reserves

Share premium

The amount subscribed for share capital in excess of nominal value less any costs attributable to the issue of new shares.

Share-based payment reserve

This represents the amount provided in the year in respect of share awards. The Company has operated long term incentive plans (including CSOP) and a number of SAYE schemes for the employees in the Company and the Group. See note 15 to the Group Financial Statements for details of the LTIP, CSOP and the SAYE schemes.

Shares held by employee benefit trust (EBT) and share incentive plan (SIP)

Shares held by EBT represent the cost of LSL shares purchased in the market and held by the EBT and the SIP to satisfy future exercise of options under the Group's employee share options schemes.

At 31 December 2024, the Trust held 174,248 (2023: 517,949) LSL shares at an average cost of £3.86 (2023: £3.86), and the SIP held 951,904 (2023: 991,419) LSL shares at an average cost of £0.88 (2023: £0.88). The market value of the LSL shares at 31 December 2024 was £3.4m (2023: £3.9m). The nominal value of each share is 0.2 pence.

Treasury shares

Treasury shares represent the cost of LSL shares purchased in the market as a result of a share buy-back scheme in 2022 and another announced in April 2024 that ends no later than 30 April 2025. At 31 December 2024, LSL had repurchased 1,458,933 (2023: 1,179,439) LSL shares at an average cost of £3.31 (2023: £3.38). The market value of the LSL shares at 31 December 2024 was £4.4m (2023: £3.0m). The nominal value of each share is 0.2 pence.

Fair value reserve

The fair value reserve is used to record the changes in fair value of equity financial assets.

14. Company loss for the financial year after tax

The Company has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006. The profit after tax for the year was £0.6m (2023: loss of £9.8m).

Remuneration paid to Directors of the Company is disclosed in note 15 to the Group Financial Statements.

The Company paid £0.4m (2023: £0.5m) to its auditors in respect of the audit of the Financial Statements of the Company.

Fees paid to the external auditors and their associates for non-audit services to the Company itself are not disclosed in the individual accounts of the Company because Group financial statements are prepared which are required to disclose such fees on a consolidated basis. These are disclosed in note 11 to the Group Financial Statements.

15. Pensions costs and commitments

Total contributions to the defined contribution schemes in the year were £0.2m (2023: £0.2m). The amount outstanding in respect of pensions as at 31 December 2024 was £nil (2023: £nil).

The average monthly number of employees (including directors) during the year was 109 (2023: 117).

16. Related party transactions

During the year the transactions entered into by the Company with non-wholly owned subsidiaries are as follows:

	Sales to related parties £'000	Purchases from related parties £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
Non-wholly owned subsidiaries				
2024	**–**	**–**	**1**	**–**
2023	–	–	–	515

The expected credit loss relating to related parties receivables with non-wholly owned subsidiaries is £nil at 31 December 2024 (31 December 2023: £nil) and the related parties receivables are presented net of this provision.

Definitions

"Adjusted Basic Earnings per Share" or "Adjusted Basic EPS" is defined at note 34 to the Financial Statements.

"Adjusted EBITDA" is Group Underlying Operating Profit (note 5 to the Financial Statements) plus depreciation on property, plant and equipment.

"AGM" annual general meeting.

"AI" artificial intelligence.

"AR" appointed representative.

"AR Regime" the FCA's Appointed Representatives Regime.

"Audit & Risk Committee" LSL's Audit & Risk Committee.

"Auditor Independence Policy" LSL policy relating to non-audit services provided by the external auditor.

"Basic Earnings per Share" or "EPS" is defined at note 12 to the Financial Statements.

"Board"/"Board of Directors" the Board of Directors of LSL.

"BAYE" Buy As You Earn (also referred to as SIP).

"BoE" Bank of England.

"B2B" business to business.

"B2C" business to customer.

"Committee(s)" refers to LSL's Nominations Committee, the Audit & Risk Committee, the Remuneration Committee and the Disclosure Committee.

"Company" or "Parent Company" refers to LSL Property Services plc.

"CBI" Conference of British Industry.

"Code" or "2018 Code" UK Code of Corporate Governance published by the Financial Reporting Council (FRC) (July 2018 edition). **"2024 Code"** refers to the update in 2024.

"CEO" or "Group CEO" Chief Executive Officer, David Stewart.

"CEO Designate" Chief Executive Officer Designate, Adam Castleton

"CFD" Climate-related Financial Disclosures Regulations 2022.

"CFO" or "Group CFO" Chief Financial Officer, Adam Castleton.

"Colleague Forums" or "Forums" our LSL Group Colleague Engagement, Inclusion and Diversity, and Communities forums.

"CPO" or "Group CPO" Chief People Officer, Debra Gardner.

"CRO" or Group CRO" Chief Risk Officer, Saad Hassanuddin.

"CRWG" climate-related working group.

"CSOP" Company Share Ownership Plan.

"D2C" direct to consumer.

"Data and Information Security Committee" or "DISC" LSL's Data and Information Security Committee.

"Davis Tate" trading name of Davis Tate Ltd.

"Director" an Executive Director or Non-Executive Director of LSL.

"Division(s)" refers to each of our Financial Services, Surveying & Valuation and Estate Agency Franchising Divisions.

"DLPS" or "Direct Life and Pension Services" or "Direct Life and Pensions" Direct Life and Pension Services Limited.

"EBITDA" earnings, before interest, taxes, depreciation and amortisation.

"Elsevier" Elsevier Limited.

"Embrace Financial Services" Embrace Financial Services Limited.

"EPS" Earnings per Share.

"EPC" energy performance certificate.

"Ernst & Young" Ernst & Young LLP.

"ESG" Environmental, Social and Governance.

"ESOT" LSL's employee share scheme.

"ESOT Trustees" Apex Financial Services (Trust Company) Limited.

"Estate Agency Division" or "Estate Agency" this refers to LSL's residential sales and lettings businesses. Following the change to a franchise model this Division has become the Estate Agency Franchising Division. It also included LSL's asset management businesses until 31 March 2023.

"Estate Agency Franchising Division" this refers to the provision of estate agency franchising services such as brand marketing and commercial and IT support, to a network of territories across the UK.

"e.surv" or "e.surv Chartered Surveyors" trading names of e.surv Limited.

"EWG" LSL's Environmental Working Group.

"Executive Committee" Executive Committee of the Group, which includes the Executive Directors.

"Executive Director(s)" David Stewart and Adam Castleton.

"FCA" Financial Conduct Authority.

"Financial Services Division" or "Financial Services" or "FS" refers to LSL's financial services division (including mortgage, non-investment insurance brokerage services and the operation of LSL's intermediary networks).

"Financial Services Networks" or "Networks" refers to the PRIMIS Network and TMA mortgage club.

"Financial Services Other" refers to Pivotal Growth, New Homes businesses, D2C and technology businesses (Mortgage Gym and DLPS).

"First2Protect" First2Protect Limited.

"First Complete" First Complete Limited.

"Financial Services Network" the PRIMIS Mortgage Network.

"Financial Statements" financial statements contained in this Report.

"FRC" Financial Reporting Council.

"FTE" full-time equivalent.

"FY" full year.

"GHG" greenhouse gas.

"Greenhouse Gas Protocol" a global standardised framework to measure GHG emissions from private and public sector operations.

"Global Property Ventures" refers to Global Property Ventures Limited.

"Grant Thornton" Grant Thornton UK LLP.

"Group" LSL Property Services plc and its subsidiaries.

"Group Company Secretary" Debbie Fish

"Group First" Group First Ltd, holding company of Mortgages First Ltd and Insurance First Brokers Ltd.

"Group Revenue" total revenue for the LSL Group.

"Group Underlying Operating margin" Group Underlying Operating Profit divided by Group Revenue.

"Goodfellows" trading name of GFEA Limited.

"H1 2024" 1 January 2024 – 30 June 2024.

"H2 2024" 1 July 2024 – 31 December 2024.

"HMRC" His Majesty's Revenue and Customs.

"Homefast Property Services" Homefast Property Services Limited.

"IAS" International Accounting Standards.

"IBNR" Incurred But Not Reported.

"I&D" Inclusion and Diversity.

"IFRS" International Financial Reporting Standards.

"JNP" trading name of JNP Estate Agents Limited.

"Korn Ferry" trading name of Korn Ferry Hay Group Limited.

"KPI" key performance indicators.

"Land & New Homes" LSL Land & New Homes Ltd.

"Lauristons" trading name of Lauristons Limited.

"Listing Rules" or "UK Listing Rules" FCA Listing Rules.

"LMS" LMS Direct Conveyancing Limited and Cybele Solutions Holdings Limited.

"Living Responsibly Report 2024" report published on our website setting out our Living Responsibly ESG programme.

"LSLi" LSLi Limited and its subsidiary companies. During 2023 the estate agency branches owned by the LSLi companies were franchised as part of the conversion of the entire LSL owned estate agency network to franchises, these included JNP, Intercounty, David Frost Estate Agents Limited, Goodfellows, Davis Tate, Lauristons, Hawes & Co and Thomas Morris).

"LSL" or "Group" or "Parent Company" refers to LSL Property Services plc and its subsidiaries.

"LSL Corporate Client Department" trading name of LSL Corporate Client Services Limited.

"LTIP" Long Term Incentive Plan.

"Management" refers to the Group's management teams.

"MAR" the UK Market Abuse Regulation.

"Marsh & Parsons" trading name of Marsh & Parsons Limited.

"Mortgage Gym" Mortgage Gym Solutions Ltd.

"Net Bank Debt" see note 31 to the Financial Statements.

"Net Cash" see note 31 to the Financial Statements.

"New Build" refers to RSC New Homes Limited and the Group First companies.

"Non-Executive Director" refers to Gaby Appleton, Darrell Evans, Sonya Ghobrial, James Mack and Michael Stoop.

"Notice of Meeting" the circular made available to shareholders setting out details of the AGM.

"Deutsche Numis" Numis Securities Limited.

"P&L" profit and loss statement.

"PDMRs" Persons Discharging Managerial Responsibility as defined in Article 3(1) (25) of UK MAR.

"Pivotal Growth" Pivotal Growth Limited.

"PI" professional indemnity.

"PI Costs" costs relating to ongoing and expected future PI claims relating to Surveying & Valuation business.

"Pollen Street Capital" or "PSC" Pollen Street Capital Limited.

"PRIMIS Network" or "PRIMIS" or "PRIMIS Mortgage Network" a trading name of Advance Mortgage Funding Limited, First Complete Limited and Personal Touch Financial Services Limited.

"RCF" revolving credit facility.

"Real Living Wage" a UK wage rate based on the cost of living.

"Reeds Rains" trading name of Reeds Rains Limited.

"Registered Office" Newcastle House, Albany Court, Newcastle Business Park, Newcastle upon Tyne, NE4 7YB.

"RELX" RELX Group plc.

"Report" LSL's Annual Report and Accounts 2023.

"RICS" Royal Institution of Chartered Surveyors.

"RIDDOR" Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

"RSC New Homes" or "RSC" RSC New Homes Limited.

"SAYE" Save As You Earn.

"SECR" Streamlined Energy and Carbon Reporting.

"Senior Management Team" or "Senior Managers" refers to our Executive Committee and their direct reports who are A1 and A2 grades (excluding the Executive Directors).

"SID" Senior Independent Director, James Mack (with effect from 5 March 2024).

"SIP" Share Incentive Plan (also referred to as BAYE).

"SteerCo" Living Responsibly Steering Committee.

"Surveying & Valuation" refers to e.surv Limited (including where it trades as Walker Fraser Steele) and asset management businesses with effect from 1 April 2023.

"TCFD" Task Force on Climate-related Financial Disclosures

"Templeton" trading name of Templeton LPA Limited.

"TMA" The Mortgage Alliance

Shareholder Information
(including forward-looking statements information)

Registered office

Newcastle House, Albany Court, Newcastle Business Park
Newcastle upon Tyne, NE4 7YB, United Kingdom
Telephone: +44 (0) 191 233 4600
Company website: lslps.co.uk
Registered in England and Wales- number 5114014
Email: investorrelations@lslps.co.uk

Please use the above email address to contact the Board via the Group Company Secretary

Advisers

Corporate brokers

Numis Securities Limited (Deutsche Numis)
45 Gresham Street, London, EC2V 7BF, United Kingdom

Zeus Capital Limited
125 Old Broad Street, London, EC2N 1AR, United Kingdom

Independent auditors

Ernst & Young LLP
1 More London Place, London, SE1 2AF, United Kingdom

Financial public relations

Burson Buchanan
107 Cheapside, London, EC2V 6DN, United Kingdom

Share Registrar

MUFG Corporate Markets
Central Square, 29 Wellington Street, Leeds, LS1 4DL,
United Kingdom
Telephone: +44 (0) 371 664 0300
Website: mpms.mufg.com
shareholderenquiries@cm.mpms.mufg.com

If you have any queries regarding your shareholding, please contact the Registrar. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

If contacting the registrars, the country code should be used when calling from outside the UK. Lines are open from 9:00 a.m. to 5:30 p.m. (UK time), Monday to Friday (excluding public holidays in England and Wales).

Financial calendar 2025

8 May 2025	Ex-dividend date
9 May 2025	Record date
23 May 2025	Last day for dividend reinvestment plan election
27 June 2025	2024 Final dividend payment

Dividends

Shareholders may request that their dividend be used to purchase further shares in the Company via the Dividend Reinvestment Plan (DRIP). Requests should be made via the share registrar. Shareholders who have already made a DRIP re-election do not need to re-apply.

Share price information

The Company's ordinary shares are listed on the Main Market of the London Stock Exchange. Share price information can be found on our website, lslps.co.uk.

ISIN number: GB00B1G5HX72
SEDOL number: B1G5HX7
Legal Entity Identifier: 213800T4VM5VR3C7S706

Shareholders can view current and historical share prices on the Company's website and in the Financial Times. For a real-time buying or selling price, you should contact a stockbroker.

E-communications

We encourage Shareholders to consider receiving Shareholder information electronically. Electing to receive Shareholder communications in this way allows Shareholders to access information quickly and securely. It also reduces Company costs and the impact on the environment by decreasing the amount of paper it needs to use.

To register for this service, please visit signalshares.com.

Share dealing and Signal Shares

The Company's shares can be traded through most banks, building societies and stockbrokers. Additionally, Shareholders can buy and sell shares through a telephone and internet service provided by the Company's Registrar, MUFG Corporate Markets.

Signal Shares, a website operated by MUFG Corporate Markets, allows Shareholders to view the details of their Shareholding, register for e-communications and send voting instructions electronically if they have received a voting form with an electronic reference or signed up for Signal Shares.

For more information about both services, log on to signalshares.com or call +44 (0) 371 664 0445. Please use the country code when calling from outside the UK. Lines are open Monday to Friday from 8:00 a.m. to 4:30 p.m. (UK time), Monday to Friday (excluding public holidays in England and Wales).

Scams and fraud

Many companies have become aware that their Shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK Shareholders, offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

How to avoid share fraud

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register (the Register) from fca.org.uk, to see if the person and firm contacting you is authorised by the FCA
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.
- Call the FCA on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at fca.org.uk/scams.
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- Remember, if it sounds too good to be true, it probably is!

Report a scam

If you are approached about an investment scam, you should tell the FCA using the share fraud reporting form at fca.org.uk/scams, where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters, you should contact Action Fraud on 0300 123 2040.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

Forward-looking statements

This Report may contain certain statements that are forward-looking statements. They appear in a number of places throughout this Report and include statements regarding our intentions, beliefs or current expectations and those of its Officers, Directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business it operates. By their nature, these statements involve risks and uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report and, unless otherwise required by applicable law, we undertakes no obligation to update or revise these forward-looking statements. Nothing in this Report should be construed as a profit forecast. The Company and its Directors accept no liability to third parties in respect of this Report save as would arise under English law. Information about the management of the Principal Risks and Uncertainties facing the Group is set out within the Strategic Report on pages 35 to 38.

Any forward-looking statements in this Report speak only at the date of this Report and the Company undertakes no obligation to update publicly or review any forward-looking statement to reflect new information or events, circumstances or developments after the date of this Report.

LSL PROPERTY SERVICES PLC

lslps.co.uk
Registered in England
(Company number 5114014)

Registered office:
Newcastle House
Albany Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YB
Email: investorrelations@lslps.co.uk