26 March 2025

LSL Property Services plc (“LSL” or “Group”)
FULL YEAR RESULTS TO 31 DECEMBER 2024

A YEAR OF POSITIVE PROGRESS AND SIGNIFICANT PROFIT GROWTH

LSL reports its 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 of 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.

David Stewart, Group Chief Executive commented:

“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.”

STRATEGIC AND OPERATIONAL HIGHLIGHTS

2024 performance demonstrates the benefits of the successful completion of our significant restructuring and transformation programmes in 2023, as a result of which LSL is now a much simpler Group, well positioned to deliver higher operating margins, and more consistent earnings through market cycles.

This helped the Group to deliver a substantial profit increase in markets that remained supressed in 2024 compared to the long-term average, with new lending 6% below the 10-year average[3] and housing transactions[4] 9% below. Economic and geo-political uncertainty, sticky inflation and delays to interest rate reductions continued to impact consumer confidence during H2.

- **Significant recovery in profitability** with Group Underlying Operating Profit increasing by £17.4m to £27.7m. All divisions reported increases in profitability
- **Investment to support future growth.** During 2024, the Group invested £1m, £0.7m in H2, to develop new products in Surveying & Valuation and announced a major programme to upgrade its Financial Services technology offering, that will commence in 2025
- **Estate Agency Franchising continues to support the growth of franchisees,** to facilitate territory expansion and by supporting three lettings book acquisitions completed in H2 2024
- **Acquisition during 2024 of eight businesses** by our Pivotal Growth JV, with advisers increasing to over 500
- **Purchase of TenetLime mortgage network completed in February** with integration programme on track and financial performance and adviser retention in line with expectations

- In January 2025, LSL announced the **appointment of Adam Castleton, previously Group CFO, as CEO Designate**, formally taking up the CEO position on 1 May 2025, following David Stewart's notification to the Board of his intention to retire from his Executive role and the LSL Board
- **Strengthened management bench strength** with a number of senior Divisional appointments
- **Adrian Collins appointed as Chair and Michael Stoop as Non-Executive Director**, strengthening the Group's Board
- **Full year dividend of 11.4p** (2023: 11.4p), with final dividend maintained at 7.4p per share, reflecting strong balance sheet and Board's confidence in prospects

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[5] (£m)	(0.4)	(46.1)	99%
Basic Earnings per Share (pence)	17.3	7.9	119%
Adjusted Basic Earnings per Share[6] (pence)	21.1	7.6	178%
Net Cash[7] 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	-

- **Group Revenue was £173.2m** (2023: £144.4m). Revenue was 20% above prior year in a total mortgage lending market that was broadly flat and housing market that increased by 7%
- **Group Underlying Operating Profit was £27.7m** (2023: £10.3m from continuing operations[1,2], £9.3m from total operations[1,2]), significantly ahead of the prior year, with particularly strong recovery in the Surveying & Valuation Division
- **Material improvement in Group Underlying Operating margin to 16%** (2023: 7%), representing the highest margin reported in over 15 years
- **Group operating profit was £21.9m** (2023: £3.7m)
- **Net Cash[7] of £32.4m** at 31 December 2024 (31 December 2023: £35.0m), with adjusted cash flow from operations of £31.1m (2023: £(0.2)m) and cash flow conversion rate[8] of 114% (2023: (2)%) reflecting a return to more normalised profit levels in the period
- **Net Exceptional costs[8] of £2.4m** (2024: £4.4m) primarily relating to costs incurred in the exit of a large protection only firm and costs associated with the administration of the company from which TenetLime was purchased (the latter of which we expect to be recovered against deferred consideration)

DIVISIONAL PERFORMANCE

Surveying & Valuation Division

- **Surveying & Valuation performance was strong** reflecting the benefit of **contract extensions with improved terms** as well as a recovery in market conditions following the significant reduction experienced in 2023
- Surveying & Valuation revenue increased significantly to £97.8m, an increase of 36% on 2023 (£71.9m), reflecting a 26% increase in jobs performed and 8% increase in income per job on the comparative period
- **Mortgage approvals[9] 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[7] 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[2] 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

Financial Services Division

- 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[3] 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 2,282**. 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[2] 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

Estate Agency Franchising Division

- Continued **support of 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[2] to £7.6m (2023: £4.3m) 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)

Pivotal Growth Joint Venture

- **Acquisition during 2024 of eight businesses,** including John Charcol with 150 mortgage and protection advisers
- **Pivotal Growth now has over 500 advisers,** making it one of the **largest mortgage and protection brokers in the UK**, giving it critical mass to leverage its scale to attract deals and drive revenue synergies and profitability
- **Pivotal Growth's financial performance has steadily improved** (in trading EBITDA before transaction costs) as it has increased in scale and moved out of its establishment phase
- Following **material growth in trading EBITDA** (before transaction costs) in 2024 compared to prior year, our share of Pivotal profit after tax is expected to continue to improve in future periods

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.

For further information, please contact:

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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
3 Mortgage lending excluding product transfers - New mortgage lending by purpose of loan, UK Finance (Bank of England) – Table MM23 (30 January 2025)
4 Number of residential property transaction completions with value £40,000 or above, HMRC (31 January 2025)
5 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
6 Refer to note 12 to the Financial Statements for the calculation
7 Refer to note 34 to the Financial Statements
8 Refer to note 9 to the Financial Statements
9 Approvals for lending secured on dwellings, Bank of England – Table A5.4 (30 January 2025)

Notes on LSL
LSL is one of the largest providers of services to mortgage intermediaries and estate agent franchisees.

Over 2,700 advisers representing over 11% of the total purchase and remortgage market.

Its 62 estate agency franchisees operate in 310 territories.

LSL is also one of the UK's largest providers of surveying and valuation services, supplying five out of the six largest lenders in the UK.

For further information please visit LSL's website: lslps.co.uk

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GROUP CHIEF EXECUTIVE'S REVIEW

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. 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 Divisions. 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.

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. LSL 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. 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 from 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
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

FY P&L (£m)	2024	Restated[1] 2023	Var
Divisional Group Revenue[2]			
Financial Services	48.4	51.7	(6)%
Surveying & Valuation	97.8	71.9	36%
Estate Agency Franchising	27.0	20.9	29%
Group Revenue	**173.2**	**144.4**	**20%**
Estate Agency - discontinued operations	*0.0*	*32.3*	*(100)%*
Group Revenue (incl. discontinued operations)	**173.2**	**176.8**	**(2)%**
Divisional Underlying Operating Profit/(Loss)[2,3]			
Financial Services Network	*8.7*	*7.4*	*17%*
Pivotal joint venture	*(0.0)*	*(0.4)*	*99%*
Financial Services	8.7	7.0	23%
Surveying & Valuation	22.5	6.7	234%
Estate Agency Franchising	7.6	4.3	77%
Central	(11.0)	(7.7)	(43)%
Group Underlying Operating Profit from continuing operations	**27.7**	**10.3**	**169%**
Estate Agency - discontinued operations	*(0.4)*	*(1.0)*	*55%*
Group Underlying Operating Profit from total operations	**27.3**	**9.3**	**192%**
Divisional operating profit/(loss)[2,3]			
Financial Services	**4.7**	5.0	(8)%
Surveying & Valuation	**22.1**	3.4	550%
Estate Agency Franchising	**6.5**	3.0	118%
Central	**(11.3)**	7.7	(48)%
Group operating profit/(loss) from continuing operations	**21.9**	3.7	484%
Estate Agency - discontinued operations	**(0.5)**	(45.4)	99%
Group Operating Profit / (Loss) from total operations	**21.4**	**(41.7)**	**151%**

Notes:

1 Refer to note 4 to the Financial Statements

2 Following the conversion of the entire owned estate agency network to franchises in 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

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

FINANCIAL & DIVISIONAL REVIEWS

Group Income Statement Review[1]

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[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 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[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 share of Pivotal Growth results 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.

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[6]

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[7]

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 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 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[1] 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[8]

	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

Business Reviews

Surveying & Valuation Division
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 valuations 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[3] 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.

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[3] 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[3] 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 Services Division
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%[2]. 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[3] 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[3] 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).

Estate Agency Franchising Division

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[1,3] 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).

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[6] - 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) - 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 venture - 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 subleases (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.

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 provisions 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[10] £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[10] 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)

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.

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

6 Refer to note 2 and 17 to the Financial Statements

7 Refer to note 9 to the Financial Statements

8 Refer to note 12 to the Financial Statements

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

10 Refer to note 34 to the Financial Statements

Principal risks and uncertainties

Our principal risks and uncertainties, that the Board has assessed as being the most significant risks that may adversely affect our business strategy, financial position or future performance, are set out in the Group's Annual Report and Accounts.

In summary, these are linked to the impact on the Group of:

1. The cyclicality of the UK housing market and fluctuations in the lending market.
2. Exposure to competitive pressures from market participants.
3. Execution of strategic initiatives and associated capital allocations.
4. Claims arising from systemic lapses in the delivery of professional services.
5. Significant falls in business volume.
6. Information security.
7. Regulatory compliance and responding to regulatory changes.
8. Environmental, social and governance matters.
9. Colleague resources, talent and expertise.
10. Credit risk.

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)

Group Balance Sheet

as at 31 December 2024

	Note	**2024**	2023
		£'000	£'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

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

Group Statement of Changes in Equity
for the year ended 31 December 2024

	Share capital	Share premium account	Share- based payment reserve	Shares held by EBT and SIP	Treasury shares	Fair value reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'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.

Group Statement of Changes in Equity
for the year ended 31 December 2023

	Share capital	Share premium account	Share- based payment reserve	Shares held by EBT and SIP	Treasury shares	Fair value reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'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 above results and the accompanying notes do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

Statutory Financial Statements for this year will be filed following the 2025 AGM and will be available on LSL's website: lslps.co.uk. The auditors have reported on these Financial Statements. Their report was unqualified and did not contain a statement under section 498 (2), (3) or (4) of the Companies Act 2006.

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 in our Annual Report and Accounts 2024. 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) in our Annual Report and Accounts 2024. 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 Principal Risks and Uncertainties section of the Strategic Report on page 34 in our Annual Report and Accounts 2024.

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 have 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, which is included in the Principal Risks and Opportunities section of the Annual Report and Accounts 2024 (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 the Annual Report and Accounts 2024.

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.

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 begun 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 to these Financial Statements.

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.

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.

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 professional indemnity 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.

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 ales 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 below, is measured differently from operating profit or loss in the Group Financial Statements. Head 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.

Year ended 31 December 2024

Income statement information	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central* £'000	Total £'000
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)**

**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)

Income statement information	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central* £'000	Total £'000
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)**

**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.

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* £'000	IFRS reported total from continued operations £'000
Profit/(loss) before tax	**6,759**	**22,805**	**5,990**	**(12,541)**	**23,013**
Net finance income/(cost)	(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%**

**Formerly named "Unallocated"*

Year ended 31 December 2023 (restated)

	Financial Services £'000	Surveying & Valuation £'000	Estate Agency Franchising £'000	Central* £'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%**

**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 generated/(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	2023
	£’000	£’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.

7. Finance income

	2024	2023
	£'000	£'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	2023
	£'000	£'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	2023
	£'000	£'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 firms 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 contingent 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 contingent 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	2023
	£'000	£'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

11. Auditor's remuneration

The remuneration of the auditors is further analysed as follows:

	2024	2023
	£'000	£'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	2023
	£'000	£'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%)*	**(7,219)**	(2,396)
Adjusted profit after tax attributable to owners of the parent	**21,656**	7,802

**The headline UK rate of corporation tax for the period is 25.0% (2023: 23.5%).*

Adjusted basic and diluted EPS

	Profit after tax £'000	**2024 Weighted average number of shares**	**Per share amount pence**	Profit after tax £'000	2023 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	2023
	£'000	£'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:		
Dividend: 7.4 pence per share (2023: 7.4 pence)	**7,596**	7,714

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)[2]	**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

[2] 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	2023
	£'000	£'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.

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[3]	**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

[3]*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	2023
	£'000	£'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	2023
	£'000	£'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	2023
	£'000	£'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).

(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	2023
	£'000	£'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	2023
	£'000	£'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	2023
	£'000	£'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 (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	2023
	£'000	£'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 £2.1m 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	2023
	£'000	£'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	2023
	£'000	£'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

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:

CGUs	**Goodwill 2024 £'000**	**Brand 2024 £'000**	Goodwill 2023 £'000	Brand 2023 £'000
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

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 02 February 2025. The Group have 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	Leasehold improvements	Motor vehicles	Fixtures, fittings and computer equipment	Total
	£'000	£'000	£'000	£'000	£'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	2023
	£'000	£'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	2023
	£'000	£'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.

(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 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:

Mottram TopCo balance sheet[1]:	2024 £'000	2023 £'000
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[1]	**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.

Pivotal results:	2024 £'000	2023 £'000
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	2023
	£'000	£'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	2023
	£'000	£'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 1st January 2023 of £8.0m was settled in 2023.

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	2023
	£'000	£'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	Neither past due nor impaired	<30 days	30-60 days	60 – 90 days	90 – 120 days	> 120 days
	£'000	£'000	£'000	£'000	£'000	£'000	£'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	2023
	£'000	£'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	2023
	£'000	£'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	2023
	£'000	£'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.

Contingent consideration

	2024	2023
	£'000	£'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 claim provisions
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).

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.

Right-of-use assets	2024	2023

	Property	Motor vehicles	Total	Property	Motor vehicles	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'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**	2023
	£'000	£'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	**£'000**	**£'000**
	Property	**Vehicles**	**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	2023
	£000	£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 the 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.

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 EBT represent the cost of LSL shares purchased in the market and held by the Employee Benefit Trust and the Share Incentive Plan (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 the 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 up 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 the 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.

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's and Financial Services' highest risk exposure is in relation to loans to franchises 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**	**Level 1**	**Level 2**	**Level 3**
	£'000	**£'000**	**£'000**	**£'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	Level 1	Level 2	Level 3
	£'000	£'000	£'000	£'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 01 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 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.

Transactions with Mottram Topco (Pivotal Growth) and its subsidiaries

	2024	2023
	£'000	£'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.

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	2023
	£'000	£'000
Total operating expenditure	**(151,289)**	(140,671)
Add back:		
Other (losses) / gains	**(532)**	211
Share of post-tax (loss)/profit 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	2023
	£'000	£'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	2023
	£'000	£'000
Cash generated from operations	**33,017**	3,916
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	2023
	£'000	£'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. Annual Report and Annual General Meeting

The Annual Report and Accounts for the year ended 31 December 2024 will be available shortly on the Company's website lslps.co.uk and will be circulated to those Shareholders who have elected to receive copies in April 2025. Details on our 2025 Annual General Meeting will be published in due course.

Directors' responsibilities in respect of the Financial Statements

Each of the Directors 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 in the Annual Report and Accounts, 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

Forward-Looking Statements

This announcement contains certain statements that are forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve 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 update and, unless otherwise required by applicable law, LSL undertakes no obligation to update or revise these forward-looking statements. Nothing in this update should be construed as a profit forecast. LSL and its Directors accept no liability to third parties in respect of this update save as would arise under English law.

Any forward-looking statements in this update speak only at the date of this document and LSL 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 document.