

Company Registration No. 07232590 (England and Wales)

**ROMACO LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# ROMACO LIMITED

## CONTENTS

---

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

---

# ROMACO LIMITED

## BALANCE SHEET

AS AT 31 MAY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	4		16,476		-
Tangible assets	5		29,685		58,671
Investments	6		15		15
			<u>46,176</u>		<u>58,686</u>
<b>Current assets</b>					
Stocks			-		290,000
Debtors	7		551,682		407,900
Cash at bank and in hand			239,351		226,535
			<u>791,033</u>		<u>924,435</u>
<b>Creditors: amounts falling due within one year</b>	8		<u>(689,281)</u>		<u>(799,559)</u>
<b>Net current assets</b>			<u>101,752</u>		<u>124,876</u>
<b>Total assets less current liabilities</b>			<u>147,928</u>		<u>183,562</u>
<b>Provisions for liabilities</b>			<u>(8,771)</u>		<u>(2,412)</u>
<b>Net assets</b>			<u><u>139,157</u></u>		<u><u>181,150</u></u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss reserves			139,057		181,050
<b>Total equity</b>			<u><u>139,157</u></u>		<u><u>181,150</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 6 December 2021 and are signed on its behalf by:

K J Richardson  
**Director**

**Company Registration No. 07232590**

# ROMACO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

---

### 1 Accounting policies

#### Company information

Romaco Limited is a private company limited by shares incorporated in England and Wales. The registered office is 15 Carnarvon Street, Manchester, M3 1HJ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 Turnover

Turnover in the year represents the sale of collateral property held for sale, recognised on completion. Other income reflects management charges and services provided to fellow group companies.

#### 1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	50% straight line
----------	-------------------

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33% straight line
Computer equipment	33% straight line

# ROMACO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

---

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stock related to two properties held for sale which were received as collateral on a irrecoverable loan. These were valued at the lower of cost (including direct materials and labour costs on renovation) and estimated selling price, less costs to complete and sell. The properties were sold during the year.

# ROMACO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

---

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# ROMACO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Government grants**

Grant income relates to furlough income under Coronavirus Job Retention Scheme. Cash payments were made to compensate for part of the wages, associated national insurance and employer contributions of employees who have been placed on furlough.

This grant income has been recognised under the performance model whereby entitlement to the grant only passes to the company when relevant employees are placed on furlough. Grant income is recognised on a straight line basis over the furlough period for each employee.

Grants received before the recognition criteria are satisfied is recognised as a liability.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

## ROMACO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

---

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	31	25

#### 4 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 June 2020	-
Additions	18,519
At 31 May 2021	18,519
<b>Amortisation and impairment</b>	
At 1 June 2020	-
Amortisation charged for the year	2,043
At 31 May 2021	2,043
<b>Carrying amount</b>	
At 31 May 2021	16,476
At 31 May 2020	-



# ROMACO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 5 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 June 2020	92,340
Additions	10,939
	<hr/>
At 31 May 2021	103,279
	<hr/>
<b>Depreciation and impairment</b>	
At 1 June 2020	33,669
Depreciation charged in the year	39,925
	<hr/>
At 31 May 2021	73,594
	<hr/>
<b>Carrying amount</b>	
At 31 May 2021	29,685
	<hr/>
At 31 May 2020	58,671
	<hr/>

### 6 Fixed asset investments

	2021	2020
	£	£
Shares in group undertakings and participating interests	15	15
	<hr/>	<hr/>

#### Fixed asset investments not carried at market value

The company has investments in its subsidiary companies measured at cost.

### 7 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	509,440	370,495
Other debtors	42,242	37,405
	<hr/>	<hr/>
	551,682	407,900
	<hr/>	<hr/>

## ROMACO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

#### 8 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	37,795	46,128
Amounts owed to group undertakings	-	60,660
Taxation and social security	71,973	31,360
Other creditors	579,513	661,411
	<u>689,281</u>	<u>799,559</u>

#### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jonathan Brodie ACA and the auditor was Lopian Gross Barnett & Co.

#### 10 Financial commitments, guarantees and contingent liabilities

The company is subject to a share charge from The Royal Bank of Scotland Plc regarding its shareholding in Romaco SPV2 Limited. This charge was satisfied post year-end.

#### 11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
25,005	-
<u>25,005</u>	<u>-</u>

#### 12 Related party transactions

On 14 July 2016 the company agreed to act as Guarantor with The Royal Bank of Scotland Plc on behalf of Romaco SPV2 Ltd, which is a subsidiary company. As part of this guarantee Romaco Ltd has agreed to provide security for all of the monies that The Royal Bank of Scotland Plc has lent to Romaco SPV2 Ltd.

On 6 April 2018 the company agreed to act as Guarantor with Averon Park Ltd on behalf of Romaco SPV5 Ltd, which is a subsidiary company. As part of this guarantee Romaco Ltd has agreed to provide security for all of the monies that Averon Park Ltd has lent to Romaco SPV5 Ltd.

#### 13 Response to Covid-19

There are no other issues arising from Covid-19 which the directors believe require disclosure within the accounts.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.