

Romans 3 Limited

Report and Financial Statements

Period Ended

31 March 2016

Company Number 08653616



Romans 3 Limited

Report and financial statements for the period ended 31 March 2016

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Directors

P A Coles
M E J Palmer
T Shelford
M Salter

Registered office

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

Company number

08653616

Bankers

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

Solicitors

Clifton Ingram, 22-24 Broad Street, Wokingham, Berkshire, RG40 1BA

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

Romans 3 Limited

Strategic report for the period ended 31 March 2016

The directors present their strategic report together with the audited financial statements for the period ended 31 March 2016.

Principal activities

The principal activity of the company is that of a holding company.

Review of the business

Romans 3 Limited is the parent of a group of companies involved in the provision of property services. The company's subsidiaries continued to perform well during the period ended 31 March 2016 with the improvement in the group's results reflecting growth, both organically and through acquisitions. The company's operating result for the period is in line with the directors' expectations.

Key performance indicators

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

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

Principal risks and uncertainties

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

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

The activity levels of the group's businesses are closely related to that in the housing marketplace. Though the group faces risks associated with the housing marketplace, the directors feel that the diversity of operations in second hand sales, lettings, new homes, planning, residential surveys, mortgages and auctions counter each other, therefore reducing the risks to the group of any one division being adversely affected.

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

Approval

This strategic report was approved on behalf of the Board on 25/8/16



M E J Palmer

Director

Romans 3 Limited

Report of the directors for the period ended 31 March 2016

The directors present their report together with the audited financial statements for the period ended 31 March 2016.

Results and dividends

The profit and loss account is set out on page 4 and shows the loss for the period.

No dividends were paid during the period (2014 - £Nil). The directors do not recommend the payment of a dividend.

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

Directors

The directors of the company during the period were as follows:

P A Coles
M E J Palmer
T Shelford
M Salter

At 31 March 2016, third party indemnity provision for the benefit of the company's directors was in force.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Romans 3 Limited

Report of the directors for the period ended 31 March 2016 (*continued*)

Auditors

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

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

On behalf of the Board



M E J Palmer

Director

Date 25/8/16

Romans 3 Limited

Independent auditor's report

TO THE MEMBERS OF ROMANS 3 LIMITED

We have audited the financial statements of Romans 3 Limited for the 15 months ended 31 March 2016 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Romans 3 Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



*Simon Brooker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom*

Date *25 August 2016*

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

Romans 3 Limited

Profit and loss account for the period ended 31 March 2016

	Note	15 months ended 31 March 2016 £	Period ended 30 December 2014 £
Administrative expenses		(24,175)	48,237
Operating (loss) / profit	2	(24,175)	48,237
Interest payable and similar charges	5	(4,920,203)	(3,821,520)
Dividends receivable		-	2,447,737
Loss on ordinary activities before taxation		(4,944,378)	(1,325,546)
Taxation on loss from ordinary activities	6	-	-
Loss on ordinary activities after taxation	12,13	(4,944,378)	(1,325,546)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

Romans 3 Limited

Balance sheet at 31 March 2016

<i>Company number 08653616</i>	Note	31 March 2016 £	31 March 2016 £	30 December 2014 £	30 December 2014 £
Fixed assets					
Investments	7		56,212,250		56,212,250
Current assets					
Debtors	8	5,645,603		200,377	
Creditors: amounts falling due within one year	9	(68,127,776)		(28,630,524)	
Net current liabilities			(62,482,173)		(28,430,147)
Creditors: amounts falling due after more than one year	10		-		(29,107,648)
Net liabilities			(6,269,923)		(1,325,545)
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		(6,269,924)		(1,325,546)
Shareholders' deficit	13		(6,269,923)		(1,325,545)

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

25/8/16



M E J Palmer
Director

The notes on pages 8 to 14 form part of these financial statements.

Romans 3 Limited

Notes forming part of the financial statements for the period ended 31 March 2016

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Consolidated financial statements

The financial statements contain information about Romans 3 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of its parent company, Romans 1 Limited.

Going concern

The financial statements have been prepared on a going concern basis. The company made a loss of £4,944,378 (30 December 2014 - loss of £1,325,546) for the period ended 31 March 2016 and had net liabilities of £6,269,923 (30 December 2014 - £1,325,545) at the balance sheet date.

The directors consider it appropriate to use the going concern basis in preparing the financial statements on the basis of ongoing support from Property Services Holdings Limited, its ultimate parent company, to provide adequate funds to enable the company to meet its liabilities as and when they fall due. The company has received a letter of support from the parent company, Property Services Holdings Limited, confirming that it will support the company for a period of at least twelve months from the date of approval of these financial statements.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Romans 1 Limited and the company is included in consolidated financial statements.

Investments

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

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Pension costs

Pension costs represent payments made during the period, for employees, into defined contribution schemes.

Romans 3 Limited

Notes forming part of the financial statements for the period ended 31 March 2016 (*continued*)

2 Operating (loss) / Profit

	15 months ended 31 March 2016 £	Period ended 30 December 2014 £
This has been arrived at after charging:		
Auditors' remuneration	5,100	7,496

The company has taken advantage of the exemption from the requirement to disclose details of the auditors' remuneration for non-audit services. This is disclosed in the consolidated accounts of its parent company, Romans 1 Limited.

3 Employees

	15 months ended 31 March 2016 £	Period ended 30 December 2014 £
Staff costs during the period (including directors):		
Wages and salaries	2,330,855	1,664,619
Social security costs	300,110	230,009
Other pension costs	15,190	65,750
	2,646,155	1,960,378

The average number of employees (including directors) during the period was 6 (30 December 2014 - 6).

4 Directors' remuneration

	15 months ended 31 March 2016 £	Period ended 30 December 2014 £
Directors' remuneration consists of:		
Emoluments	994,441	875,946
Pension contributions	43,105	60,274
	1,037,546	936,220
Highest paid director:		
Emoluments	587,888	494,895
Pension contributions	39,451	56,393
	627,339	551,288

There were 2 (30 December 2014 - 2) directors in the company's defined contribution pension schemes during the period.

Romans 3 Limited

Notes forming part of the financial statements for the period ended 31 March 2016 (*continued*)

5 Interest payable and similar charges

	15 months ended 31 March 2016 £	Period ended 30 December 2014 £
Group interest payable	2,205,454	2,077,017
Interest on bank loans	1,423,760	1,252,092
Other interest payable	767	792
Finance costs	1,290,222	491,619
	<u>4,920,203</u>	<u>3,821,520</u>

6 Taxation on loss from ordinary activities

	15 months ended 31 March 2016 £	Period ended 30 December 2014 £
<i>Current tax</i>		
UK corporation tax charge on loss of the period	-	-
	<u>-</u>	<u>-</u>
Reconciliation of current tax rate to standard rate of tax		
Loss on ordinary activities before tax	(4,944,378)	(1,325,546)
	<u>(4,944,378)</u>	<u>(1,325,546)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.20% (30 December 2014 - 21.91%)	(998,721)	(290,427)
Effects of:		
Expenses not deductible for tax purposes	107	-
Income not taxable for tax purposes	-	(536,259)
Unrelieved tax losses	998,614	185,250
Group relief surrendered	-	641,436
	<u>998,614</u>	<u>185,250</u>
Current tax for the period	-	-
	<u>-</u>	<u>-</u>

A deferred tax asset of £149,829 on the companies unutilised tax losses of £832,384 has not been recognised at the balance sheet date as the company is not expected to be able to utilise these losses for the foreseeable future.

Romans 3 Limited

Notes forming part of the financial statements
for the period ended 31 March 2016 (*continued*)

7 Fixed asset investments

Shares in
subsidiary
undertakings
2016
£

Cost

As at 31 March 2016 and 30 December 2014

56,212,250

Subsidiary undertakings

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

	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
The Romans Group (UK) Limited	England and Wales	100%	Estate agency
Romans Mortgage Services Limited *	England and Wales	100%	Mortgage advisers
Romans Professional Services Limited*	England and Wales	100%	Chartered Surveyors
Lennon Planning Limited **	England and Wales	100%	Dormant
Romans Projects Limited **	England and Wales	100%	Dormant
Boyer Planning Limited*	England and Wales	100%	Planning consultants
Imperial Estate Agents Trustee Limited *	England and Wales	100%	Dormant
Atkinson & Keene Limited *	England and Wales	100%	Dormant
JM Lettings Limited *	England and Wales	100%	Dormant
Romans Sales and Lettings Limited *	England and Wales	100%	Dormant
Jacksons Residential Limited*	England and Wales	100%	Dormant
Caroline Clark & Associates Limited *	England and Wales	100%	Dormant
Sheriff Mountford Limited *	England and Wales	100%	Dormant
Drummonds Property Rentals Limited*	England and Wales	100%	Dormant
Campsie Lettings Limited*	England and Wales	100%	Dormant
James Griffin Lettings Limited*	England and Wales	100%	Dormant
Amethyst Lettings Holdings Limited*	England and Wales	100%	Dormant
Amethyst Lettings Limited*	England and Wales	100%	Dormant
The Brampton Partnership (Estate Agents) Limited*	England and Wales	100%	Dormant
Brampton Sales and Lettings Limited*	England and Wales	100%	Dormant

Romans 3 Limited

Notes forming part of the financial statements for the period ended 31 March 2016 (continued)

7 Fixed asset investments (continued)

Bennett Residential Limited*	England and Wales	100%	Estate agency
Romans Commercial Limited*	England and Wales	100%	Dormant
Harmers Limited***	England and Wales	100%	Dormant

* investments held by The Romans Group (UK) Limited

** investments held by Romans Professional Services Limited

***investments held by Boyer Planning Limited

8 Debtors

	31 March 2016 £	30 December 2014 £
Amounts owed by group undertakings	5,643,923	156,577
Prepayments and accrued income	1,680	43,800
	<u>5,645,603</u>	<u>200,377</u>

9 Creditors: amounts falling due within one year

	31 March 2016 £	30 December 2014 £
Amounts owed to group companies	63,671,342	26,391,650
Bank loans	-	1,210,017
Accruals and deferred income	4,456,434	1,028,857
	<u>68,127,776</u>	<u>28,630,524</u>

The loan is secured by a fixed and floating over the assets of the group.

10 Creditors: amounts due in more than one year

	31 March 2016 £	30 December 2014 £
Bank loans	-	15,031,154
Amounts owed to group companies	-	14,076,494
	<u>-</u>	<u>29,107,648</u>

Romans 3 Limited

Notes forming part of the financial statements for the period ended 31 March 2016 (*continued*)

10 Creditors: amounts due in more than one year (*continued*)

	31 March 2016 £	30 December 2014 £
Maturity of debt:		
In one year or less	-	1,210,017
	<hr/>	<hr/>
In more than one year but not more than two years	-	1,363,242
In more than two years but not more than five years	-	13,667,912
	<hr/>	<hr/>
	-	15,031,154
	<hr/>	<hr/>

The bank loans were secured via a charge over the assets of the group. The bank loans due within one year and due after one year at 31 March 2016 are reduced by arrangement fees of £Nil (2014 - £289,983) and £Nil (2014 - £680,847) respectively.

The prior year bank loans were comprised of three facilities as follows:

- Facility A is for £8,100,000 accruing interest at LIBOR plus 4.25%;
- Facility B is for £8,000,000 accruing interest at LIBOR plus 4.75%;
- Facility C is for £6,000,000 accruing interest at LIBOR plus 4.50%;

All interest on the facilities was paid quarterly in arrears.

During the year, Property Services Holdings Limited, the new ultimate parent company was formed. At which time Titus Bidco Limited acquired the entire share capital of Romans 1 Limited, and a new loan facility was agreed. The new loan facility is held within Titus Bidco Limited, and as a part of the agreement it cleared all the loans previously held by Romans 3.

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

11 Called up share capital

	31 March 2016 £	30 December 2014 £
<i>Called up, allotted and fully paid</i>		
Ordinary shares of £1 each	1	1
	<hr/>	<hr/>

Romans 3 Limited

Notes forming part of the financial statements
for the period ended 31 March 2016 (*continued*)

12 Reserves

	Profit and loss account £
At 31 December 2014	(1,325,546)
Loss for the period	(4,944,378)
	<hr/>
At 31 March 2016	(6,269,924)
	<hr/>

13 Reconciliation of movements in shareholders' deficit

	31 March 2016 £	30 December 2014 £
Loss for the period	(4,944,378)	(1,325,546)
Opening shareholders' deficit	(1,325,545)	-
Issued share capital	-	1
	<hr/>	<hr/>
Closing shareholders' deficit	(6,269,923)	(1,325,545)
	<hr/>	<hr/>

14 Related party transactions

The company is a wholly owned subsidiary of Romans 1 Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Romans 1 Limited or other wholly owned subsidiaries within the group.

15 Ultimate parent company and controlling party

At 31 March 2016, the company was a subsidiary of Romans 1 Limited. The company's ultimate parent company was Property Services Holdings Limited.

Romans 1 Limited is a parent company of Romans 3 Limited and the smallest group in which the results of the company are consolidated.

Property Services Holdings Limited is the company's ultimate parent company and the largest group in which the results of the company are consolidated.

Both of the consolidated accounts which include the results of this company are available to the public and may be obtained from The Romans Group (UK) Limited, Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ or Companies House.

The accounts of the ultimate parent company, Property Services Holdings Limited, will not be available until after their first year end date of 31 March 2017.

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