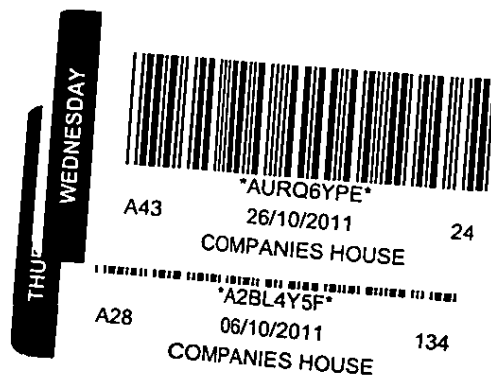


**RUGARTH INVESTMENT TRUST LIMITED**  
**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

Company No: 341218

**WILKINS KENNEDY**  
Chartered Accountants  
Bridge House  
London Bridge  
LONDON  
SE1 9QR



**RUGARTH INVESTMENT TRUST LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31 MARCH 2011****DIRECTORS**

C H Harrison  
A M Homan  
H M Saunders

**FINANCIAL STATEMENTS**

The directors present their report and financial statements of the company and the group for the year ended 31 March 2011

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 and loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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.

**PRINCIPAL ACTIVITY**

The principal activity of the company during the year remained that of an investment holding company. The principal activities of the subsidiary undertakings are set out in note 9 to the financial statements.

**RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation is £95,905 (2010 £1,562,719)

Interim dividends were declared and paid as follows -

Date declared	Paid	'O' Shares £	'P' Shares £	Total £
15 October 2010	15 October 2010	80,000	50,000	130,000
29 March 2011	20 April 2011	80,000	50,000	130,000

Dividends of the same amounts were received from the company's subsidiary undertaking on the same day that the dividends were paid.

The directors do not recommend payment of a final dividend.

**RUGARTH INVESTMENT TRUST LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2011**

**FIXED ASSETS**

The movements in fixed assets are set out in notes 8 to 10 to the financial statements

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year were as follows

C H Harrison  
A M Homan  
H M Saunders

Mr C H Harrison and Mr A M Homan are directors of a company which is the sole trustee of a settlement which is considered to be the company's ultimate parent undertaking. The directors had no other interests in contracts of a material nature with the company during the year.

**POST BALANCE SHEET EVENTS AND FUTURE DEVELOPMENTS**

Subsequent to the year end the agreement to sell land to a US house builder has been terminated, as mentioned in note 6. As a result of the termination, deposits received from the house builder in previous years in the sum of \$1.6m have been released for the retention of the company. These will be released to the profit and loss account in the year ended 31 March 2012. Tax has been paid in the US relevant to these amounts, in the sum of \$681,000.

It is the intention of the directors that the company and its principal subsidiaries will continue in their present activities.

**GOING CONCERN**

The directors consider the company has adequate resources and sufficient funding to continue in operational existence for the foreseeable future and it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

**POLITICAL AND CHARITABLE DONATIONS**

No political or charitable donations were made in either the current or prior year.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that Wilkins Kennedy be re-appointed as auditors of the company will be put to the Annual General Meeting.

The directors report has been prepared taking advantage of the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 27 September 2011 and signed on its behalf by



**H M Saunders**  
Director

**RUGARTH INVESTMENT TRUST LIMITED****INDEPENDENT AUDITORS' REPORT****TO THE SHAREHOLDERS OF****RUGARTH INVESTMENT TRUST LIMITED**

We have audited the consolidated financial statements of Rugarth Investment Trust Limited for the year ended 31 March 2011 set out on pages 4 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's and group's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group and of the parent company's affairs at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities and,
- have been prepared in accordance with the Companies Act 2006.

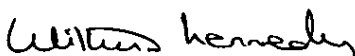
**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 or directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



**R D Reynolds (Senior Statutory Auditor)**  
For and on behalf of Wilkins Kennedy, Statutory Auditor

Bridge House  
London Bridge  
London SE1 9QR

27 September 2011

**RUGARTH INVESTMENT TRUST LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2011**

	<u>Notes</u>	<u>2011</u> £	<u>2010</u> £
<b>INCOME</b>	2	<b>317,572</b>	<b>398,894</b>
Direct property costs		(54,930)	(58,397)
<b>GROSS PROFIT</b>		<b>262,642</b>	<b>340,497</b>
Administrative expenses		(339,973)	(354,120)
Profit on exchange		46,677	56,141
Operating (loss)/profit before exceptional items		(30,654)	42,518
Profit on sale of investments		98,752	72,470
Release of provision against investments	10	3,717	1,398,254
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	3b	<b>71,815</b>	<b>1,513,242</b>
Interest receivable	5	5,635	9,368
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3c	<b>77,450</b>	<b>1,522,610</b>
Taxation recovered	6	18,455	40,109
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>£95,905</b>	<b>£1,562,719</b>
<b>STATEMENT OF RETAINED PROFIT</b>		<b><u>2011</u></b> £	<b><u>2010</u></b> £
Retained profit brought forward		5,792,798	4,563,405
Profit for the year		95,905	1,562,719
Interim dividends payable	7	(260,000)	(327,000)
Realised valuation reserve		214,916	(6,326)
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b><u>£5,843,619</u></b>	<b><u>£5,792,798</u></b>

**RUGARTH INVESTMENT TRUST LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**AND NOTE OF HISTORICAL COST LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 2011**

	<b><u>2011</u></b> <b>£</b>	<b><u>2010</u></b> <b>£</b>
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>		
Profit on ordinary activities after taxation	95,905	1,562,719
Unrealised surplus/(deficit) on revaluation of investments	405,536	(8,462,783)
Deferred tax provision released on revaluation	-	3,900,000
<b>Total recognised gains/(losses) for the year</b>	<b><u>£501,441</u></b>	<b><u>£(3,000,064)</u></b>
 <b>NOTE OF HISTORICAL COST PROFITS</b>		
Reported profit on ordinary activities before taxation	77,450	1,522,610
Realisation of net revaluation gains of previous years	214,916	(6,326)
Historical cost profit on ordinary activities before taxation	<b><u>£292,366</u></b>	<b><u>£1,516,284</u></b>
Historical cost profit for the year after taxation and dividends	<b><u>£50,821</u></b>	<b><u>£1,229,393</u></b>

**RUGARTH INVESTMENT TRUST LIMITED****CONSOLIDATED BALANCE SHEET****AS AT 31 MARCH 2011**

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	1	1
Investments	10	9,858,974	9,546,182
		<u>9,858,975</u>	<u>9,546,183</u>
<b>CURRENT ASSETS</b>			
<u>Due after more than one year</u>			
Investments	11	8,400,000	8,400,000
<u>Due within one year</u>			
Works of art	12	1	1
Debtors	13	53,700	59,888
Cash at bank		891,977	1,028,403
		<u>9,345,678</u>	<u>9,488,292</u>
<b>CREDITORS</b> Amounts falling due within one year	14	(1,418,110)	(1,489,373)
<b>NET CURRENT ASSETS</b>		7,927,568	7,998,919
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15	(1,900,000)	(1,900,000)
<b>NET ASSETS</b>		<u>£15,886,543</u>	<u>£15,645,102</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	42,750	42,750
Capital redemption reserve		6,007,250	6,007,250
Revaluation reserve	17	3,992,924	3,802,304
Profit and loss account		5,843,619	5,792,798
<b>SHAREHOLDERS' FUNDS</b>		<u>£15,886,543</u>	<u>£15,645,102</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 4 to 16 were approved by the Board on 27 September 2011 and signed on its behalf by



**H M Saunders**  
Director

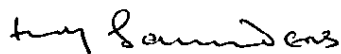
Company registration number 341218

**RUGARTH INVESTMENT TRUST LIMITED****BALANCE SHEET****AS AT 31 MARCH 2011**

	<u>Notes</u>	<u>2011</u>		<u>2010</u>
		£	£	£
<b>FIXED ASSETS</b>				
Investment in subsidiary undertakings	9		18,957	18,957
<b>CURRENT ASSETS</b>				
Debtors	13	542,531		391,368
Cash at bank		284,910		455,274
		<u>827,441</u>		<u>846,642</u>
<b>CREDITORS</b> Amounts falling due within one year	14	<u>(130,000)</u>		<u>(151,000)</u>
<b>NET CURRENT ASSETS</b>			<u>697,441</u>	<u>695,642</u>
<b>NET ASSETS</b>			<u><b>£716,398</b></u>	<u><b>£714,599</b></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		42,750	42,750
Capital redemption reserve			7,250	7,250
Profit and loss account			<u>666,398</u>	<u>664,599</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>£716,398</b></u>	<u><b>£714,599</b></u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 4 to 16 were approved by the Board on 27 September 2011 and signed on its behalf by



**H M Saunders**  
Director

**Company registration number 341218**



**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011****1 ACCOUNTING POLICIES****(a) *Accounting convention***

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards as required by the Financial Reporting Standard for Smaller Entities. The group is exempt from the requirement of FRS1 to include a cashflow statement as part of its financial statements because it meets the criteria of a small group.

**(b) *Consolidation***

The group accounts comprise the accounts of the parent company and all subsidiary undertakings made up to 31 March 2011.

**(c) *Freehold properties***

Investment properties are included in the financial statements at open market value, based on valuations made by the directors as at 31 March 2010. Property costs are treated as revenue expenditure and are written off as incurred.

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Where permanent diminution below cost is relevant, the charge is made to profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**(d) *Investment in subsidiary undertakings***

These are stated at cost, less any provision for permanent diminution in value.

**(e) *Investments***

These are listed investments included at market value.

**(f) *Current asset investment***

Current asset investments are stated at directors valuation. As the investments are subject to sales contracts where completion is several years after the contracts are unconditional, profit is taken only at completion of the sale.

**(g) *Works of Art***

These are held for resale and are stated at cost less any provision for permanent diminution in value. There is no depreciation charge on works of art.

**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011****1 ACCOUNTING POLICIES (Continued)****(h) Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that in the opinion of the directors there is a reasonable probability that a liability or asset will crystallise in the near future. Provision is also made against the revalued element of freehold land held as a current asset investment to the extent that the directors consider this to present a true and fair view of the net asset position of the company at the balance sheet date.

**(i) Foreign currencies**

Monetary assets and liabilities denominated in a foreign currency are translated at the rate of exchange ruling at the balance sheet date. Non-monetary assets are carried at the amount at which they were originally translated and recorded. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

**(j) Pension costs**

Pension costs are charged to the profit and loss account as they are incurred. All pension payments are to individual money purchase pension schemes.

**(k) Turnover**

Turnover represents income receivable from the groups activities and is stated net of value added tax.

**(l) Operating leases**

Costs incurred under operating leases are written off to profit and loss account as incurred.

<b>2 INCOME</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
	<b>£</b>	<b>£</b>
Income by class of business amounted to -		
Investment income	186,187	254,859
Rental income    Property	22,316	28,775
Farm	109,069	115,260
	<b><u>£317,572</u></b>	<b><u>£398,894</u></b>
Income by geographical market amounted to -		
United Kingdom	186,357	255,897
United States of America	131,215	142,997
	<b><u>£317,572</u></b>	<b><u>£398,894</u></b>

**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011**

<b>3</b>	<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b><u>2011</u> £</b>	<b><u>2010</u> £</b>
	a) Operating loss is stated after charging/(crediting)		
	Auditors remuneration	19,000	19,000
	Profit on exchange	(46,677)	(56,141)
	Rent of premises	9,400	20,000
		<u>          </u>	<u>          </u>
	b) Profit before interest receivable		
	Property and other investment	1,892	1,437,093
	Farm rental income	69,923	76,149
		<u>          </u>	<u>          </u>
		<b><u>£71,815</u></b>	<b><u>£1,513,242</u></b>
	c) Profit on ordinary activities before tax		
	Property and other investment	7,527	1,446,461
	Farm rental income	69,923	76,149
		<u>          </u>	<u>          </u>
		<b><u>£77,450</u></b>	<b><u>£1,522,610</u></b>
<b>4</b>	<b>DIRECTORS REMUNERATION</b>		
	The emoluments of the directors of the group were		
	Remuneration for executive services	<b><u>£95,898</u></b>	<b><u>£122,048</u></b>
	<p>The group contributes to money purchase pension schemes on behalf of employees. The cost to the group represents contributions made during the year and amounted to £10,250 (2010 £8,763). No pension contributions are made in respect of directors. In addition the company incurs ex-gratia pension payments to former employees of the group. The amount paid during the year was £8,800 (2010 £8,800).</p>		
<b>5</b>	<b>INTEREST RECEIVABLE</b>	<b><u>2011</u> £</b>	<b><u>2010</u> £</b>
	Bank interest	3,835	7,568
	Other interest	1,800	1,800
		<u>          </u>	<u>          </u>
		<b><u>£5,635</u></b>	<b><u>£9,368</u></b>
<b>6</b>	<b>TAXATION</b>		
	On results for year		
	on investment income	18,455	-
	On sale of land in USA		
	Federal	-	40,109
		<u>          </u>	<u>          </u>
	Tax recovered	<b><u>£18,455</u></b>	<b><u>£40,109</u></b>

**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011****7 DIVIDENDS**

Interim dividends were declared and paid as follows -

Date declared	Paid	'O' Shares £	'P' Shares £	Total £
15 October 2010	15 October 2010	80,000	50,000	130,000
29 March 2011	20 April 2011	80,000	50,000	130,000
		<u>£160,000</u>	<u>£100,000</u>	<u>£260,000</u>

Dividends of the same amount were received from the company's subsidiary undertaking on the same day that the dividends were paid

**8 TANGIBLE FIXED ASSETS**

The freehold property of a subsidiary company is stated at a valuation of £1 (2010 £1) The historic cost of the property is £9,750 (2010 £9,750)

**9 INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

**2011**  
**£**

**COST AND NET BOOK VALUE**

31 March 2010 and 2011

**£18,957**

The investment in subsidiary undertakings at the year end relates to Rugarth Investments Limited, a wholly owned subsidiary undertaking which is registered in England and Wales The company is a holding company

Rugarth Investments Limited owns 100% of the issued share capital of City Acre Property Investment Trust Limited, a property and investment company registered in England and Wales City Acre Property Investment Trust Limited is a wholly owned subsidiary of the company

The following companies are also subsidiary undertakings of the company The shares in each company are wholly owned by City Acre Property Investment Trust Limited

<b>Name</b>	<b>Principal activity</b>
Acre Properties Limited	Property investment
British and Overseas Property Developments Limited	Farming and property investment and development
Corb 81 Limited	Investment
Number 1 Poultry Limited	Dormant
The National Safe Deposit and Trustee Company (UK) Limited	Dormant
29/30 Old Burlington Street Limited	Dormant

All the above subsidiary undertakings are registered in England and Wales, and all operate in the United Kingdom In addition British and Overseas Property Developments Limited also operates in the United States of America

**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011**

<b>10. INVESTMENTS</b>	<b><u>2011</u></b>
	<b>£</b>
<b>COST</b>	
1 April 2010	8,444,238
Additions	1,399,363
Disposals	(1,280,908)
31 March 2011	<u>8,562,693</u>
<b>VALUATION SURPLUS</b>	
1 April 2010	1,143,543
Surplus in year	405,536
Realised on disposal	(214,916)
31 March 2011	<u>1,334,163</u>
<b>PROVISION FOR DIMINUTION IN VALUE</b>	
1 April 2010	(41,599)
Released during the year	3,717
31 March 2011	<u>(37,882)</u>
<b>NET BOOK VALUE</b>	
31 March 2011	<u><b>£9,858,974</b></u>
31 March 2010	<u><b>£9,546,182</b></u>

Investments represent listed investments at market value

<b>11. CURRENT ASSET INVESTMENT</b>	<b><u>Freehold Land and Buildings</u></b>
	<b>£</b>

**VALUATION**

1 April 2010 and 31 March 2011 **£8,400,000**

The current asset investment is a total of 1,257 (2010 1,257) acres of freehold farmland and buildings ("land") owned by a subsidiary company, in the USA

On 22 November 2004, the subsidiary company's contract with a major regional house builder to sell to it 1,146 acres of the land became unconditional. Under the terms of the contract, this part of the land was to be sold to the house builder over a period of four to five years, commencing in May 2007 and 262 (2010 262) acres had been sold at the balance sheet date

As indicated last year, the house builder has defaulted on the purchase of the remainder of the land. Subsequent to the year end, an agreement to terminate the sale agreement with the house builder has been completed and the land is now owned free from any obligation to sell. The land is still held for resale.

The market for housing land in and around Plano remains depressed. The directors commissioned a professional valuation at 31 March 2010 indicating a value of £8.4m. The directors consider that market conditions have not changed significantly in the year to 31 March 2011 and although there has been a slight adverse movement in the exchange rate over the year, they consider it appropriate to retain the carrying value of the land at its 31 March 2010 value.

The historic cost of the land is £3,841,239 (2010 £3,841,239)

**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011****12 WORKS OF ART**

Works of art costing £1,245,916 (2010 £1,245,916) are stated after a provision of £1,245,915 (2010 £1,245,915)

**13 DEBTORS**

	<u>2011</u> £	<u>2010</u> £
<b>Group</b>		
Other debtors	37,483	36,212
Prepayments and accrued income	16,217	23,676
	<u>£53,700</u>	<u>£59,888</u>

Other debtors of £35,000 (2010 £35,000) are considered to be recoverable after more than one year

	<u>2011</u> £	<u>2010</u> £
<b>Company</b>		
Amount owed by subsidiary undertaking	412,531	240,368
Dividends receivable	130,000	151,000
	<u>£542,531</u>	<u>£391,368</u>

**14 CREDITORS** Amounts falling due within one year

<b>Group</b>		
Other creditors	1,262,157	1,313,894
Accruals and deferred income	25,953	24,479
Dividend payable	130,000	151,000
	<u>£1,418,110</u>	<u>£1,489,373</u>

<b>Company</b>		
Dividend payable	130,000	151,000
	<u>£130,000</u>	<u>£151,000</u>

**15 PROVISIONS FOR LIABILITIES AND CHARGES**

<b>Deferred tax</b>		
At 1 April 2010	1,900,000	5,800,000
On revaluation in the year	-	(3,900,000)
At 31 March 2011	<u>£1,900,000</u>	<u>£1,900,000</u>

**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011****15 PROVISIONS FOR LIABILITIES AND CHARGES (continued)**

At 31 March 2011 a deferred tax provision of £1,900,000 (2010 £1,900,000) is carried in the accounts in respect of estimated USA taxation payable on the disposal of certain re-valued US freehold land and buildings held as a current asset investment (see note 10). The directors consider that it is appropriate to revalue such investment to market value and, as the investment is held for resale, it is necessary to provide for the deferred taxation in order for the accounts to show a true and fair view.

No tax would be payable in the event of a future sale of the UK investments at the amounts at which they are stated in the financial statements (see note 9), due to the availability of capital losses.

The company expects there to be revenue tax losses of approximately £1.3m (2010 £1.3m), and the group expects there to be revenue tax losses of approximately £27m (2010 £27m) and capital losses of £4.5m (2010 £4.5m) available. A deferred tax asset has not been included as in the opinion of the directors the company or the group is unlikely to generate a material revenue profit in the foreseeable future, and capital gains cannot be foreseen with any certainty.

**16 SHARE CAPITAL**

	<b><u>2011</u></b>	<b><u>2010</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
<b>Allotted and fully paid</b>		
Equity share capital		
1,775,000 ordinary shares of 1p each	17,750	17,750
Non-equity share capital		
2,500,000 "P" shares of 1p each	25,000	25,000
	<b><u>£42,750</u></b>	<b><u>£42,750</u></b>

The 'P' shares have no voting rights (subject to certain exceptions on matters varying the rights of P shares, the winding up of the company or for sanctioning the sale of the undertaking of the company) and are entitled to certain rights to revenue dividends. On a winding up 'P' shares are entitled to a payment equal to the 'P' Asset value, as defined in the company's Articles of Association. The 'P' shares are also entitled to share *pari passu* with the holders of the ordinary shares in any surplus assets existing after the payment in respect of each ordinary share of the capital paid on such shares, and £1,000, but shall not be entitled to any further right of participation in the assets of the company.

The Ordinary shares have voting rights and rights to capital on a winding up of the company, and the right to dividend, at the discretion of the directors, from profits available for distribution excluding profits derived from the 'P' Assets, as defined by the Articles of Association.

**RUGARTH INVESTMENT TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2011**

<b>17 REVALUATION RESERVE</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
1 April 2010	3,802,304	8,358,761
Revaluation of current asset investment (see note 11)	-	(9,600,000)
Revaluation of investments (see note 10)	405,536	1,137,217
Transfer to profit and loss account on realisation	(214,916)	6,326
Release of deferred tax provision (see note 15)	-	3,900,000
	<hr/>	<hr/>
31 March 2011	<b><u>£3,992,924</u></b>	<b><u>£3,802,304</u></b>

**18 PARENT COMPANY PROFIT AND LOSS ACCOUNT**

The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit after tax and before dividends payable for the period dealt with in the financial statements of the company was £261,799 (2010 £332,264)

**19 CAPITAL COMMITMENTS**

There were no capital commitments authorised or contracted for at 31 March 2011 or 2010

**20 REVENUE COMMITMENTS**

At the balance sheet date the company had a liability under a property operating lease which expires in March 2020, with break clauses starting in 2013, at a current annual rental of £8,000. In addition the company terminated a lease in May 2011 which had an annual rental of £20,000

**21 ULTIMATE CONTROLLING PARTY**

The Rudolph Palumbo 1955 Settlement is considered to be the ultimate parent undertaking and controlling party of the company

**22 CONTINGENT LIABILITY**

The company and certain of its subsidiary undertakings form a Value Added Tax Group. Each company in the group is jointly and severally liable with the other companies for the group's aggregate VAT liability. At 31 March 2011 the group's VAT liability was £Nil (2010 £Nil)

**23 POST BALANCE SHEET EVENT**

Subsequent to the year end the agreement to sell land to a US house builder has been terminated, as mentioned in note 11. As a result of the termination, deposits received from the house builder in previous years in the sum of \$1.6m have been released for the retention of the company. These will be released to the profit and loss account in the year ending 31 March 2012. Tax has been paid in the US relevant to these amounts, in the sum of \$681,000