

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2016
for
Rowlandson Investments Limited**

**Contents of the Financial Statements
for the Year Ended 31 March 2016**

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Rowlandson Investments Limited

**Company Information
for the Year Ended 31 March 2016**

DIRECTORS:

R G St J Rowlandson FCA
E T M Rowlandson

SECRETARY:

The Finance & Industrial Trust Limited

REGISTERED OFFICE:

Graham House
7 Wyllyotts Place
Potters Bar
Hertfordshire
EN6 2JD

REGISTERED NUMBER:

00707194 (England and Wales)

AUDITORS:

MHA MacIntyre Hudson
Statutory Auditors
Euro House
1394 High Road
London
N20 9YZ

**Report of the Directors
for the Year Ended 31 March 2016**

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of commercial lending facilities, related financial services and management services.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

R G St J Rowlandson FCA
E T M Rowlandson

Other changes in directors holding office are as follows:

Mrs S M Younghusband FCA - resigned 23 December 2015

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

DONATIONS

During the year the company made donations totalling £2,189 to local causes.

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 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;
- 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.

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

The auditors, MHA MacIntyre Hudson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Rowlandson Investments Limited (Registered number: 00707194)

**Report of the Directors
for the Year Ended 31 March 2016**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

The Finance & Industrial Trust Limited - Secretary

7 October 2016

Report of the Independent Auditors to the Members of Rowlandson Investments Limited

We have audited the financial statements of Rowlandson Investments Limited for the year ended 31 March 2016 on pages six to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (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 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 set out on page two, 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 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 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 Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 company's affairs as at 31 March 2016 and of its loss 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 requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
Rowlandson Investments Limited**

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Brendan Sharkey FCA (Senior Statutory Auditor)
for and on behalf of MHA MacIntyre Hudson
Statutory Auditors
Euro House
1394 High Road
London
N20 9YZ

7 October 2016

Rowlandson Investments Limited (Registered number: 00707194)

**Profit and Loss Account
for the Year Ended 31 March 2016**

| | Notes | 31.3.16 £ | 31.3.15 £ |
|--|-------|---------------------------|---------------------------|
| TURNOVER | | 393,570 | 268,864 |
| Administrative expenses | | <u>8,340,393</u> | <u>3,285,748</u> |
| OPERATING LOSS | 2 | <u>(7,946,823)</u> | <u>(3,016,884)</u> |
| Interest receivable and similar income | | <u>1,375,931</u> | <u>394,342</u> |
| | | <u>(6,570,892)</u> | <u>(2,622,542)</u> |
| Interest payable and similar charges | | <u>1,279,068</u> | <u>549,105</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>(7,849,960)</u> | <u>(3,171,647)</u> |
| Tax on loss on ordinary activities | 3 | <u>(1,639,888)</u> | <u>(137,270)</u> |
| LOSS FOR THE FINANCIAL YEAR | | <u><u>(6,210,072)</u></u> | <u><u>(3,034,377)</u></u> |

The notes form part of these financial statements

Rowlandson Investments Limited (Registered number: 00707194)

Balance Sheet
31 March 2016

| | Notes | 31.3.16 £ | 31.3.15 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Investments | 4 | 4,709,260 | 4,709,260 |
| CURRENT ASSETS | | | |
| Debtors | 5 | 30,556,066 | 54,089,008 |
| Cash at bank and in hand | | 461,404 | 695,939 |
| | | <u>31,017,470</u> | <u>54,784,947</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 6 | <u>(28,818,027)</u> | <u>(44,717,065)</u> |
| NET CURRENT ASSETS | | <u>2,199,443</u> | <u>10,067,882</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 6,908,703 | 14,777,142 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 7 | <u>(3,456,463)</u> | <u>(5,114,830)</u> |
| NET ASSETS | | <u><u>3,452,240</u></u> | <u><u>9,662,312</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 276,551 | 276,551 |
| Other reserves | 11 | 236,302 | 236,302 |
| Profit and loss account | 11 | <u>2,939,387</u> | <u>9,149,459</u> |
| SHAREHOLDERS' FUNDS | | <u><u>3,452,240</u></u> | <u><u>9,662,312</u></u> |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 7 October 2016 and were signed on its behalf by:

E T M Rowlandson - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2016**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Preparation of consolidated financial statements

The financial statements contain information about Rowlandson Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, RO Trading Limited, a company registered in England and Wales.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Investments

Fixed asset investments are shown at cost less provision for impairment.

Investments in subsidiary companies represent the cost of acquisition of the share capital less provision for impairment.

Turnover

Turnover represents the value of goods sold and fees receivable net of VAT in respect of the provision of management and other services. The whole of the turnover is derived from the UK market.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Lease commitments

Rentals paid under operating leases are charged on a straight line basis over the lease term, even if payments are not made on such a basis.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

1. ACCOUNTING POLICIES - continued

Pension costs

The company operates a defined contribution group personal pension scheme. The amount charged to the profit and loss account represents contributions payable by the company to the individual policies effected by the employees with an independent Insurance Company in funds separate from the company's finances.

Long term debt instruments

The finance cost recognised in the profit and loss account in respect of long term debt instruments is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING LOSS

The operating loss is stated after charging:

| | 31.3.16 £ | 31.3.15 £ |
|---|----------------|----------------|
| Auditors' remuneration | 5,000 | 5,000 |
| Provision against amounts owed by connected company | - | 2,500,000 |
| Operating lease costs | 14,811 | 10,096 |
| Directors' pension costs | <u>13,690</u> | <u>13,690</u> |
| Directors' remuneration and other benefits etc | <u>544,203</u> | <u>482,933</u> |

The number of directors to whom retirement benefits were accruing was as follows:

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>2</u> | <u>2</u> |
|------------------------|----------|----------|

3. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

| | 31.3.16 £ | 31.3.15 £ |
|------------------------------------|--------------------|------------------|
| Current tax: | | |
| UK corporation tax | (1,558,056) | (115,731) |
| Prior year adjustment | <u>(81,832)</u> | <u>(21,539)</u> |
| Tax on loss on ordinary activities | <u>(1,639,888)</u> | <u>(137,270)</u> |

Notes to the Financial Statements - continued for the Year Ended 31 March 2016

3. TAXATION - continued

Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 31.3.16 £ | 31.3.15 £ |
|--|--------------------|--------------------|
| Loss on ordinary activities before tax | <u>(7,849,960)</u> | <u>(3,171,647)</u> |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%) | (1,569,992) | (666,046) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 11,936 | 25,315 |
| Provision not utilised | - | 525,000 |
| Prior year adjustment | (81,832) | (21,539) |
| Current tax credit | <u>(1,639,888)</u> | <u>(137,270)</u> |

4. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ | Investments in fishing rights £ | Totals £ |
|--------------------------------------|---|---|------------------|
| COST | | | |
| At 1 April 2015 and 31 March 2016 | <u>4,674,260</u> | <u>35,000</u> | <u>4,709,260</u> |
| NET BOOK VALUE | | | |
| At 31 March 2016 | <u>4,674,260</u> | <u>35,000</u> | <u>4,709,260</u> |
| At 31 March 2015 | <u>4,674,260</u> | <u>35,000</u> | <u>4,709,260</u> |

The above investments are stated at cost less any provision for impairment.

Subsidiary undertakings

The company's principal subsidiary undertakings, all of which are incorporated in England and Wales, are set out below:-

| Name and Nature of Business | Share Class | The Company | Subsidiary Undertakings | Note |
|-------------------------------|----------------|----------------|----------------------------|--|
| Rowlandson Properties Limited | Ordinary | 100% | - | |
| Property Investment | Deferred | 100% | - | |
| Choughley Properties Limited | Ordinary | 66.7% | 33.3% | Held by Derrymoyle Limited |
| Interim Holding Company | | | | |
| Derrymoyle Limited | Ordinary | 62% | 38% | Held by Rowlandson Properties Limited |
| Property Investment | | | | |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 31.3.16 | 31.3.15 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts owed by group undertakings | 6,664,634 | 10,560,018 |
| Amounts owed by related parties | 22,285,383 | 43,386,616 |
| Other debtors | 245 | 585 |
| Tax | 1,587,241 | 125,316 |
| Prepayments | 18,563 | 16,473 |
| | <u>30,556,066</u> | <u>54,089,008</u> |

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 31.3.16 | 31.3.15 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Bank loans and overdrafts | 94,960 | 2,483,367 |
| Trade creditors | 21,571 | 10,552 |
| Amounts owed to group undertakings | 27,694,271 | 41,149,960 |
| Amounts owed to related parties | 498 | 70,866 |
| Tax | 2,232 | 2,203 |
| Social security and other taxes | 9,551 | 19,633 |
| VAT | 61,336 | 123,894 |
| Other creditors | 44,873 | 81,262 |
| Deposits held | 633,049 | 585,837 |
| Accruals and deferred income | 255,686 | 189,491 |
| | <u>28,818,027</u> | <u>44,717,065</u> |

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | 31.3.16 | 31.3.15 |
|--|------------------|------------------|
| | £ | £ |
| Bank loans - 1-2 years | - | 1,658,367 |
| Subordinated unsecured loan stock 2050 | <u>3,456,463</u> | <u>3,456,463</u> |
| | <u>3,456,463</u> | <u>5,114,830</u> |

Amounts falling due in more than five years:

| | | |
|---|------------------|------------------|
| Repayable otherwise than by instalments | | |
| Subordinated unsecured loan stock 2050 | <u>3,456,463</u> | <u>3,456,463</u> |

8. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

| | 31.3.16 | 31.3.15 |
|-----------------|---------------|---------------|
| | £ | £ |
| Expiring: | | |
| Within one year | <u>14,811</u> | <u>10,096</u> |

9. **SECURED DEBTS**

Bank loans and overdrafts in the previous year were secured on freehold land and buildings of related parties and totalled £4,141,734.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.3.16 £ | 31.3.15 £ |
|---------|------------|-------------------|----------------|----------------|
| 904,016 | A ordinary | 25p | 226,004 | 226,004 |
| 202,188 | B ordinary | 25p | <u>50,547</u> | <u>50,547</u> |
| | | | <u>276,551</u> | <u>276,551</u> |

Both classes of shares have equal rights.

11. RESERVES

| | Profit and loss account £ | Other reserves £ | Totals £ |
|----------------------|------------------------------------|------------------------|--------------------|
| At 1 April 2015 | 9,149,459 | 236,302 | 9,385,761 |
| Deficit for the year | <u>(6,210,072)</u> | | <u>(6,210,072)</u> |
| At 31 March 2016 | <u>2,939,387</u> | <u>236,302</u> | <u>3,175,689</u> |

12. CONTINGENT LIABILITIES

The company has guaranteed certain of the bank loans and overdrafts of its subsidiary undertakings to an unlimited extent. At 31 March 2016 the total liability of the subsidiary undertakings amounted to £Nil (2015: £Nil).

13. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard for Smaller Entities (effective January 2015), not to disclose related party transactions with wholly owned subsidiaries within the group.

RO Properties Limited and subsidiary undertakings

Non group companies under common control

Management charges to the value of £392,210 (2015: £266,696) and interest of £1,086,082 (2015: £214,037) were receivable in the year.

Funding has been reduced in the year to the value of £13,604,005 (2015: (£10,355,466)).

A provision of £7,500,000 (2015: £2,500,000) was made against the outstanding balance at 31 March 2016.

| | 31.3.16 £ | 31.3.15 £ |
|---|-------------------|-------------------|
| Amount due from related party at the balance sheet date | <u>22,194,602</u> | <u>43,298,607</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

13. RELATED PARTY DISCLOSURES - continued

RO Group Limited

Non group companies under common control

| | 31.3.16 | 31.3.15 |
|---|--------------|--------------|
| | £ | £ |
| Amount due from related party at the balance sheet date | <u>1,019</u> | <u>1,019</u> |

William Harris Bacon Holdings Limited

Non group company under common control

Funding has been provided in the year to the value of £2,772 (2015: (£2,426)).

| | 31.3.16 | 31.3.15 |
|---|---------------|---------------|
| | £ | £ |
| Amount due from related party at the balance sheet date | <u>89,762</u> | <u>86,990</u> |

Harmer Securities Limited

Non group company under common control

| | 31.3.16 | 31.3.15 |
|---|------------|------------|
| | £ | £ |
| Amount due to related party at the balance sheet date | <u>498</u> | <u>498</u> |

The Graham Rowlandson Foundation

Charity under common control

Loan stock interest was paid to the value of £200,000 (2015: £190,000) in the year. A loan stock balance due by the company of £3,456,463 (2015 - £3,456,463) was outstanding at the year end.

| | 31.3.16 | 31.3.15 |
|--|---------------|-----------------|
| | £ | £ |
| Amount due from/(to) related party at the balance sheet date | <u>37,378</u> | <u>(41,701)</u> |

Metis Homes Limited

Group company with less than 100% common shareholding

Management charges to the value of £20,000 (2015: £Nil) were charged by the company in the year.

| | 31.3.16 | 31.3.15 |
|---|--------------|----------|
| | £ | £ |
| Amount due from related party at the balance sheet date | <u>6,042</u> | <u>-</u> |

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

14. POST BALANCE SHEET EVENTS

There has been no event since the balance sheet date that could materially affect the state of affairs of the company as at 31 March 2016 or that requires disclosure.

15. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company is a subsidiary undertaking of RO Trading Limited a company incorporated in England and Wales.

Mr R G St J Rowlandson, a director of RO Trading Limited and members of his close family, control the company as a result of them owning and controlling the issued share capital of RO Trading Limited, the ultimate parent company.

RO Trading Limited is the parent company of the largest and smallest group of which the company is a member for which consolidated accounts are prepared. Copies of its group accounts can be obtained from Graham House, 7 Wyllyotts Place, Potters Bar, Hertfordshire, EN6 2JD.

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.