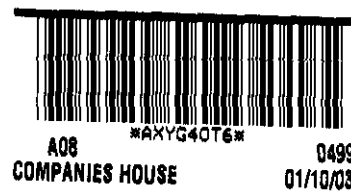


**R O VENTURES LIMITED**

Report and Accounts

31 March 2003



# R O VENTURES LIMITED

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Registered No: 776791

## **DIRECTOR**

R G StJ Rowlandson FCA  
J K Palmer FICM F Prof BTM MIMI  
S M Younghusband FCA  
R A Hambidge BA MRICS

## **SECRETARY**

The Finance & Industrial Trust Limited  
Graham House  
7 Wylyotts Place  
Potters Bar  
Herts  
EN6 2JD

## **AUDITORS**

Ernst & Young LLP  
400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

## **BANKERS**

Lloyds TSB Bank Plc  
111 Darkes Lane  
Potters Bar  
Hertfordshire  
EN6 1DS

National Westminster Bank Plc  
181 Darkes Lane  
Potters Bar  
Hertfordshire  
EN6 1DL

## **REGISTERED OFFICE**

Graham House  
7 Wylyotts Place  
Potters Bar  
Hertfordshire  
EN6 2JD

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 March 2003.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of an intermediate holding company. The results for the year are set out on pages 6 to 14 and are considered by the directors to be satisfactory.

### DIVIDENDS

The directors do not recommend the payment of a dividend (2002: £Nil).

### DIRECTORS

The directors who held office during the year were as follows:


Mr Richard Graham St John Rowlandson  
Mr John Keith Palmer  
Mrs Susan Margaret Younghusband  
Mr Roger Alan Hambidge

Mr John Keith Palmer retires by rotation, and being eligible, offers himself for re-election.

### AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the members at the forthcoming Annual General Meeting.

By order of the Board  
The Finance & Industrial Trust Limited  
Secretary

  
Authorised Signatory

Date: 20 August 2003

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

For the year ended 31 March 2003

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to :

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

**INDEPENDENT AUDITORS' REPORT**  
To the members of R O Ventures Limited

We have audited the company's accounts for the year ended 31 March 2002 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 18. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 2003 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Registered Auditor  
Luton

*20 August 2003*

# R O VENTURES LIMITED

## PROFIT AND LOSS ACCOUNT For the year ended 31 March 2003

	<i>Notes</i>	<i>2003</i> £	<i>2002</i> £
<b>DIVIDEND RECEIVED</b>		222,206	-
Other income		-	1,722
Administrative costs		(207,222)	(3,958)
		<hr/>	<hr/>
Operating profit/(loss)		14,984	(2,236)
Profit on disposal of business		128,906	-
Finance income (net)	2	1,241,614	1,419,915
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	1,385,504	1,417,679
Tax on profit on ordinary activities	5	(358,054)	(420,142)
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE YEAR</b>	12	1,027,450	997,537
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses in either year other than the profit for that year.

All results arose from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

# R O VENTURES LIMITED

## BALANCE SHEET at 31 March 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Investments	6	1,038,456	1,031,455
<b>CURRENT ASSETS</b>			
Debtors	7	10,842,848	8,616,395
<b>CREDITORS: Amounts falling due within one year</b>	8	(8,983,870)	(7,744,517)
<b>NET CURRENT ASSETS</b>		1,858,978	871,878
Provision for liabilities and charges	9	(15,257)	(48,606)
		2,882,177	1,854,727
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	9,190	9,190
Profit and loss account	12	2,872,987	1,845,537
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	2,882,177	1,854,727

Approved by the Board on 20 August 2003

Director

## NOTES TO THE ACCOUNTS

At 31 March 2003

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts have been prepared under the historical cost convention, modified to include the revaluation of land and buildings, and in accordance with applicable accounting standards.

The company is exempt from the requirement of FRS1 (revised) to produce a cash flow statement since it is a small company, as defined by the Companies Act 1985, Sections 247-249.

#### *Turnover*

Turnover represents interest received from the company's principal activity as a holding company.

#### *Taxation*

Corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been 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, with the following exceptions:

- Provision is made for tax on gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- 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.

#### *Investments*

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost or net realisable value.

### 2. FINANCE INCOME (NET)

	2003 £	2002 £
Interest receivable from group undertakings	1,255,879	1,433,252
Interest payable and similar charges	(14,265)	(13,337)
	<hr/>	<hr/>
	1,241,614	1,419,915
	<hr/>	<hr/>



NOTES TO THE ACCOUNTS  
At 31 March 2003

3. STAFF COSTS

	2003 Number	2002 Number
Directors	<u>5</u>	<u>5</u>

The directors were remunerated by other group companies.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2003 £	2002 £
Directors	<u>2,000</u>	<u>2,000</u>

5. TAXATION

(a) Analysis of tax charge in the year

	2003 £	2002 £
<i>Current tax</i>		
UK Corporation tax payable	348,989	386,792
Prior year adjustment	42,415	-
<b>TOTAL CURRENT TAX</b>	<u>391,404</u>	<u>386,792</u>
<i>Deferred tax</i>		
Originating timing differences (note 9)	(33,350)	33,350
<b>TAX ON PROFITS ON ORDINARY ACTIVITIES</b>	<u>358,054</u>	<u>420,142</u>

(b) Factors affecting the tax charge for the year

	2003 £	2002 £
Operating profit on ordinary activities before tax at a United Kingdom standard rate of 30%	415,651	425,304
Effect of:		
Income not taxed	(66,662)	(38,512)
Prior year adjustment	42,415	-
<b>Current tax charge for the year (note 5(a))</b>	<u>391,404</u>	<u>386,792</u>

NOTES TO THE ACCOUNTS

At 31 March 2003

6. FIXED ASSET INVESTMENTS

	2003 £	2002 £
<b>At 1 April</b>	1,031,455	301,000
<b>Additions in the year</b>		
Rowlandson Bushell & Company Limited 22,910 Ordinary £1 shares fully paid	6,500	-
Shenley Homes Limited 500 Ordinary £1 shares fully paid	500	-
Shenley Commercial Developments Limited 2 Ordinary £1 shares fully paid	2	-
Allwright (London) Limited 6,000 Ordinary £1 shares fully paid	-	6,000
Chilton Land & Property Limited 1 Ordinary £1 share fully paid	-	1
Carna Limited 500 Ordinary £1 shares fully paid	-	500
Luton Investco Limited	-	295,114
Luton Investco (2) Limited	-	428,840
<b>Disposals in the year</b>		
Chilton Land & Property Limited 1 Ordinary £1 share fully paid	(1)	-
<b>At 31 March</b>	<u>1,038,456</u>	<u>1,031,455</u>

The company is exempt from the obligation to prepare group accounts as it is itself a subsidiary company and is included in the consolidated accounts of the ultimate holding company.

NOTES TO THE ACCOUNTS

At 31 March 2003

7. **DEBTORS**

Amounts falling due within one year

	2003 £	2002 £
Trade debtors	-	15
Amounts owed by group undertakings	506,206	373,759
Other debtors	25,895	25,000
Prepayments and accrued income	17,253	894
	<u>549,354</u>	<u>399,668</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>10,293,494</u>	<u>8,216,727</u>
	<u>10,842,848</u>	<u>8,616,395</u>

Included within amounts owed to group undertakings is £9,993,494 (2002: £7,916,727) that is repayable in tranches over 5 years commencing not earlier than 31 March 2003.

The remaining £300,000 relates to the debt that is no longer convertible following the performance of Pegasus Retirement Developments Limited in the previous year. This is repayable in tranches over 5 years commencing not earlier than 31 March 2003.

8. **CREDITORS**

Amounts falling due within one year

	2003 £	2002 £
Bank overdraft	111	33,802
Amounts owed to group undertakings	8,634,770	7,322,872
Taxation	348,989	386,843
Accruals and deferred income	-	1,000
	<u>8,983,870</u>	<u>7,744,517</u>

NOTES TO THE ACCOUNTS  
At 31 March 2003

9. PROVISION FOR LIABILITIES AND CHARGES

Deferred tax:	2003 £	2002 £
At 1 April	48,606	15,256
(Credit)/charge for the year (note 5)	(33,349)	33,350
At 31 March	<u>15,257</u>	<u>48,606</u>

The deferred tax liability is analysed as follows:

	2003 £	2002 £
Capital allowances	<u>15,257</u>	<u>48,606</u>

10. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
250,000 (2001: 500,000) Ordinary A shares of £1 each	250,000	250,000
62,500 (2001: Nil) Ordinary B shares of £4 each	250,000	250,000
	<u>500,000</u>	<u>500,000</u>
Allotted, called-up and fully paid		
3,750 Ordinary A shares of £1 each	3,750	3,750
1,360 Ordinary B shares of £4 each	5,440	5,440
	<u>9,190</u>	<u>9,190</u>

NOTES TO THE ACCOUNTS

At 31 March 2003

11. STATEMENT OF RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Opening shareholders' funds	1,854,727	851,750
Profit for the year	1,027,450	997,537
Increase in shareholders' funds	-	5,440
	<u>          </u>	<u>          </u>
Closing shareholders' funds	2,882,177	1,854,727
	<u>          </u>	<u>          </u>

12. PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
At 1 April	1,845,537	848,000
Profit for the year	1,027,450	997,537
	<u>          </u>	<u>          </u>
At 31 March	2,872,987	1,845,537
	<u>          </u>	<u>          </u>

NOTES TO THE ACCOUNTS

At 31 March 2003

**13. INFORMATION REGARDING THE DIRECTOR'S SHARE INTERESTS**

The interests of Mr R G StJ Rowlandson in the shares of group companies requiring disclosure under Schedule 7, Companies Act 1985, are as follows (ordinary shares unless otherwise stated):

<i>Company</i>	<i>31 March 2003</i>	<i>31 March 2002</i>
	<i>Total</i> <i>%</i>	<i>Total</i> <i>%</i>
The Rowlandson Organisation Ltd	32.83	32.83
Derrymoyle Ltd	17.59	17.59
Pegasus (Hendon) Ltd	20.00	20.00
Hendon Central News Ltd	6.67	6.67
Macs Neighbourhood Centres Ltd	3.66	3.66
R.O. Ventures Ltd	10.88	10.88
Rowlandson Bushell & Co Ltd	13.44	13.44
William Harris Bacon Holding 1961 Ltd	11.50	11.50

No other director had any interest in the shares of the group companies.

**14. RELATED PARTY TRANSACTIONS**

Interest charges of £1,255,584 (2002: £1,414,955) were charged to Shenley Homes Limited, The Rowlandson Office Company Limited and Pegasus Retirement Homes Limited. Management fees of £170,000 were charged by S Graham Rowlandson & Co Ltd.

**15. ULTIMATE CONTROLLING PARTY**

The company is a subsidiary undertaking of The Rowlandson Organisation Limited, a company incorporated in England and Wales.

Mr R G StJ Rowlandson, a director of The Rowlandson Organisation Limited and members of his close family, control the company as a result of them owning and controlling the issued share capital of The Rowlandson Organisation Limited.

The Rowlandson Organisation Limited is the parent company of the largest and smallest group of which the company is a member for which consolidated accounts are prepared.

**16. CONTINGENT LIABILITIES**

The company is party to multi-lateral joint and several guarantees with group undertakings in respect of bank loans and overdrafts. At 31 March 2003 these loans amounted to £11,429,269 (2002: £13,025,943). However, in view of the stability of, and security given by these companies, the directors consider there to be no resultant contingent liability on R O Ventures Limited.

**17. CAPITAL COMMITMENTS**

	<i>2003</i> <i>£</i>	<i>2002</i> <i>£</i>
Contracted for but not provided	Nil	Nil

**18. 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 2003 or that requires disclosure.