

Refuge Investments Limited
Annual report and financial statements
for the year ended 31 December 2006

Registered Number 1508129

WEDNESDAY



A2CKNOTC

A37

18/04/2007

741

COMPANIES HOUSE

Refuge Investments Limited

Annual report and financial statements for the year ended 31 December 2006

Contents

Directors and auditors for the year ended 31 December 2006	1
Directors' report for the year ended 31 December 2006	2
Independent auditors' report to the members of Refuge Investments Limited	3
Profit and loss account for the year ended 31 December 2006	4
Balance sheet as at 31 December 2006	5
Notes to the financial statements for the year ended 31 December 2006	6

Refuge Investments Limited

Directors and auditors for the year ended 31 December 2006

Directors

Murray Ross
Stephen Shone
Michael Yardley

Secretary

Royal London Management Services Limited

Auditors

PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London
SE1 9SY

Registered Office

55 Gracechurch Street
London
EC3V 0RL

Registered Number

1508129

Refuge Investments Limited

Directors' report for the year ended 31 December 2006

The directors present their annual report and audited financial statements for the year ended 31 December 2006. This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Principal activity

The company ceased trading on 1 January 2001. Previously the principal activity of the company was the transaction of ordinary long term insurance business.

On 1 January 2001 the whole of the long term business and the other assets and liabilities of the company were transferred to The Royal London Mutual Insurance Society Limited under a scheme under Part 1 of Schedule 2C of the Insurance Companies Act 1982. During 2003 the company cancelled its regulatory permissions as an insurance company.

Cancellation of share capital and share premium and repayment of capital reserve

During the year the company cancelled 699,999 of the 700,000 ordinary shares in issue and cancelled share premium of £4,000,000 by way of a petition to the court. The cancelled shares and share premium were transferred to the company's profit and loss account reserve. The company also repaid a capital contribution of £600,000.

Directors and their interests

The directors who held office during the year are given below.

Murray Ross
Stephen Shone
Michael Yardley

None of the directors in office at 31 December 2006 has or has had an interest in the share capital of any group undertaking.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently to all periods presented in these financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed. They are required to 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 proper accounting records that 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 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.

Auditors and the provision of information to auditors

PricewaterhouseCoopers LLP are the incumbent auditors. An election is in force under section 386 of the Companies Act 1985 dispensing with the obligation to re-appoint auditors annually.

The directors who held office as at the date of approval of this directors' report confirm that so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and that each director has taken all steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Royal London Management Services Limited
Secretary
22 March 2007

Refuge Investments Limited

Independent auditors' report to the members of Refuge Investments Limited

We have audited the financial statements of Refuge Investments Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

22 March 2007

Refuge Investments Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £000	2005 £000
Administrative expenses	2	(21)	(13)
Operating loss		(21)	(13)
Other interest receivable	3	29	33
Profit on ordinary activities before tax		8	20
Tax on profit on ordinary activities	4(1)	9	(28)
Profit/(loss) for the financial year		17	(8)
Retained profit/(loss) for the financial year	7	17	(8)

All of the above amounts are in respect of discontinued operations

The company has no recognised gains and losses other than the profit for the year

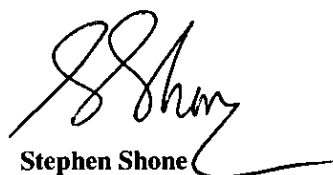
The notes on pages 6 to 9 form an integral part of these financial statements

Refuge Investments Limited

Balance sheet as at 31 December 2006

	Note	2006 £000	2005 £000
Current assets			
Debtors			
Amounts due from group undertakings		72	747
Creditors: amounts falling due within one year			
Other creditors including taxation and social security	5	(4)	(96)
Net current assets		68	651
Total assets less current liabilities		68	651
 Capital and reserves			
Called up share capital	6, 7(ii)	-	700
Share premium account	7(ii)	-	4,000
Capital reserve	7(ii)	6,000	6,600
Profit and loss account	7(ii)	(5,932)	(10,649)
Total equity shareholders' funds	7(ii)	68	651

The financial statements on pages 4 to 9 were approved by the board of directors on 22 March 2007 and signed on its behalf by



Stephen Shone

Director

22 March 2007

The notes on pages 6 to 9 form an integral part of these financial statements

Refuge Investments Limited

Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies

(i) Basis of preparation

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

The company has not presented a cash flow statement, taking advantage of the exemption within Financial Reporting Standard 1 (Revised), 'Cash Flow Statements', as the cash flows of the company are consolidated within the cash flows of the ultimate parent undertaking, The Royal London Mutual Insurance Society Limited

The company has taken advantage of the exemption within Financial Reporting Standard 8, 'Related Party Disclosures', not to disclose related party transactions with undertakings controlled within the group

(ii) Taxation

Provision is made for taxation at current rates on the excess of investment income and taxable gains over expenses and relief for overseas taxation is taken where appropriate. Credit is taken for investment losses and excess expenses that can be surrendered as group relief to other group companies. Deferred taxation is provided on all untaxed gains and other timing differences, between their recognition in the financial statements and their recognition in the tax computations, except that overall assets are only recognised if, on the basis of all available evidence, it is regarded as more likely than not that the timing differences will reverse in the foreseeable future. The value of the resultant deferred tax assets and liabilities has been calculated on a discounted basis reflecting the fact that the timing differences are projected to reverse over several years. The discount rates used are the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with maturity dates similar to those of the deferred tax assets and liabilities

(iii) Interest receivable

Interest receivable is recognised on an accruals basis

2 Administrative expenses including directors', employees' and auditors' remuneration

Administrative expenses of £21,792 (2005 £13,230) comprise charges for the provision of services made under a management services agreement by Royal London Management Services Limited. The company has no employees

The directors received no remuneration in respect of their services to the company (2005 £nil)

The remuneration of the auditors, PricewaterhouseCoopers LLP, for the year was £525 (2005 £500) in respect of the audit of the company. Any fees payable to PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the company are not disclosed as the consolidated accounts of the parent company are required to disclose non-audit fees on a consolidated basis

Refuge Investments Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

3 Other interest receivable

Other interest receivable of £29,208 (2005 £33,148) comprises interest received on amounts due from group undertakings

4 Taxation on ordinary activities

	2006 £000	2005 £000
(i) Tax charged in the profit and loss account		
UK corporation tax charge at 30% (2005 30%) on the profit for the year	4	17
Adjustment in respect of prior years	(13)	11
Current tax (credit)/charge for the year	(9)	28

(ii) Reconciliation of tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 30%) applied to the profit before tax. The differences are explained below

	2006 £000	2005 £000
Profit on ordinary activities before tax	8	20
Profit multiplied by the standard rate of UK corporation tax (30%)	2	6
Effects of		
Disallowed expenses	1	-
Interest imputed for tax purposes on intra-group debt	-	11
Adjustments in respect of prior periods	(13)	11
Group relief paid at a rate other than the standard rate of corporation tax	1	-
Current tax (credit)/charge for the year	(9)	28

5 Other creditors including taxation and social security

	2006 £000	2005 £000
Amounts due to group undertakings	-	79
Other creditors	4	17
	4	96

Refuge Investments Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

6 Called up share capital

	2006 £000	2005 £000
Authorised		
300,001 ordinary shares of £1 each (2005 1,000,000 ordinary shares of £1 each)	300	1,000
Issued and fully paid		
1 ordinary share of £1 (2005 700,000 ordinary shares of £1 each)	-	700

During the year the company cancelled 699,999 ordinary shares and share premium of £4,000,000 by way of a petition to the court. The cancelled shares and share premium were transferred to the company's profit and loss account reserve.

7 Shareholders' reserves

(i) Profit and loss account	2006 £000	2005 £000
At 1 January	(10,649)	(10,641)
Profit/(loss) for the financial year	17	(8)
Cancellation of called up share capital	700	-
Cancellation of share premium	4,000	-
At 31 December	(5,932)	(10,649)

Refuge Investments Limited

Notes to the financial statements for the year ended 31 December 2006 (continued)

7 Shareholders' reserves (continued)

(ii) Reconciliation of movements in shareholders' funds

	Share capital £000	Share premium account £000	Capital reserve £000	Non- distributable reserves £000	Distributable reserves £000	Total £000
At 1 January 2006	700	4,000	6,600	1	(10,650)	651
Retained profit for the financial year	-	-	-	-	17	17
Cancellation of called up share capital and share premium	(700)	(4,000)	-	-	4,700	-
Repayment of capital reserve	-	-	(600)	-	-	(600)
Transfer from non- distributable reserve	-	-	-	(1)	1	-
Net (reductions in)/additions to shareholders' funds	(700)	(4,000)	(600)	(1)	4,718	(583)
At 31 December 2006	-	-	6,000	-	(5,932)	68

The capital contribution of £600,000 was originally made to enable the company to meet its solvency requirement as an insurance company. The company has cancelled its regulatory permissions and consequently the capital is no longer required and has been repaid during the year.

8 Parent undertaking

RL Schedule 2c Holdings Limited, a company registered in England and Wales is the immediate parent undertaking. The Royal London Mutual Insurance Society Limited, a company registered in England and Wales, is the ultimate parent undertaking.

Copies of the financial statements of The Royal London Mutual Insurance Society Limited and RL Schedule 2c Holdings Limited are available from the company's registered office.