

3189639

RO INVESTMENTS LIMITED
(formerly Nelson Investments Limited)

Report and Accounts

31 March 2005



RO INVESTMENTS LIMITED

Registered No: 3189639

DIRECTORS

R G StJ Rowlandson FCA
S M Younghusband FCA
R A Hambidge BA MRICS

SECRETARY

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

AUDITORS

Finley & Partners
Chartered Accountants
Tubs Hill House
London Road
Sevenoaks
Kent
TN13 1BL

REGISTERED OFFICE

Graham House
7 Wyllyotts 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 period ended 31 March 2005.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of a holding company of a property investment group. The results for the period and the financial position are set out on pages 6 to 14 and are considered by the directors to be satisfactory.

DIVIDENDS

The directors recommend the payment of a dividend of £195,313 (2004:£202,715).

DIRECTORS

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

Richard Graham St John Rowlandson (appointed 16 March 2005)

Roger Alan Hambidge (appointed 16 March 2005)

Susan Margaret Younghusband (appointed 16 March 2005)

N P Budd (resigned 16 March 2005)

T W Budd (resigned 16 March 2005)


R J Locker (resigned 16 March 2005)

C L Walker-Robson (resigned 16 March 2005)

AUDITORS

A resolution to re-appoint Finley & Partners as auditors to the company 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: 17 January 2006.

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

For the period ended 31 March 2005

Company law requires the directors to prepare accounts for each financial period 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 RO INVESTMENTS LIMITED

We have audited the company's accounts for the period ended 31 March 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. 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 directors 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 as at 31 March 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Firley & Partners

Registered Auditor

17 JANUARY 2006

RO INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 31 March 2005

	<i>Notes</i>	<i>2005</i> £	<i>Period to</i> <i>7 April 2004</i> £
TURNOVER	2	2,495,791	2,529,107
Administration expenses		(837,449)	(1,066,189)
OPERATING PROFIT		1,658,342	1,462,918
Finance charges (net)	4	(1,832,367)	(1,484,974)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(174,025)	(22,056)
Tax on loss on ordinary activities	6	761,010	722,508
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		586,985	700,452
Dividend payable		(195,313)	(202,715)
RETAINED PROFIT FOR THE PERIOD		391,672	497,737

All results arose from continuing operations.

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

RO INVESTMENTS LIMITED

BALANCE SHEET

At 31 March 2005

	Notes	2005 £	7 April 2004 £
FIXED ASSETS			
Investment in subsidiaries	7	6,604,000	6,604,000
CURRENT ASSETS			
Cash at bank		114,420	572,618
Debtors	8	42,618,807	38,817,000
CREDITORS: Amounts falling due within one year	9	(10,755,407)	(8,345,880)
NET CURRENT LIABILITIES		31,977,820	31,043,738
TOTAL ASSETS LESS CURRENT LIABILITIES		38,581,820	37,647,738
CREDITORS: Amounts falling due after more than one year			
Mortgage loan		(30,759,078)	(30,216,668)
Amount due to parent company		(329,333)	(329,333)
NET ASSETS		7,493,409	7,101,737
CAPITAL AND RESERVES			
Called up share capital	10	3,612,600	3,612,600
Share premium account		2,991,400	2,991,400
Profit and loss account	12	889,409	497,737
EQUITY SHAREHOLDERS' FUNDS	11	7,493,409	7,101,737

Approved by the Board on 17 January 2006.

Director

NOTES TO THE ACCOUNTS

At 31 March 2005

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention, 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.

Consolidation

The company and its subsidiaries comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover, stated net of VAT and trade discounts, represents dividends and management fees receivable in the UK.

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.

RO INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

At 31 March 2005

2. TURNOVER

	2005 £	Period to 7 April 2004 £
Dividends received	2,417,000	2,430,000
Management fees	78,791	99,107
	<u>2,495,791</u>	<u>2,529,107</u>

3. STAFF COSTS

The average monthly number of employees (including directors) was:

	2005 Number	Period to 7 April 2004 Number
Directors	<u>3</u>	<u>4</u>

The directors received no remuneration for their services as directors of the company (2004: £Nil).

4. FINANCE CHARGES (NET)

	2005 £	Period to 7 April 2004 £
<i>Interest receivable</i>		
Interest receivable	(16,744)	(31,200)
<i>Interest payable</i>		
Interest payable	1,849,111	1,516,174
	<u>1,832,367</u>	<u>1,484,974</u>

NOTES TO THE ACCOUNTS

At 31 March 2005

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2005 £	Period to 7 April 2004 £
Auditors remuneration for audit services	8,500	3,000

6. TAXATION

(a) Analysis of tax credit in the period

	2005 £	Period to 7 April 2004 £
<i>Current tax</i>		
UK Corporation tax recoverable	764,159	722,508
Prior year adjustment	(3,149)	-
TAX ON LOSSES ON ORDINARY ACTIVITIES	761,010	722,508

(b) Factors affecting the tax credit for the period

	2005 £	Period to 7 April 2004 £
Loss on ordinary activities before tax at a United Kingdom standard rate of 30% (2004: 30%)	52,208	6,617
Non-taxable group income	725,000	729,000
Disallowable expenses	(13,049)	(13,109)
Prior year adjustment	(3,149)	-
Current tax credit for the period (note 6(a))	761,010	722,508

RO INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

At 31 March 2005

7. TANGIBLE FIXED ASSETS

Investments

31 March 2005
and 7 April 2004
£

Shares in subsidiary undertaking at cost

6,604,000

The company holds, either directly or indirectly, 100% of the issued share capital of the following subsidiary undertakings, all incorporated in England and Wales. Each subsidiary's principal activity is that of property investment and audited accounts have been prepared to 31 March 2005.

	Capital & reserves at 31 March 2005	Profit for period ended 31 March 2005
RO Projects Limited (formerly Nelson Projects Limited)	2	-
RO Land Investments Limited (formerly Nelson Land Investments Limited)	3,198,714	18,366
RO Property Holdings Limited (formerly Nelson Property Holdings Limited) and Subsidiaries	505,220	-
RO Estates Limited (formerly Nelson Estates Limited)	4,552,270	6,454
RO Aldridge Limited (formerly Nelson Aldridge Limited)	745,762	7,164
RO Brighton Limited (formerly Nelson Brighton Limited)	1,486,728	9,966
RO Glasgow Limited (formerly Nelson Glasgow Limited)	948,387	27,115
RO Market Harborough Limited (formerly Nelson Market Harborough Limited)	1,048,770	4,301
RO Maple Grove Limited (formerly Nelson Maple Grove Limited)	451,845	293
RO Slough Limited (formerly Nelson Slough Limited)	105,448	65,388

8. DEBTORS

	2005 £	7 April 2004 £
Amounts due from group undertakings	39,197,696	35,151,022
Dividends receivable	2,417,000	2,430,000
Taxation recoverable	805,872	722,508
Other debtors	198,239	513,470
	<u>42,618,807</u>	<u>38,817,000</u>

RO INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

At 31 March 2005

9. CREDITORS

Amounts falling due within one year

	2005 £	7 April 2004 £
Bank overdraft	-	1,585,926
Mortgage loan	433,000	383,333
Amounts due to group undertakings	675,027	1,163,512
Other creditors	9,059,290	4,787,820
Accruals	469,570	425,289
Dividends payable	118,520	-
	<u>10,755,407</u>	<u>8,345,880</u>

10. CALLED UP SHARE CAPITAL

	2005 £	7 April 2004 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
29,999,000 Redeemable Preference shares of £1 each	29,999,000	29,999,000
	<u>30,000,000</u>	<u>30,000,000</u>
Allotted, issued and fully paid		
600 Ordinary shares of £1 each	600	600
3,612,000 Redeemable Preference shares of £1 each	3,612,000	3,612,000
	<u>3,612,600</u>	<u>3,612,600</u>

RO INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

At 31 March 2005

11. STATEMENT OF RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<i>Period to 31 March 2005 £</i>	<i>Period to 7 April 2004 £</i>
Profit for the period	586,985	700,452
Dividends paid	(195,313)	(202,715)
Opening shareholders funds	7,101,737	6,604,000
Closing shareholders' funds	<u>7,493,409</u>	<u>7,101,737</u>

12. PROFIT AND LOSS ACCOUNT

	<i>Period to 31 March 2005 £</i>	<i>Period to 7 April 2004 £</i>
At 8 April	497,737	-
Profit for the period	391,672	497,737
At 31 March	<u>889,409</u>	<u>497,737</u>

13. INFORMATION REGARDING THE DIRECTORS SHARE INTERESTS

The interests of the directors in the shareholdings of the group are disclosed in the parent company accounts.

14. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is RO Securities Limited, a company incorporated in England and Wales, and its ultimate parent company is RO Properties Limited, a company incorporated in England and Wales.

RO Properties Limited is the parent company of the largest and smallest group of which the company is a member for which consolidated accounts are prepared.

15. CAPITAL COMMITMENTS

	<i>2005 £</i>	<i>7 April 2004 £</i>
Contracted for but not provided	<u>Nil</u>	<u>Nil</u>

NOTES TO THE ACCOUNTS
At 31 March 2005

16. 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 2005 or that requires disclosure.